



RESPONSIBLE
JEWELLERY
COUNCIL

Due Diligence Auditor Toolkit

For sourcing from conflict-
affected and high-risk areas

AUGUST 2020



CODE
OF
PRACTICES

Introduction

This toolkit has been developed to assist RJC accredited auditors to carry out conformance assessments against the due diligence requirements (provision #7) of the 2019 Code of Practices (COP) Standard, which is aligned with the recommendations of the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) (OECD Due Diligence Guidance). The toolkit has been designed specifically for assessing the conformance of RJC member companies operating in the **diamond and coloured gemstone supply chain** and includes the following features:

1. Example conformance and non-conformance statements for each separate requirement of the OECD Due Diligence Guidance 5 Step framework.
2. A drop-down conformance rating checkbox for each requirement and for each main OECD step, enabling auditors to record and track member conformance as they work through the audit.
3. A checklist of the types of evidence auditors should look for when reviewing compliance against each separate requirement (this is not an exhaustive list).

Other supporting documentation

Auditors are strongly advised to review the following materials before using this toolkit:

1. The RJC [2019 COP Guidance document](#)
2. The RJC [member due diligence online training](#).
3. The RJC [auditor due diligence online training](#).
4. The RJC [member due diligence toolkit](#)

Instructions

Conformance statements: the statements included in the toolkit offer examples of conformance / non-conformance as a guide for auditors. The list is not exhaustive but should offer you a useful reference point as you work through the audit.

Requirement type and conformance rating: Where the 'Type' is listed as a 'minimum requirement' then the member needs to demonstrate at least a minimum level of compliance to meet the requirement (i.e. minor non-conformance). Where the 'Type' is listed as 'continuous improvement' there is more flexibility and, in these cases, you will notice that the conformance rating options are limited to 'conformant' or 'minor' (no major non-conformance ratings recommended for these requirements). Where the minor non-conformance statement displays 'N/A', then only a rating of 'conformant' or 'major' is possible due to the nature of the requirement (e.g. the member either has a policy or it doesn't).

Overall rating: Each main step of the OECD Due Diligence Guidance shown below also has an overall rating drop down box. Apply your overall rating here based on your assessment of the members' conformance with each individual requirement of that step.

COP 7. Due diligence for responsible sourcing from conflict-affected and high-risk areas

7.1: Members in the gold, silver, PGM, diamonds and coloured gemstones supply chain shall exercise due diligence over their supply chains in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the 'OECD Guidance') or other auditable due diligence frameworks recognised by the RJC to be aligned with the OECD Guidance ('RJC-recognised due diligence frameworks'), in ways appropriate to their size and circumstances.

In addition:

- a. Members in the gold value chain shall implement the OECD Guidance Supplement on Gold as applicable to their operations and supply chains.
- b. Members in the diamond supply chain shall implement the OECD Guidance while complying with COP 29 (Kimberley Process Certification Scheme and World Diamond Council System of Warranties).

7.2: Members shall adopt and communicate publicly and to their suppliers a supply chain policy with respect to sourcing from conflict-affected and high-risk areas. The policy shall be consistent at a minimum with Annex II of the OECD Guidance or with other RJC-recognised due diligence frameworks.

Member compliance

All Members

Every member of the RJC must be compliant with COP 7 regardless of their size or forum. The only variations to this are whether a member processes gold, they must implement the OECD supplement on gold, and if a member processes diamonds, they must also comply with COP provision 29. If a member deals in both gold and diamonds they must conduct all of the necessary requirements.

The RJC is implementing a phased compliance for diamond/coloured gemstone members on some steps of the OECD Due Diligence, further information can be found in this toolkit. Ensure that the member has conducted the minimum necessary steps and audit them against these.

Service industry

If a member is not involved in the buying / selling of any of the applicable materials, then whilst they cannot conduct due-diligence on their supply chains, they must ensure that their customers / clients have done so as well as ensuring that their customers and themselves are not contributing to any serious human rights abuses as listed in Annex II. A service industry member must ensure that their customer has a system in place to conduct due-diligence in alignment with OECD due-diligence. In a similar way that a member must ensure that their gold has been sourced from a refiner that is OECD due-diligence compliant a service industry must ensure that the materials that they are processing have been subject to OECD due-diligence.

Recycled / Grandfathered / reset stones and minerals

The amount of supply chain information on the origin of recycled / grandfathered / reset stones and minerals in some instances will be limited. Members should conduct as much due-diligence as possible and then assess the level of risk with the amount of information available and demonstrate good faith efforts to follow up with suppliers / customers if information is not forthcoming. If the member has conducted the necessary follow up actions with suppliers / customers on these types of materials and they still do not have the necessary information to conduct a thorough risk assessment, a member must decide on whether this supplier or type of material is high risk enough to be consider amending their supply chain accordingly.

