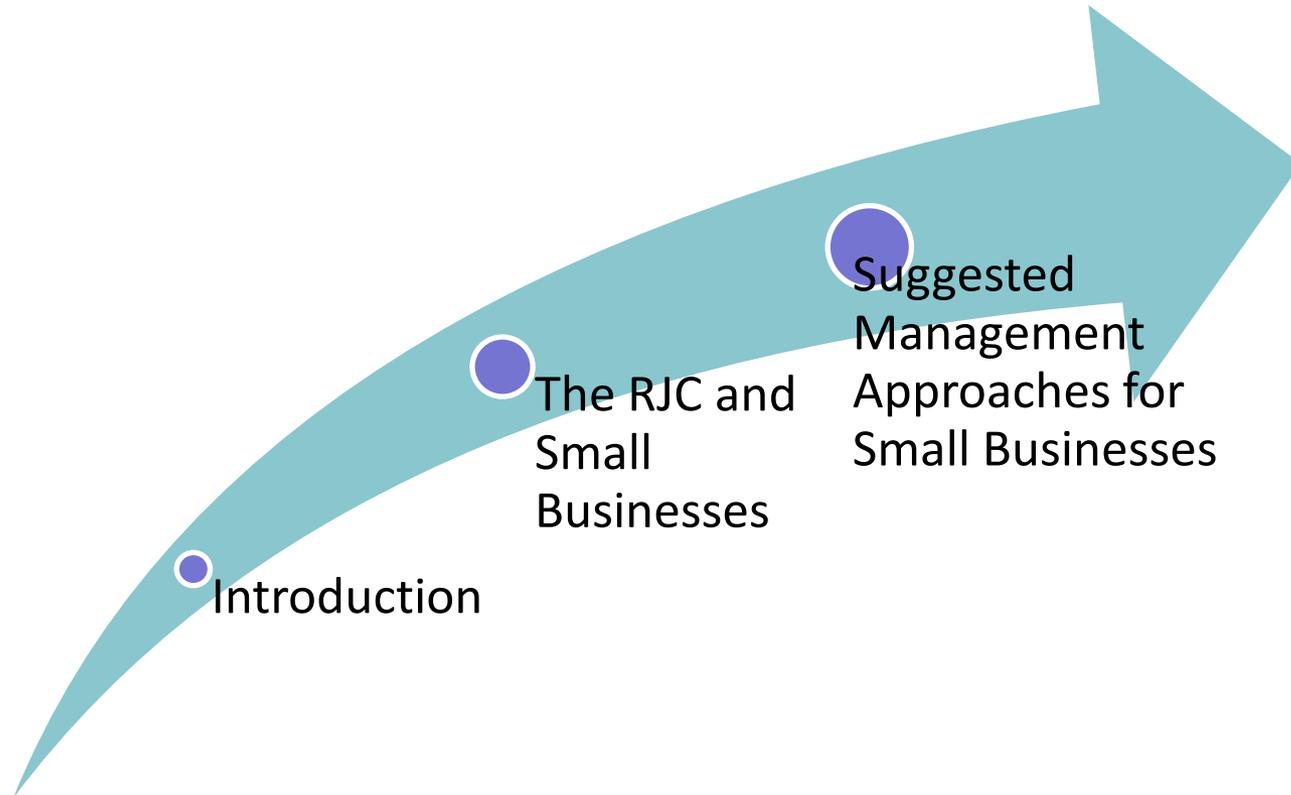




RJC Certification and Small Businesses

Training Module - November 2013

What this webinar covers



RJC Certification - Core Documents

1. Code of Practices
2. RJC Certification Handbook
3. Standards Guidance
4. Assessment Manual
5. Toolkits
 - RJC Assessment Workbook
 - Human Rights Due Diligence Toolkit
 - RJC Risk Assessment Toolkit



2013 Revisions to the Code of Practices

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

RJC Certification and Small Businesses

RJC aims to make Certification accessible to both large and small businesses.

Small businesses (generally 25 or fewer employees) make up an important part of the diamond and gold jewellery supply chain.

