

Summary Notes

RJC Standards Committee Meeting

24 May 18

Participants: Ainsley Butler, Charles Chaussepied, Jennifer Hillard, Cecilia Gardner, Estelle Levin, Purvi Shah, Michael Geelhand de Merxem, Marco Quadri, Claire Piroddi, Tim Carter, Felix Hruschka, Inga Van Nuffel, Joelle Ponelle, Anouchka Didier, Jennifer Horming

RJC Management Team: Anne-Marie Fleury, Andrew Cooper, Bethan Robson Herbert, Peter Dawkins

Guest Speakers: Jessie Fisher, Beth Holzman (Elevate)

Apologies: Hany Besada, Michele Bruelhart, Didier Backaert, Peter Nestor, Jon Hobbs

Materials circulated prior to meeting: Meeting presentation slides, Stakeholder engagement benchmark study – scope of work document, Elevate final report, minutes from previous meeting.

1. Opening remarks

Co-chair Ainsley Butler welcomed participants to the meeting and reminded them of the RJC anti-trust policy. The agenda was reviewed, and the last meeting's minutes discussed. Follow up actions related to membership and audit scope (also known as the fig leaf issue) were noted, with this topic anticipated to be on the next Exco meeting agenda in early July. The meeting minutes were approved by Claire Piroddi and Jennifer Hillard. Standards Director then warmly welcomed Joelle Ponelle (manufacturer forum) and Anouchka Didier (retailer forum) who have joined the Standards Committee to fill industry casual vacancies.

2. Benchmark Study

Co-chair Ainsley Butler introduced this item by recalling the concern raised by the committee regarding the effectiveness of RJC's stakeholder engagement and governance structures. As reported at the last meeting, Exco has approved a benchmark study to look at how other initiatives are engaging with stakeholders. The scope of work for the study (shared before the call) was outlined; it will run from mid-Aug to Dec 2018 with a final report with options for improving the RJC stakeholder engagement and governance structure over time.

Standards Director provided an overview of how the project will run noting that it will be overseen by the standards committee co-chairs to ensure good communications between the committee, Exco and project development. She invited input on the project design, actions, deliverables and references. Several members expressed overall support for the project, no concerns were shared during the call.

Action: Committee members to provide any written comments to the Benchmark Study no later than 7th June 2018.

3. Recognition of existing certifications – Elevate

The Assurance and Impacts Senior Manager introduced a study carried out by Elevate to review and update the current COP recognition of other standards (SA 8000, ISO 14001 and OHSAS 18001). She noted having already received comments from some committee members.

Guest speakers Jessie Fisher and Beth Holzman from Elevate provided an overview of recommendations. Jessie summarised the findings related to COP provision equivalencies with other standards, drawing attention to the slides in the appendix with details on which COP provisions to continue, discontinue or begin recognising other standards. It was noted that auditors should always pay special attention to the specific requirements of recognised COP provisions to ensure compliance on a case-by-case basis. Jessie also outlined proposed revisions to the COP to bring it into alignment with industry best practice from these other standards.

- **Recommendation 1:** Expand the scope of provisions 13.1, 13.2, 17.1, 17.2, 18.1, 18.2 to cover all employees directly and indirectly employed in an RJC member's certified facility.
- **Recommendation 2:** Additional requirement to provision 17.1 to create more clearly defined protections for young workers currently in school.
- **Recommendation 3:** Revise provision 16.4 to bring RJC's grievance mechanism requirements in alignment with the effectiveness criteria from the UN Guiding Principles on Business & Human Rights.
- **Recommendation 4:** Revise provision 21.7 removing the requirement to have on-site medical facility.

On recommendation 1, there were several questions about on-site contractors and the ability of companies to ensure the application of the COP provisions to them. Some business partners with on-site contractors keep employment information confidential. Beth suggested this can be addressed by incorporating the requirements in the contracted terms with the business partners. One participant commented that some business partners don't use agencies or contracts with their own employees.

Jessie clarified that the 'indirect employees' and business partners to which this proposed change would apply are only those that are permanently on-site at a certified facility, for example security guards. The requirement would not apply to short term agency staff or occasional contractors coming on-site. The Guidance will need to define 'indirect employees' and how a company can verify compliance with the relevant provisions.

On recommendation 2, a participant expressed concerns as to how companies can accurately track the school, transportation and work time of young workers to ensure it's less than 10 hours (proposed revision a). Another pointed out potential unintended consequences of young workers losing their jobs if they can't demonstrate compliance with this. The Impacts and Certification Senior Manager noted this challenge and pointed to 'proposed revision b' which removes the obligation to track hours and instead limits young workers' hours to 8 or less with a requirement that the working conditions do not prejudice their school attendance. Another member commented on potential challenges for employers in ensuring no prejudice to school attendance. What is meant by 'prejudice' would need clarification, as would methods for monitoring this.

On recommendation 3, a member pointed out that many small companies will not be familiar with the implementation of grievance mechanisms. It was noted that the COP requirement to have a workplace grievance mechanism is not new, so even small RJC members should have some experience of this. Another member proposed including an example approach for a grievance mechanism in the COP guidance, and there was general agreement. It was agreed that any example policies must also come with a disclaimer making clear that examples may not comply with local law and do not represent 'legal advice'.

Action: Committee members to provide written comments on proposed changes to COP for Elevate and the RJC management team to review.

The next phase of this study is to do an alignment review of other standards for new recognitions COP equivalencies. A recent member survey was carried out to identify potential other standards for recognition and only SMETA was identified. An update will be provided to the Committee at a subsequent meeting.

4. COP review update

The Standards Director noted no significant updates on the COP review as round 2 consultation is still ongoing. Overall feedback on the proposed changes has been positive, with particularly useful comments being shared on coloured stones and testing for undisclosed synthetic diamonds. Consultation has indicated a need to review COP 27.4 (requirement for annual 3rd party audit of reconciliation of KP certificates and SoW invoices). This was not originally identified as a COP review topic, but the RJC management team are now raising this in webinars and workshops to seek feedback. One member asked about stakeholder reactions to the limited scope of coloured stones for the COP (i.e. emeralds, sapphires and rubies only). The Standards Director reported 'neutral' expressions of support. Another member added that these three stones represent the higher value part of the coloured stones market which are traded within relatively structured supply chains.

5. Monitoring and evaluation

The Standards Director indicated that the full report on the business benefits evaluation of the COP is about to be published on the RJC website. Any final comments from members were invited.

6. AOB

Co-chair Ainsley Butler thanked everyone for their participation, noting that the next meeting on 24th July 2018. The committee thanked Bethan Herbert for her work and wished her well for her imminent maternity leave.