Glossary

Conflict-affected and high-risk areas (CAHRAs) are areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. Armed conflict may take a variety of forms, such as conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation or insurgencies, civil wars, etc. High-risk areas are often characterised as areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law. A CAHRA can be a region, a country, an area within a country or an area that crosses one or more national boundaries. Operations are not necessarily complicit in conflict if they are located in a CAHRA. A high-risk activity is associated with extracting, trading, handling and exporting minerals and gemstones from conflict-affected and high-risk areas. It is possible to source from a CAHRA pending appropriate due diligence is implemented.

Conflict diamonds are rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments, as described by the UN Security Council (UNSC) and as recognised by the UN General Assembly (through resolution A/RES/55/56).

Control points (also known as 'choke points') are stages in the supply chain with generally higher visibility and control over upstream stages. Where identified, they become a key focus area for the collection and sharing of information on the circumstances of upstream production and trade.

Downstream diamond/coloured gemstone companies include jewellery manufacturers and retailers.

Midstream diamond/coloured gemstone companies include international rough stone traders, cutters and polishers, bourses and exchanges, and polished stone traders.

The **origin** of minerals is the mine, country, region or company where material was extracted.

A **red flag** is a warning or an indicator of a potential risk or problem (threat). In the context of due diligence a red flag can be a location, supplier, or circumstance that triggers a need for enhanced due diligence (i.e. further investigation). When a red flag is identified, it is necessary to do further investigation on the matter.

Risk is the potential for adverse impacts which result from a company's own activities or its relationships with third parties, including suppliers and other entities in the supply chain. In the context of due diligence high risk relates to the potential for:

1. Serious abuses associated with the extraction, transport or trade (including: any forms of torture, cruel, inhuman or degrading treatment; any forms of forced or compulsory labour; the worst forms of child labour; other gross human rights violations and abuses such as widespread sexual violence; and war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide)
2. Direct or indirect support to non-state armed groups
3. Direct or indirect support to public or private security forces, engaged in illegal mining and/or profiteering from it
4. Bribery and fraudulent misrepresentation of the origin of minerals⁵. Money laundering and non-payment of taxes and royalties due to governments

Reasonable is to be objectively determined by members and auditors. Reasonable is contextually defined by having regard to the nature and purpose of what is being done, to the circumstances of what has been done and to any relevant restrictions and constraints.

Risk-based due diligence is a level of supply chain scrutiny that is commensurate with the identification of real or potential risks.

The **source** of material can be mined, recycled, or grandfathered (material/ products in stock which was produced prior to the introduction of this provision). The source of extracted material is:

- For diamonds/coloured gemstones: the furthest upstream point in the known supply chain. (i.e. the mine of origin/ place of extraction and producing company if possible, otherwise the further upstream entity (e.g. rough stone trader)

Upstream diamond/coloured gemstone companies includes miners/ producers, domestic collectors and traders, rough stone exporters and importers.

Step 1					
Establish Strong Company Management Systems					
Overall rating: Choose an item.					
A. Supply chain policy					
Company type: All					
Risk level: Low and high risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has a written supply chain policy	Minimum requirement	N/A	The member does not have a written supply chain policy.	Choose an item.	<input type="checkbox"/> A written policy that can either be standalone or as part of a broader policy.
AUDITOR COMMENT TO POINT i:					
ii. The policy is aligned with Annex II of the OECD Due Diligence Guidance	Minimum requirement	The policy makes reference to sourcing from CAHRAs and or addresses some of the relevant risks outlined in Annex II of the OECD Guidance, but it is not fully aligned.	The policy makes no reference to sourcing from CAHRAs or the associated risks as defined in Annex II of the OECD Guidance.	Choose an item.	<input type="checkbox"/> Review policy content against Annex II of OECD Due Diligence Guidance.
AUDITOR COMMENTS TO POINT ii:					
iii. The policy has been communicated internally to all relevant staff	Continuous improvement	The member has not yet communicated the policy to relevant staff internally, or it has only been communicated internally in a limited way.	N/A	Choose an item.	<input type="checkbox"/> Internal memos. <input type="checkbox"/> Meeting minutes. <input type="checkbox"/> Training records. <input type="checkbox"/> Other applicable records.
AUDITOR COMMENTS TO POINT iii:					

iv. The policy has been communicated to relevant suppliers	Continuous improvement	The member has not yet communicated the policy to relevant suppliers or has communicated it to a limited number of suppliers.	N/A	Choose an item.	<input type="checkbox"/> Correspondence records. <input type="checkbox"/> Contracts and agreements. <input type="checkbox"/> Meeting minutes.
GUIDANCE FOR POINT IV: if a member has only communicated with a limited number of suppliers, but these represent a significant majority of the members supply chain, e.g. the member does 80%+ of their trading with only 3 suppliers this can also be considered as demonstrating compliance.					
AUDITOR COMMENTS TO POINT iv:					
v. The policy is publicly available	Minimum requirement	N/A	The policy is not publicly available, either via the member website or by other means.	Choose an item.	<input type="checkbox"/> Policy is on member website. <input type="checkbox"/> Evidence that the policy is available on request.
AUDITOR COMMENTS TO POINT v:					