RJC Certification no less stringent for small businesses, however...

Evidence for conformance may be different, and simpler.

Advantages for Smaller Businesses

In general:

- Ease of internal communications;
- Management can be more aware of practices and behaviours;
- Clearer accountabilities;
- Decision-making is more streamlined;
- Management systems can be very simple.



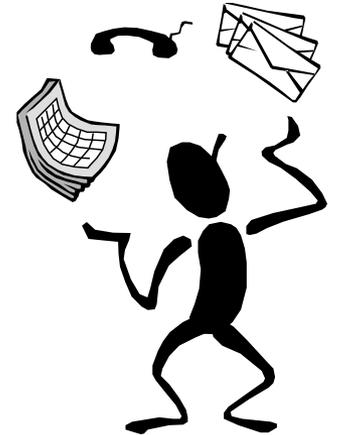
For RJC Certification:

- Compliance risks should be easier to identify;
- Self Assessments and audits should be easier to conduct;
- Corrective actions should be easier to implement.

Challenges for Small Businesses

Lack of time and resources for:

- Reviewing the RJC's core system documents in detail;
- Familiarisation with Applicable Law;
- Documenting policies and procedures;
- Conducting risk assessments;
- Record keeping;
- Formal training;
- Developing and implementing corrective actions.



Conformance Risks and Smaller Businesses

Smaller businesses could be more likely to encounter non-conformances through lack of:

- Clear policies and procedures
- Attention to perceived low-risk subjects
- Record keeping
- Training
- Effective risk management
- Appropriate governance arrangements.

In other words, as a result of weaknesses in management systems.

Management Systems

Management systems make sure that the right things get done:

- Every business has them;
- May not be recognised.

In verifying compliance with the RJC Code of Practices, Auditors will focus attention on whether Members have the appropriate management systems in place.

If systems are not in place, non-conformances are likely to occur.

Management Systems and Smaller Businesses

Small organisations frequently operate with less formality:

- Flexible roles and responsibilities;
- Greater reliance on verbal communication / instructions;
- Less reliance on information technology.

Lack of formality does not mean there are weak management systems.

Management systems do not need to be expensive or complicated.

Focus on simplicity.

Suggested Implementation Approach

“Suggested implementation approaches” are provided in the RJC Standards Guidance document for each of the provisions in the Code. They generally include these elements:

- Risk assessment;
- Assignment of responsibilities;
- Written policies and procedures;
- Record keeping;
- Training.

Risk Assessments

Conducting a risk assessment doesn't need to be a complex process.

Identify what issues can harm the business, how they can be prevented and/or mitigated.

As a minimum, recommend risk assessments for those standards that are of greatest relevance and greatest risk of non-compliance.

Remember to document the risk identification and assessment outcomes.

Assignment of Responsibilities

Who is responsible for a matter may often be more clear-cut for smaller businesses with simpler structures. Often the same person has multiple responsibilities especially in smaller businesses.

However there is still potential for some issues to “fall between the cracks”

- Administrative in nature;
- Not routine or related to core business.

Recommend that a responsible manager be designated for each applicable Provision of the Code.

Can be reviewed and confirmed during the Self Assessment.

Written Policies and Procedures

Policies and procedure do not necessarily need to be in writing, but it is recommended. At a minimum, there must be a written policy for provision 2, Policy and Implementation.

Procedures should reflect actual business practices to ensure a consistent and systematic approach is taken to manage risks and processes. If a new procedure is needed, remember to make use of existing documents such as induction manuals, information sheets and other procedures.

Make use of simple tables for action plans, or chemical inventories or emergency contact lists that are easy to maintain.

Policies should be:

- Readily accessible and consistently followed;
- Involve senior management;
- Communicated to those that work for and on behalf of the Member;
- Regularly reviewed by senior management.

Record Keeping

Lack of records will make assessments more difficult and may increase the risk of non-conformances.

May also make it harder for the business to measure and improve performance.

