



RJC Certification - (COP 1) Legal Compliance

Training Module – March 2014

RJC CODE OF PRACTICES



GENERAL
REQUIREMENTS



RESPONSIBLE
SUPPLY CHAINS
& HUMAN RIGHTS



LABOUR RIGHTS
& WORKING CONDITIONS



HEALTH, SAFETY
& ENVIRONMENT



DIAMONDS, GOLD
& PLATINUM GROUP
METAL PRODUCTS



RESPONSIBLE
MINING SECTOR

1.1 Legal Compliance

1.1 Members shall have systems in place to maintain awareness of and ensure compliance with Applicable Law

Key Points:

- Focus is on the Member's systems (i.e., management processes and documentation) to maintain awareness and compliance
- Not a legal compliance audit
- Aimed at laws that are relevant to the Code of Practices

Legal Compliance – Other Provisions

Legal compliance is also specified in various provisions of the Code of Practices, for example:

- Bribery and Facilitation Payments
- Money Laundering and Finance of Terrorism
- Working Hours
- Remuneration
- Health and Safety
- Product Disclosure

A non-conformance due to a situation of legal non compliance under a specific provision may also trigger a non-conformance under the Legal Compliance provision if there is evidence that the Member does not have the necessary systems in place to maintain awareness of and ensure compliance with Applicable Law

Major Non-Conformance

Applies if the Member has:

- Not identified legal requirements relevant to the Code of Practices, or
- There is a known non-compliance and:
 - There is inadequate attempt to rectify the non-complying condition, and/or
 - This situation has the potential to result in an imminent Risk to Workers, the Community or the Environment.

Minor Non-Conformance

Applies if the Member has a known non-compliance and:

- There is adequate attempt to rectify the non-complying condition, and
- The non-compliance does not result in an imminent Risk to Workers, the Community or the Environment.

Applicable Law - Information and Advice

Laws can include:

- legislation, regulations and legally required codes or standards;
- permits, licences and other forms of authorisation;
- local by-laws; and
- decisions, directions, rulings or interpretations issued by relevant courts and tribunals

RJC does not provide specific advice on Applicable Law.

If in doubt, Members should seek legal advice on their obligations

Guidance and reminders

Members are expected to:

- Comply with the Applicable Law if it sets a higher standard than the Code
- Comply with the Code if it sets a higher standard than the Applicable Law, providing it would not result in a violation of the law

If there is a disagreement between the Auditor and the Member on what the law requires and the Member can demonstrate an understanding of the legal requirements:

- Any Non-Conformance would normally be a Minor only
- However if a lower standard creates threats to workers, communities or environments, then Auditors may consider a Major Non-Conformance finding
- If there are no such threats, then Auditors may consider a Minor Non-Conformance, or a Conformance finding

Example 1

Minor Non-Conformance

Issue: During the audit, inadequate compensation for some sales associates was found. Member informed auditors on site that they are in the process of reviewing and correcting the issue.

Finding: A minor NC for Provision 2.9 (Remuneration) and 4.1 (Legal Compliance) was raised (COP 2009 version).

Corrective Action outcome: The Member shall ensure that compensation for all sales associates meets legal requirements.

Example 2

Minor Non-Conformance

Issue: Member has not obtained the Occupancy certificate for a new floor of a building from the concerned authority (as required by the *Bombay Provincial Municipal Corporation Act , 1949. 263: Completion certificates, permission to occupy or use*). The Member had submitted the necessary paperwork, had received the on-site inspection and was following up for te occupancy certificate.

Finding

Minor non-conformance for 2.6 (Health and Safety) was raised (COP 2009 version)

Corrective action outcome:

The Member shall continue efforts and obtain the occupancy certificate for the new floor from the concerned authority.

Implementation Suggestions

Establish procedures for monitoring legal developments and identifying key areas of legal risk.

Consider establishing a Legal Compliance Register, to identify:

- relevant applicable legislation and regulations, required licences and permits, and reporting and disclosure obligations;
- status of compliance and future actions needed to maintain compliance
- measures for bringing any potentially non-complying situation into compliance.

Establish procedures for providing training about legal requirements to ensure employees have an appropriate level of understanding.

Questions?

For a **live webinar**, please raise questions using the question pane (A) or raise your hand (B) on the GoToWebinar platform.

For a **recorded webinar**, please email:
info@responsiblejewellery.com

Thank you for your participation!