B. Structure management systems that support due diligence					
Company type: All					
Risk level: Low and high risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has assigned a suitably qualified senior staff member to lead its due diligence programme.	Minimum requirement	A staff member has been assigned responsibility for overseeing the implementation of the members' due diligence programme, but the individual lacks relevant seniority, competence, and experience for this task.	A staff member has not been assigned responsibility for overseeing the implementation of the members' due diligence programme.	Choose an item.	<input type="checkbox"/> List of qualifications and experience of assigned staff member. <input type="checkbox"/> Interview with assigned staff member. <input type="checkbox"/> Job description for assigned staff member

					(which should include reference to this role). <input type="checkbox"/> Org chart and reporting line
GUIDANCE FOR POINT I: If a member is a sole individual or only a very small number of staff, and no suitable alternatives can be assigned, then the responsibility for leading the due-diligence will need to be assigned to a senior member of staff who would be considered responsible for the members due diligence activities.					
AUDITOR COMMENTS TO POINT i:					
ii. The member has allocated sufficient resources (staff, budget etc.) to support its due diligence activities	Continuous improvement	The member has not allocated sufficient resources to support its due diligence activities.	N/A	Choose an item.	<input type="checkbox"/> Interviews with senior management. <input type="checkbox"/> Budgets and planning documents stating which resources have been diverted or have been created to support the due diligence programme.
GUIDANCE FOR POINT II: An auditor will have to use their judgement on whether a member has allocated enough staff, budget, or resources to support its due diligence activities. This can be corroborated by interviews with staff and evidence that the due diligence programme is not robust enough for their required due diligence activities.					
AUDITOR COMMENTS TO POINT ii:					
iii. The member has established a due diligence training programme for applicable staff	Continuous improvement	The member has established a due diligence training programme but it is not sufficiently implemented to applicable staff.	The member has not established a due diligence training programme for applicable staff	Choose an item.	<input type="checkbox"/> Training materials. <input type="checkbox"/> Records of training conducted. <input type="checkbox"/> Records of results and action items from training.
AUDITOR COMMENTS TO POINT iii:					

C. Establish a system of controls and transparency over the mineral supply chain

Company type: All
Risk level: Low and high risk

Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has implemented robust systems to gather and record due diligence information on its suppliers of diamonds/coloured gemstones.	Minimum requirement	The member has implemented systems to gather and record due diligence information on its suppliers but there are some inconsistencies and/or weaknesses in how this system has been applied. <i>Example: The member does not have a robust system in place to verify and validate the information gathered from suppliers.</i>	The member has not implemented a system to gather and record due diligence information on its suppliers or there are significant inconsistencies and/or weaknesses in how this system has been applied.	Choose an item.	<input type="checkbox"/> Information on supplier business structures. <input type="checkbox"/> KYC information (See CoP 12 / CoC 2). <input type="checkbox"/> Supply chain information.
AUDITOR COMMENTS FOR POINT i:					
ii. The member has gathered and recorded information on the types and physical characteristics of diamonds/coloured gemstones received.	Minimum requirement	The member has demonstrated that it is gathering and recording information on the types and physical characteristics of diamonds/coloured gemstones received but, in some cases, information is inconsistently recorded or missing.	The member is not consistently recording information on the types and physical characteristics of diamonds/coloured gemstones received and/or there is insufficient evidence available to verify the members' records.	Choose an item.	<input type="checkbox"/> Invoices and sales documentation. <input type="checkbox"/> Other inventory documentation. <input type="checkbox"/> Gemmological laboratory reports <input type="checkbox"/> Transport/shipping documentation.
GUIDANCE FOR POINT II: This applies to all received stones, regardless of size and in finished products. If the requested information is not available, then the member should start working with suppliers so that the necessary information is provided. Ultimately a member's risk assessment should be conducted on whether the information provided is sufficient to conduct the necessary due diligence. If not, the member should enact mitigations with suppliers to correct this.					
AUDITOR COMMENTS TO POINT ii:					