Attention should be given to record keeping during Self Assessments and Audits

Corrective actions may frequently involve improvements record keeping procedures.

Training

Lack of training can be a weakness, create “blind spots”.

Training doesn't necessarily mean taking courses, more often involves learning one on one with managers and co-workers.

Owners / managers must ensure they are knowledgeable, and should make a commitment to training employees..

Smaller businesses can provide a more conducive environment for training:

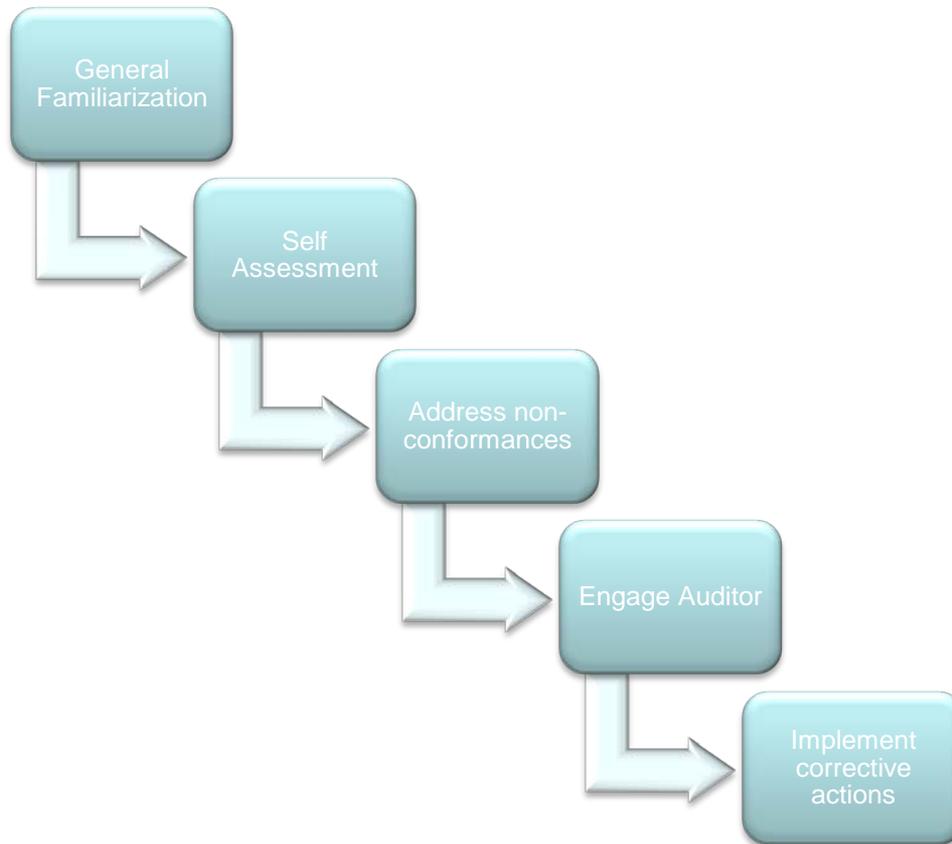
- Less formality;
- Closer contact between managers and employees;
- Integrated into other communication and presentation sessions.

Review

- ✓ The RJC's certification system has been designed to apply throughout the industry, including small businesses.
- ✓ Small businesses have unique advantages, as well as challenges.
- ✓ Compliance risks tend to result from weak management systems.
- ✓ Management systems do not require complexity.
- ✓ Consider the RJC's Suggested Management Approaches.



Steps to Certification - Members



Conducting the Self Assessment

Do:

- Use the Assessment Workbook and the other Toolkits;
- The tips and templates in the Standards Guidance
- Communicate to employees;
- Treat it as an opportunity to learn and improve;
- Focus attention on areas of greatest risk and relevance;
- Review knowledge of relevant laws and regulations;
- Beware the familiar.

Don't:

- Hand it off to a junior employee;
- Rush through the Self Assessment;
- Treat it as a test.

