

Evaluating the business benefits of implementing management systems in accordance with RJC Code of Practices

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Abbreviations

CoC	Chain-of-Custody
COP	Code of Practices
H&S	Health and Safety
ISEAL	ISEAL Alliance on sustainability standards
KYC	Know Your Customer
RJC	Responsible Jewellery Council

Glossary

- *Benefit pathways*: Benefit pathways describe in detail how benefits are expected to be realised for members when undertaking activities to get certified, along a causal pathway (see below).
- *Causality or causal pathway*: The logical and causal relationships between inputs, activities/support strategies, outputs, outcomes, and benefits or impacts
- *Contribution analysis*: Contribution analysis is the step by step approach designed by evaluators to assess the contribution that a set of activities (in this case compliance with the RJC COP) has made to a particular goal (in this case relevant changes and benefits for RJC members). It analyses the effect of the internal and the external factors in the contribution
- *Impact*: Positive and negative long-term effects resulting from the implementation of a standards system, either directly or indirectly, intended or unintended
- *Mixed evaluation methods*: the use of a mix of different methods including quantitative (e.g. measurements) and qualitative (e.g. perception surveys)
- *Outcome*: The likely or achieved short-term and medium-term results from the implementation of a standards system's strategies.
- *Output*: The products, capital goods, and services that result directly from the activities of a standards system.
- *Theory of change*: a comprehensive description and schematic illustration of how and why a desired change is expected to happen as a result of certain interventions (e.g. for getting certified) in a particular context

Executive summary

The Responsible Jewellery Council (RJC) is a sustainability standards and certification initiative for the jewellery supply chain. RJC Membership is open to any business, large or small, operating anywhere in the world, which is active in diamonds, gold or platinum group metals, at every step in the value chain (from mine to retail). All members commit to becoming certified against the RJC Code of Practices (COP), which requires members to implement management systems to address the most important sustainability issues across the jewellery supply chain such as human rights, labour rights and working conditions, responsible sourcing, environment and health and safety. The improvement of these management systems are expected to generate benefits for RJC members most of which relate to sustainability objectives.

This evaluation study is on the outcomes and impacts of the implementation of the RJC standard by its members. The study explored the business benefits which companies in the jewellery supply chain derive from implementing management systems in accordance with RJC's COP. The focus was on the manufacturing and wholesale companies (537 companies), which represent almost half of the total RJC members, of which 63% are COP certified. This evaluation was carried out by Aidenvironment, a not-for-profit consultancy specialised in value chain dynamics, voluntary certification standards and evaluation assignments. The study was carried out during the period of November 2017 to March 2018.

The evaluation adopted a theory-based approach, taking as a basis the [RJC theory of change](#). More specific benefit pathways were defined which describe how benefits are expected to be realised along a causal pathway from activities to outputs, short-term and long-term business benefits (outcome level). The most relevant benefit pathways constituted the basis for a digital membership survey, which captured the perceptions of members with respect to the defined short- and long-term business benefits, in terms of expectations, realisations and importance. The response rate was 15.5%, and was representative for company size (classified as small, medium and large) and history of certification (within the manufacturing and wholesale forum), but was slightly biased in terms of geography. The survey was followed by in-depth interviews for a selection of 15 surveyed members, based on their willingness and availability to be interviewed. The interviewed members were a representative mix of members and the responses generated a consistent view on the issues being discussed. During the interviews emerging insights were tested and validated. By adopting principles of contribution analysis, the combined results of the digital survey and the in-depth interviews generated plausible insights on perceived benefits and the contribution by RJC in relation to other influencing factors. The methodology was evaluated and found to be cost-effective, while its limitations were found to be acceptable.

With regards to *short-term benefits*, the most positively expected and realised benefits are customer and supplier relations. About 50% of interviewed members have become RJC certified because of customer requests. Obtaining new customers because of RJC certification is less of a benefit than expected. Another important short-term benefit of getting RJC certified is the improvement of internal management systems: while most had the basic procedures in place, RJC certification helps members to professionalise, get more focus and structure. In terms of internal management issues, improvements in health & safety and labour relations benefits score better, in comparison with environmental benefits. In terms of supply chain relations, positive benefits are perceived on both supply chain transparency and reduced supply chain risks but only few members actively support suppliers to meet RJC requirements.

In terms of *long-term benefits*, improved reputation is by far the most important long-term benefit identified by members, as it helps further improve relations with customers and makes business relations more efficient. There is little evidence that being RJC certified generates benefits in terms of increased production volume, productivity or profitability. In all the long-term benefits the expectations of non-certified members are higher than what has been realised by members who are already certified. Members indicate that the certification process took time and increased production costs, with some expressing doubts on the business benefits. At the same time, members mentioned that operational costs may have reduced because of efficiency gains. RJC

members expect the RJC standard to become the industry norm in terms of sustainability performance, and their participation in the RJC process is partly inspired by the desire to support sector alignment on responsible business practices.