Company type: Upstream and tier 1 midstream companies

Risk level: Low and high risk

Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
<p>i. The member has made reasonable and good faith efforts to identify the origin¹, method of extraction and transport routes (mine to export) of mined rough diamonds/coloured gemstones. There is a clear plan and timeline in place for gathering any missing information going forward.</p>	<p>Minimum requirement</p>	<p>The member has made some efforts to identify the origin, method of extraction and transport routes (mine to export) of diamonds/coloured gemstones, however there are some weaknesses in the approach and/or the member has relied on weak evidence. <i>Example: The member is over reliant on verbal or written assurances from immediate suppliers about the origin of diamonds/coloured gemstones. There is limited other evidence available to verify the claims of suppliers.</i></p>	<p>The member has not made reasonable and good faith efforts to identify the origin, method of extraction and transport routes (mine to export) of diamonds/coloured gemstones. There is no plan in place for how the member will gather this information going forward.</p>	<p>Choose an item.</p>	<p><input type="checkbox"/> Mining licences. <input type="checkbox"/> Transport documentation. <input type="checkbox"/> Evidence of participation in relevant responsible sourcing initiatives. <input type="checkbox"/> Export and country of origin certificates. <input type="checkbox"/> Contracts and other documentation showing origin information. <input type="checkbox"/> Gemmological laboratory reports (if they provide information on source). <input type="checkbox"/> Traceability reports.</p>
<p>AUDITOR COMMENTS TO POINT i:</p>					

¹ The origin of mined material is the mine, company, region or geographical location where the mine is located, whether an artisanal and small-scale mine or a medium or large-scale one.

Company type: Tier 2 midstream and downstream companies Risk level: Low and high risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has identified all <u>immediate</u> suppliers of rough and polished diamonds/coloured gemstones.	Minimum requirement	N/A	The member does not know the identity of all <u>immediate</u> suppliers of diamonds/coloured gemstones.	Choose an item.	<input type="checkbox"/> KYC information (See CoP 12 / CoC 2). <input type="checkbox"/> Supply chain information
AUDITOR COMMENTS TO POINT i:					
ii. The member has made reasonable and good faith efforts to identify the sources ² of <u>mined</u> rough and polished diamonds/coloured gemstones.	Minimum requirement	The member has made some efforts to identify the sources of diamonds/coloured gemstones, however there are some weaknesses in the approach used and/or the member has relied on weak evidence. <i>Example: The member is over reliant on verbal or written assurances from immediate suppliers about the source of diamonds/coloured gemstones. There is limited other evidence available to verify the claims of suppliers.</i>	The member has not made reasonable and good faith efforts to identify the sources of diamonds/coloured gemstones. There is no plan in place for how the member will gather this information going forward.	Choose an item.	<input type="checkbox"/> Contracts and other documentation showing information on the source. <input type="checkbox"/> Traceability reports. <input type="checkbox"/> Export certificates. <input type="checkbox"/> Transport/shipping documentation. <input type="checkbox"/> Invoices. <input type="checkbox"/> Supplier questionnaires. <input type="checkbox"/> Supply chain information
GUIDANCE FOR POINT ii: Smaller organisations will have limited influence on their supply chain, therefore requested information may not be forthcoming. Member regardless of size should still demonstrate that reasonable, good faith efforts have been conducted and followed up. If a member has repeatedly requested information from suppliers and not received a response, what follow up actions have they planned or taken? i.e. arranged to speak with supplier to explain the reasoning, giving more context for the requested information. Does the member plan to move to another supplier(s) if they repeatedly do not obtain the necessary information and have not had positive response to their further engagements?					
AUDITOR COMMENTS TO POINT ii:					

² For Tier 2 midstream and downstream companies, the source will be the rough exporter (first export from country of mining origin), or Tier 1 midstream company suppliers if possible, and if not, the furthest known point in the upstream supply chain.

iii.	The member has been able to reasonably conclude that the diamonds/coloured gemstones received are recycled ³ .	Minimum requirement	N/A	The member has not been able to provide sufficient evidence to conclude that the diamonds/coloured gemstones received are recycled.	Choose an item.	<input type="checkbox"/> Invoices and sales documentation identifying the point at which the diamond/coloured gemstones are returned into the jewellery supply chain.
AUDITOR COMMENTS TO POINT iii:						
iv.	The member has been able to reasonably conclude that the diamonds/coloured gemstones received are grandfathered ⁴ .	Minimum requirement	N/A	The member has not been able to provide sufficient evidence to conclude that the diamonds/coloured gemstones received are grandfathered.	Choose an item.	<input type="checkbox"/> Invoices and sales documentation to verify that existing stocks of diamonds/coloured gemstones were purchased before the effective date of the 2019 COP.
AUDITOR COMMENTS TO POINT iv:						
v.	The member has made reasonable and good faith efforts to gather evidence of due diligence carried out by its <u>immediate</u> suppliers of diamonds/coloured gemstones. There is a clear plan and timeline in place for gathering any missing	Minimum requirement	The member has made some efforts to gather evidence of due diligence carried out by its <u>immediate</u> suppliers, however there are some weaknesses in the approach used and/or the types of evidence gathered from immediate suppliers. <i>Example: There is evidence that the member has asked immediate suppliers about their due diligence efforts, however responses gathered from suppliers are vague and there is little evidence that the member has</i>	The member has not made reasonable and good faith efforts to gather evidence of due diligence carried out by its <u>immediate</u> suppliers. There is no plan in place for how the member will gather this information going forward.	Choose an item.	<input type="checkbox"/> Copies of supplier supply chain policies. <input type="checkbox"/> Supplier risk assessment documentation. <input type="checkbox"/> Evidence of supplier participation in relevant industry programmes and initiatives.