Corrective Actions

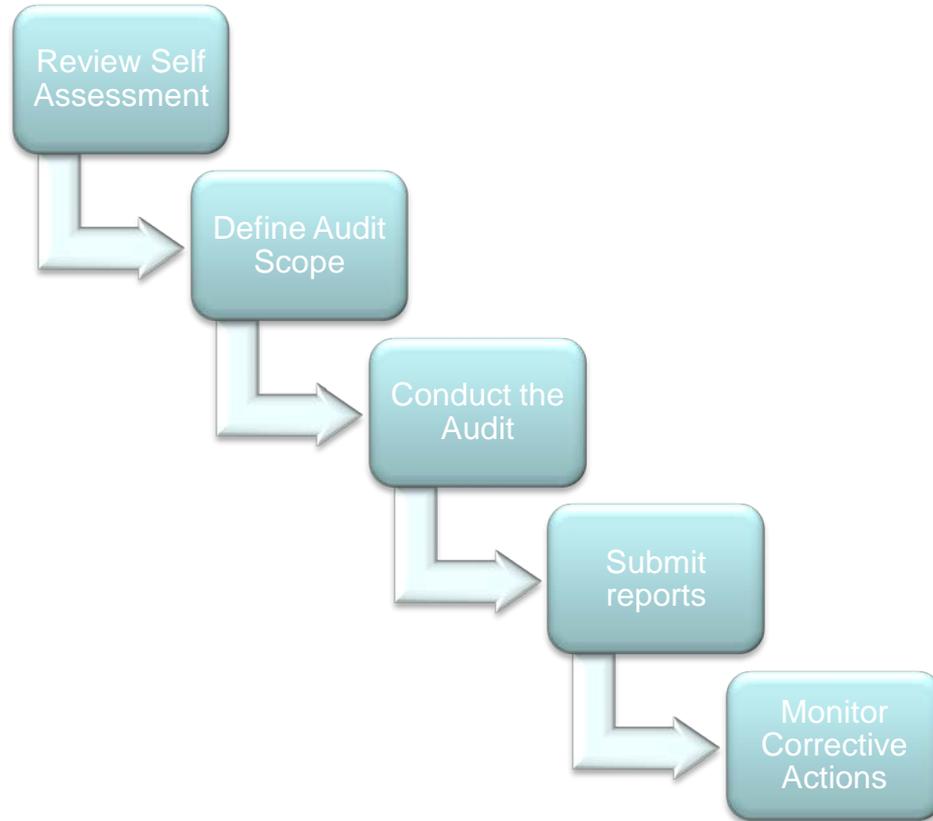
Any non-conformances found during a Self Assessment or an Audit will require corrective actions.

Generally should be simpler for corrective actions to be developed and implemented for small business.

Exceptions may involve issues relating to record keeping .



Steps to Certification - Auditors



Objective Evidence

Rating of performance must be based on the relevant Objective Evidence.

Defined as verifiable information, records, or statements of fact and can be qualitative or quantitative.

Typically based on interviews, testimonials, documents, observation of activities and conditions.

Must be relevant, traceable, clear and unambiguous.

Objective Evidence and Smaller Businesses

Availability of objective evidence may depend on the size of the organisation.

Auditors will take this into account and will not expect smaller businesses to be able to produce the same type of evidence as larger companies, particularly documented evidence.

To the extent documentation may not be available, there will tend to be a greater reliance on interviews and/or demonstrations.

Objective Evidence - Examples

Practical examples of evidence that Auditors may seek from smaller businesses:

- Policies, invoices, employment and training records, regulatory filings, internal reports, job descriptions, contracts;
- IT systems, functions, controls;
- Interviews with managers and staff;
- Demonstration of work procedures;
- Observation of activities, conditions.

Review

- ✓ Read the core system documents and take the training.
- ✓ Focus attention on the Self Assessment and corrective actions.
- ✓ Be aware of your management systems.
- ✓ Consider possible weaknesses in record keeping.
- ✓ Assemble objective evidence in advance of the audit.
- ✓ Auditors will not expect smaller businesses to be able to produce the same type of evidence as larger companies.