

Summary Notes
RJC Standards Committee Meeting
24 May 2017

Participants: Co-Chairs: Claus Teilmann Petersen (chairing), Ainsley Butler
Assheton Stewart Carter, Cecilia Gardner, Charles Chaussepied, Didier Backaert, Estelle Levin-Nally,
Hany Besada, Jennifer Hillard, Marco Quadri, Michaël Geelhand de Merxem, Michele Brulhart
Banyiyezako, Purvi Shah, Stephane Fischler, Tim Carter
RJC Management Team: Anne-Marie Fleury, Bethan Herbert, Peter Dawkins

Apologies: Alan Martin, Boukje Theeuwes, Claire Piroddi, Eleonora Rizzuto, Felix Hruschka, Hiren
Vepari, Inga Van Nuffle, Jon Hobbs, Katrien De Corte, Tehmasp Printer, Tuesday Reitano

Materials circulated prior to meeting: Notes from committee meeting 8-9 Feb 2017, and meeting
slides for committee meeting 24 May 2017

1. Opening remarks

Committee Members were welcomed to the meeting by the chair and participants reminded of the RJC anti-trust statement. The notes from the previous meeting which was a face to face meeting in London (8-9 February) were discussed and approved by Ainsley and seconded by Cecilia, subject to a minor amendment being made to correct the link to the www.jvclegal.org website. RJC provided an update on actions from the last meeting, noting that all were complete apart from one. The pending action is for committee members to send to the co-chairs questions for the ExCo on RJC's strategy and outreach in the context of the current standards revision process.

Action: Committee members were reminded to submit their questions to the co-chairs in advance of the next ExCo committee scheduled for the 20 June (by June 9 at the latest).

2. New committee members

The co-chair welcomed the new members of the committee:

- Prof Hany Besada, representing the Diamond Development Initiative in their permanent seat on the committee
- Peter Nestor, a human rights expert working for BSR

Other changes in the committee noted were:

- Boukje Theeuwes from Solidaridad, temporarily standing in for Jennifer Horning who is on a leave of absence until July
- Ainsley Butler will participate in the committee as a development and capacity building expert and keep the role of co-chair for a temporary period to facilitate the standards review.

3. COP review

RJC presented an overview of the schedule for completing the review of both the Chain of Custody (CoC) standard and the Code of Practices (COP), which are scheduled to be finalised in Q3 2017 and Q3 2018 respectively.

An overview of the consultation schedule and key topics for consideration the COP review was provided. Initial consultations in Mumbai and Surat, New York and Paris since March 2017 were outlined. A further consultation is planned for 14 June 2017 in Antwerp.

Committee members sought clarification on the review timeline, specifically on the coverage of coloured stones and silver. The Management Team confirmed that both are incorporated into the

timeline for updating the COP standard, with a view to launching the updated version with these materials in scope. Further information was provided on work carried out by the Dragonfly Initiative to assess how coloured stones can be covered in the COP. This work is being shared with RJC, and will include the results from 4 field trials. It was noted that work on silver had not yet begun, however the inclusion of silver is expected to result in fewer changes to the COP.

Action: Management Team to prepare a 1 page summary for committee members on work done so far for coloured stones.

The Management Team responded to other questions put forward by the committee, confirming that its update of existing recognised certifications will include ISO 14001 and OHSAS 18001. There was also a discussion on the remit of the diamond working group convened by the RJC board to discuss how the provenance claims section of the COP can be strengthened with regards to responsible sourcing of diamonds and detection of undisclosed synthetic diamonds.

The Management Team noted that the focus of the next committee call will be on the public summary for COP.

4. CoC review

The Management Team provided an overview of the work completed to date, including the public summary which was live between August and October 2015 and review of changes at the last committee meeting in February 2017.

A summary of the major changes proposed to the CoC, and the feedback from the public consultation (which ended in April 2017) was provided. Committee members debated the comments received on the definition of “conflict” in the context of sourcing materials and the level to which RJC should align its definition of “conflict” with the OECD in its due diligence guidance. A couple of committee members highlighted an EU project currently underway to define conflict and recommended that the outcomes of this work be considered in the review process. Another recommendation came from the committee for RJC to engage with stakeholders local to conflict affected areas to ensure their views are considered. The co-chair concluded that much work remains on the definition of conflict.

On the issue of widening the criteria for determining the eligibility of material as CoC recycled material, two members of the committee advised that it is imperative that the RJC increases the volume of eligible CoC material and that the proposals put forward to accept gold from bullion banks, recovered content, and mines was imperative to the survival of the standard. This is contrary to some of the feedback received.

Given the continued divergent views on the following issues, the Management Team proposed convening webinars to consult further on revised changes, targeting RJC members and key stakeholders:

- 1) definition of conflict
- 2) eligible recycled material from bullion banks
- 3) eligible recycled material that is “recovered content” (eg, e-waste)
- 4) eligible mined material from mines that are independently validated to conform, in all material aspects, with the RJC COP (eg TSM and ICMM)

The committee agreed to the Management Team’s proposal to host an additional round of public consultation on the changes to the CoC, citing transparency and credibility as the key reasons for this. The resulting change to the timeline is anticipated to be a few months, with completion of the CoC review anticipated to be before the end of 2017. It was emphasised that this should not overly compromise the timeline of the COP review.

5. Next meetings and AOB

RJC reminded committee members of the upcoming schedule of committee meetings, noting that the date for the meeting in July/August is still to be decided. Committee members discussed the feasibility of having an additional in person meeting in October 2017 to facilitate the conclusion of the CoC standard update. The pros and cons of additional in person meeting were weighed up, noting the time and financial impact on committee members attending the meeting versus the increased productivity compared with a conference call.

Action: The Management Team to poll committee members to determine availability and feasibility to attend another in person meeting in September/ October and seek ExCo approval.