³ Recycled diamonds/coloured gemstones are stones that had a prior use and have since re-entered the jewellery supply chain.

⁴ Existing stock of diamonds/coloured gemstones purchased before 23 April 2019 (the date that the 2019 COP came into effect).

information going forward.		<i>sought further clarification to validate those claims.</i>			
AUDITOR COMMENTS TO POINT v:					

D. Strong engagement with suppliers					
Company type: All					
Risk level: Low and high risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has demonstrated that it is making reasonable and good faith efforts to develop strong engagement with suppliers.	Continuous improvement	The member has not been able to demonstrate that it is making reasonable and good faith efforts to develop strong relationships with suppliers	N/A	Choose an item.	<input type="checkbox"/> Summary notes of meetings / calls with suppliers. <input type="checkbox"/> Supplier site visit reports. <input type="checkbox"/> Written agreement and plans with suppliers (e.g. documented improvement plans).
AUDITOR COMMENTS TO POINT i:					

E. Establish a complaints or grievance mechanism					
Company type: All					
Risk level: Low and high risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has implemented an effective and robust grievance mechanism.	Minimum requirement	The member has implemented a reasonably effective grievance mechanism, however there are some weaknesses in the members' procedures for reviewing and	The member has not implemented a grievance mechanism.	Choose an item.	<input type="checkbox"/> Evidence of the existence of a grievance mechanism and procedures for implementing it.

		responding to concerns/complaints raised. <i>Example: The written grievance procedure lacks clarity on how grievances will be reviewed.</i>			
AUDITOR COMMENTS TO POINT i:					

Step 2					
Identify and assess risks in the supply chain					
Overall rating: Choose an item.					
A. Identification of Conflict-Affected and High-Risk Areas (CAHRAs)					
Company type: All					
Risk level: Low and high risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has a robust procedure in place to identify CAHRAs in its supply chain of diamonds/coloured gemstones. The procedure clearly defines the criteria and resources used.	Minimum requirement	The member has a procedure in place to identify CAHRAs in its supply chain, however the procedure has some weaknesses and/or is not based on the use of reliable sources of information. <i>Example: The credibility / number of information sources used to identify CAHRAs is not appropriate to the complexity of the supply chain, number of suppliers or whether the supplier is third party certified for its due-diligence procedures.</i>	The member does not have a procedure in place to identify CAHRAs in its supply chain or the procedure has significant weaknesses that make it ineffective.	Choose an item.	<input type="checkbox"/> A documented written procedure for identifying CAHRAs. <input type="checkbox"/> A list of relevant resources the member has used to identify CAHRAs in its supply chain (e.g. published research reports from governments, international organisations, NGOs etc, maps, UN reports, online conflict-assessment tools).
AUDITOR COMMENT TO POINT i:					

Company type: Upstream and tier 1 midstream companies Risk level: Low and high risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. There is evidence that the member has looked at all of the countries, regions and areas that it operates in/sources from to determine if they are CAHRAs.	Minimum requirement	There is evidence that the member has looked at the countries, regions and areas it operates in/sources from but its procedure for identifying CAHRAs has not always been implemented in a consistent way.	There is no evidence that the member has implemented a procedure for identifying CAHRAs or it has been implemented in a very inconsistent way.	Choose an item.	<input type="checkbox"/> The results and findings of risk assessments carried out by the member.
AUDITOR COMMENT TO POINT i:					
Company type: Tier 2 midstream and downstream companies Risk level: Low and high risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has made reasonable and good faith efforts to gather evidence that its <u>immediate</u> suppliers have carried out due diligence based on an approach that is aligned with the OECD Due Diligence Guidance. There is a clear plan and timeline in place for gathering any missing information going forward.	Minimum requirement	The member has made some efforts to gather evidence that its immediate suppliers have carried out due diligence but these efforts have not always been implemented consistently and/or the types of evidence gathered from immediate suppliers is, in some cases, not based on an approach that is aligned with the OECD Due Diligence Guidance.	The member has not made reasonable and good faith efforts to gather evidence that its immediate suppliers have carried out any due diligence. There is no plan in place for gathering this information over time.	Choose an item.	<input type="checkbox"/> Suppliers supply chain policy. <input type="checkbox"/> Risk assessment documentation from suppliers. <input type="checkbox"/> Evidence of supplier participation in relevant industry programmes or initiatives. <input type="checkbox"/> Results of audits carried out of suppliers' due diligence systems.
GUIDANCE FOR POINT i: If a supplier is participating in a relevant industry programme or initiative, this cannot be used as blanket evidence of compliance with COP 7, this includes a current COP certification. The member must follow all applicable steps and gather the necessary evidence to comply with the provision's requirements.					

AUDITOR COMMENTS TO POINT i:

B. Risk review and assessment

Company type: All
Risk level: Low and high risk

Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has reviewed the results of its risk assessment and has made reasonable and good faith efforts to determine whether it is sourcing from any high-risk areas (CAHRAs). There is a clear plan and timeline in place for completing any outstanding reviews.	Minimum requirement	The member has made some efforts to review the results of its risk assessment, however there are some gaps or inconsistencies in the analysis of results and/or the conclusions reached are not always supported by sufficient evidence.	The member has not made reasonable and good faith efforts to review the results of its risk assessment and there is no plan in place for how the member will achieve this going forward.	Choose an item.	<input type="checkbox"/> Results of member risk review and analysis. <input type="checkbox"/> Interviews with senior staff.

AUDITOR COMMENTS TO POINT i:

Company type: Upstream and tier 1 midstream companies Risk level: High risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has made reasonable and good faith efforts to identify all suppliers and relevant service providers⁵ operating in its upstream high-risk supply chains from the origin of diamonds/coloured gemstones. There is a clear plan and timeline in place for gathering any missing information going forward.	Minimum requirement	The member has made some efforts to identify all suppliers and relevant service providers operating in its upstream high-risk supply chains, however there are some weaknesses and inconsistencies in the types and quality of information used by the member to achieve this. <i>Example: The member is over-reliant on verbal information (that is not confirmed in writing) shared by immediate suppliers.</i>	The member has not made reasonable and good faith efforts to identify all upstream suppliers and relevant service providers operating in its high-risk supply chains. There is no plan in place for how this will be addressed going forward.	Choose an item.	<input type="checkbox"/> Traceability reports. <input type="checkbox"/> Transport documentation or logs. <input type="checkbox"/> KYC documentation. <input type="checkbox"/> Site visit reports. <input type="checkbox"/> Correspondence with suppliers. <input type="checkbox"/> Supply chain maps.
AUDITOR COMMENTS TO POINT i:					
ii. The member has made reasonable and good faith efforts to gather information on taxes, fees and other payments made to government and public or private security forces in its upstream high-risk supply chains.	Minimum requirement	The member has made some efforts to gather information on taxes, fees and other payments made to government and public or private security forces in its upstream high-risk supply chains, however much of this information is missing or incomplete.	The member has not made reasonable and good faith efforts to gather information on taxes, fees and other payments made to government and public or private security forces in its upstream high-risk supply chains. There is no plan in place for how this will be addressed going forward.	Choose an item.	<input type="checkbox"/> Payment invoices and records. <input type="checkbox"/> Official documentation from national / local tax authorities. <input type="checkbox"/> Records from suppliers with information on taxes, fees or other payments made.
AUDITOR COMMENTS TO POINT ii:					

⁵ For example: transport companies, security contractors, logistical services etc.

<p>iii. The member has made reasonable and good faith efforts to map the factual circumstances of upstream high-risk supply chains. There is a clear plan and timeline in place for completing this task for all its high-risk upstream supplies.</p>	<p>Minimum requirement</p>	<p>The member has made some efforts to map the factual circumstances of upstream high-risk supply chains, however the mapping approach used by the member has some weaknesses. <i>Example: the member has reviewed a range of informational sources as part of its mapping efforts but has not included any other type of verifiable evidence, such as on the ground assessments (where possible).</i></p>	<p>The member has not made reasonable and good faith efforts to map the factual circumstances of its upstream high-risk supply chains. There is no plan in place for how this will be addressed going forward.</p>	<p>Choose an item.</p>	<p><input type="checkbox"/> Mine site visit reports. <input type="checkbox"/> Other on-the-ground assessment reports. <input type="checkbox"/> Incident monitoring reports. <input type="checkbox"/> Maps. <input type="checkbox"/> Mine production records. <input type="checkbox"/> Traceability reports. <input type="checkbox"/> Reports from NGOs, governments, other organisations that are applicable to the context of the high-risk supply chain.</p>
<p>AUDITORS COMMENTS ON iii:</p>					
<p>iv. The member has made reasonable and good faith efforts to identify the presence of any adverse impacts in its high-risk upstream supply chains (as defined by the OECD Due Diligence Guidance).</p>	<p>Minimum requirement</p>	<p>The member has made some efforts to identify the presence of adverse impacts in its high-risk supply chains but the types of impacts the member has assessed are not fully aligned with those adverse impacts described in the OECD Due Diligence Guidance.</p>	<p>The member has not made reasonable and good faith efforts to identify the presence of adverse impacts in its high-risk supply chains. There is no plan in place for how this will be addressed going forward.</p>	<p>Choose an item.</p>	<p><input type="checkbox"/> Evidence that the assessment has been based on the list of adverse impacts described in Annex II of the OECD Due Diligence Guidance.</p>
<p>AUDITORS COMMENTS ON iv:</p>					

Company type: Tier 2 midstream and downstream companies Risk level: High risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has carried out an in-depth review of the due diligence practices of suppliers at the furthest known point in the upstream supply chain (ideally first exporter of rough diamonds/coloured gemstones from country of origin or Tier 1 midstream suppliers)	Minimum requirement	The member has made some effort to gather information and review the due diligence practices of suppliers at the furthest point in the known upstream supply chain, however these efforts have primarily been restricted to reviewing the due diligence practices of immediate suppliers.	The member has not made reasonable and good faith efforts to review the due diligence practices of suppliers at the furthest known point in the upstream supply chain. There is no plan in place for how this will be addressed going forward.	Choose an item.	<input type="checkbox"/> Risk assessment reports from suppliers further upstream than immediate suppliers. <input type="checkbox"/> Evidence that the member has reviewed the due diligence practices of suppliers further upstream than immediate suppliers.
AUDITORS COMMENTS ON i:					

Step 3 Design and implement a strategy to respond to identified risks rating: Choose an item.					Overall
A. Responding to serious adverse impacts					
Company type: All Risk level: High risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member has taken immediate steps to disengage from any sources of diamonds/coloured gemstones that have	Minimum requirement	N/A	The member has not taken immediate steps to disengage from any sources of diamonds/coloured gemstones that have been linked to, or are suspected of being linked to: a) serious human rights	Choose an item.	<input type="checkbox"/> Documentation, memos, communications or other forms of evidence.

been linked to, or are suspected of being linked to: a) serious human rights abuses b) direct or indirect support to non-state armed groups.			abuses b) direct or indirect support to non-state armed groups.		
AUDITORS COMMENTS ON i:					

A. Developing and implementing a risk mitigation plan					
Company type: Upstream and tier 1 midstream companies					
Risk level: High risk					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. For adverse impacts that do not require immediate disengagement, the member has made reasonable and good faith efforts to develop and implement risk mitigation plan(s) to address the identified impacts. The plans include measurable risk mitigation measures and reasonable timeframes for completion (6 months or less).	Minimum requirement	The member has made some efforts to develop and implement risk mitigation plan(s) to address adverse impacts that do not require immediate disengagement; however, the plans are not consistently based on measurable mitigation measures and/or there is no clear timeframe for completion.	The member has not made reasonable and good faith efforts to develop and implement risk mitigation plan(s) to address risks that do not require immediate disengagement. There is no plan in place for how this will be addressed going forward.	Choose an item.	<input type="checkbox"/> Copies of risk mitigation plans. <input type="checkbox"/> Evidence that the effectiveness of mitigation measures are monitored. <input type="checkbox"/> Evidence that risk mitigation plans are implemented effectively (e.g. by reviewing mitigation performance reports, correspondence with other stakeholders and supply chain actors on the implementation of risk mitigation in the field).
AUDITORS COMMENTS ON i:					

Company type: Tier 2 midstream and downstream companies

Risk level: High risk

Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. For adverse impacts that do not require immediate disengagement, the member has made reasonable and good faith efforts to enhance engagement with suppliers and to strengthen systems of information collection in relation to identified impacts.	Minimum requirement	The member has made some efforts to enhance engagement with suppliers in relation to identified adverse impacts that do not require immediate disengagement, however there are some weaknesses in the planning and coordination of these efforts. <i>Example: It is not always clear if the member has communicated its expectations to relevant suppliers for enhanced information sharing. e.g. Who will conduct required activities, deadlines or ultimate responsibility.</i>	The member has not made reasonable and good faith efforts to enhance engagement with suppliers in relation to identified adverse impacts that do not require immediate disengagement. There is no plan in place for how this will be addressed going forward.	Choose an item.	<input type="checkbox"/> Correspondence with relevant suppliers. <input type="checkbox"/> Meeting minutes. <input type="checkbox"/> Action plans.
AUDITORS COMMENTS ON i:					
ii. The member has made reasonable and good faith efforts to develop and implement risk mitigation plan(s) to address identified adverse impacts, in coordination with relevant suppliers. The plans include measurable risk mitigation measures and reasonable timeframes for completion (6 months or less).	Minimum requirement	The member has made some efforts to develop and implement risk mitigation plan(s) to address adverse impacts that do not require immediate disengagement; however, the plans are not consistently based on measurable mitigation measures and/or there is no clear timeframe for completion.	The member has not made reasonable and good faith efforts to develop and implement risk mitigation plan(s) to address risks that do not require immediate disengagement. There is no plan in place for how this will be addressed going forward.	Choose an item.	<input type="checkbox"/> Copies of risk mitigation plans. <input type="checkbox"/> Evidence that the effectiveness of mitigation measures are being monitored. <input type="checkbox"/> Evidence that risk mitigation plans are implemented effectively (e.g. by reviewing mitigation performance reports, correspondence with suppliers and other supply chain actors on the implementation of risk mitigation in the field).

AUDITORS COMMENTS ON i:

Step 4

Carry out independent third-party audit of supply chain due diligence

Phased Conformance Assessment for RJC members operating in the diamond and coloured gemstone supply chain

Companies operating in the diamond and/or coloured stones value chain will not be required to undergo a full audit against the COP due diligence provision immediately. The RJC will be piloting the Due Diligence Toolkit for three years and during this period audits shall be phased-in as follows for COP certification or re-certification:

All companies must implement this mandatory requirement of the COP. The RJC will be piloting the Due Diligence Toolkit for three years for companies in the diamond and/or coloured gemstones value chain and during this period conformance assessment with the COP shall be phased in. Members scheduled for COP certification or recertification shall:

- **Between 23 April 2019 and 22 April 2020:** have the option to use the 2013 or new version of the COP for auditing.¹¹ If choosing to certify against the new version of the COP, members shall be assessed for conformance with the following elements of Step 1 of the OECD Guidance:
 - having a supply chain policy; and
 - assigning responsibility to someone who will lead the development of relevant management systems.
- **Between 23 April 2020 and 22 April 2021:** be assessed for conformance with the following elements of Step 1, Step 2 and Step 5 of the OECD Guidance:
 - having a supply chain policy and responsible person (as above);
 - preliminary supply chain mapping and scoping efforts (for example, identifying and starting to engage with key suppliers); and publicly reporting progress on due diligence efforts covering all elements covered above.
- **Between 23 April 2021 and 22 April 2022:** the findings of the pilot projects will be used to evaluate the COP, guidance, audit approach and any related RJC tools as necessary. At the conclusion of the review and release of updated RJC documents, members undergoing certification and recertification audits shall be assessed for conformance with Steps 1–5 of the OECD Guidance. The findings of the pilot projects are essential and will support the RJC in evaluating this guidance and supporting tools as necessary.

Step 5 Report on supply chain due diligence Overall rating: Choose an item.					
A. Reporting annually on supply chain due diligence efforts					
Company type: All Risk level: All					
Conformance statement	Type	Minor non-conformance statement	Major non-conformance statement	Rating	Evidence
i. The member reports annually on its supply chain due diligence efforts ⁶	Minimum requirement	N/A	The member has not published an annual report on its supply chain due diligence efforts and there is no evidence of any plans for when the report will be published going forward.	Choose an item.	<input type="checkbox"/> Report published on member website. <input type="checkbox"/> Report published as part of another regular report.
AUDITORS COMMENTS ON i:					
ii. The report content is fully aligned with the COP requirements as outlined in table 7.5 of the RJC 2019 COP guidance document.	Minimum requirement	The members' supply chain due diligence report is partially aligned with the COP requirements as outlined in table 7.5 of the 2019 COP guidance document, but some information is missing or incomplete.	The members' supply chain due diligence report is not sufficiently aligned with the COP requirements as outlined in table 7.5 of the 2019 COP guidance document.	Choose an item.	<input type="checkbox"/> A copy of the members' supply chain due diligence report.
AUDITORS COMMENTS ON ii:					

⁶ If this is the members' first audit against the CoP 7 due diligence standard, auditors should allow for some flexibility in cases where the member has not yet published its first report, but has provided clear justification for this i.e. the member plans to publish the report in parallel with, or as part of, its existing annual reporting schedule e.g. for CSR or financial reports.

Version history:	V1.4
Details of update	V1.1-3 all draft un-released versions.
Release date:	October 2020
Status:	Current
Official language – any inconsistency between versions (and available translations) revert to the official language version:	English (UK)
Feedback & Comments:	consultation@responsiblejewellery.com
Hard copies of this document are available upon request, there will be charges to cover all reasonable costs.	