Three negative perceptions stand out from the insights gathered. First, RJC is not widely accepted by large companies; several members found that RJC is not sufficiently well known especially by some large brands and retailers and is not accepted by them as a rigorous standard. Secondly, the RJC COP is not sufficiently detailed on some issues, such as supply chain transparency and measures to reduce human rights risks. Thirdly, the barriers to get certified can be high for small companies and those located in developing countries. This latter effect can also be considered as an unintended effect, as this can lead these companies getting excluded from their buyers, who increasingly request for suppliers to be RJC certified, or requiring these companies to make large investments.

On the basis of these insights the defined benefit pathways were revised, as follows:

Internal to the business:

1. Improved internal management systems leading to more efficiency and reduced costs

External to the business:

2. Improved customer and supplier relations reducing costs and enhancing reputation
3. Improved efficiency of supply chain operations reducing transaction costs
4. Improved recognition of being a responsible business causing improved reputation

Sector-wide:

5. Contribution to RJC membership enhancing acceptance of RJC as industry standard (related to suppliers and customers), and one being relevant to the industry as a whole.

The importance of the above benefit pathways varies by size of the company. Large-sized members noted the ease of achieving RJC certification due to the presence of existing management systems which comply with the COP requirements, resulting in limited internal benefits of the RJC process but mainly external benefits. Small members on the other hand, often find it more difficult and costly to comply, but as a result perceive more positive internal benefits compared with external benefits. All members, but especially the larger ones, will have interest in sector wide adoption of the RJC standard. The added value of RJC in terms of sector performance also depends upon the rigour of implementing existing international and national legislation.

The following are recommendations emerging from the study:

1. Improving value, reputation and coverage of RJC
2. Creating a membership data base
3. Differentiate expectations for types of members
4. Make the RJC COP more appropriate to smaller businesses
5. Improving evidence of real impact on suppliers
6. Improving consistency of auditors
7. Suggestions on improving guidance on certain COP requirements
8. Revision of the RJC theory of change capturing the five main benefit pathways.

1. Introduction

The Responsible Jewellery Council (RJC) is a sustainability standards and certification initiative for the jewellery supply chain. RJC Membership is open to any business, large or small, operating anywhere in the world, which is active in diamonds, gold or platinum group metals, at every step in the value chain (from mine to retail). All members commit to becoming certified against the RJC Code of Practices (COP), which requires members to implement management systems to address the most important sustainability issues across the jewellery supply chain such as human rights, labour rights and working conditions, responsible sourcing, environment and health and safety. RJC's voluntary Chain-of-Custody (CoC) standard complements the COP, and is designed to support responsible sourcing, enabling certification of fully traceable supply chains of responsibly mined and sourced precious metals.

While most voluntary sustainability standards (VSS) focus on the producers in sourcing regions, the largest group of RJC members sits in the middle of the supply chain. Manufacturing and wholesale companies (537 companies) represent almost half of the total RJC members, of which 338 are COP certified. RJC aims to achieve improvements at the level of their members by promoting management systems that also include sustainability objectives. The improvement of these management systems are expected to generate benefits for RJC members most of which relate to sustainability objectives.

Being a member of ISEAL, RJC is required to evaluate and report on the outcomes and impacts of the implementation of the standard by its members. In 2017, RJC decided to focus its annual in-depth evaluation of whether the intended results are being achieved, on exploring the business benefits which companies in the jewellery supply chain derive from implementing management systems in accordance with RJC COP. This decision was partly based on an exploratory study, funded by ISEAL in 2016, to develop a cost-effective research methodology which could be utilised and further adapted by ISEAL members who want to evaluate the business benefits to companies implementing sustainability management systems.

This evaluation piloted the research methodology developed, to evaluate the business benefits of implementing the RJC COP by RJC members in the manufacturing and wholesaler forum.

This evaluation was carried out by Aidenvironment, a not-for-profit consultancy specialised in value chain dynamics, voluntary certification standards and evaluation assignments. The study was conducted by Dr. JJ Kessler (senior consultant) and Ms. N Raap (junior consultant), both employed by Aidenvironment. Neither of the two consultants, nor Aidenvironment in its prior activities, has had any earlier engagement or connection with RJC, apart from the exploratory study for ISEAL referred to above.

This study was carried out during the period of November 2017 to March 2018.

This report starts out by elaborating the methodology that was developed and piloted for this evaluation, including both a membership survey and member interviews. Subsequently the results and emerging insights are presented. In the last section the report lists the main recommendations emerging from this study.

2. Methodology

2.1 Analytical framework

The research methodology developed and applied for this evaluation was based on the following key components.

1. A *theory-based approach*, taking as a basis the [RJC theory of change](#) and more specific benefit pathways. Benefit pathways describe in detail how benefits are expected to be realised along a causal pathway from activities to outputs, outcomes and business benefits (or impacts). Thus, benefits are at a similar level as what is commonly referred to as impact (see definition in glossary).
2. For this assignment the focus has been on *outcome level in terms of business benefits for members*, using recent insights emerging from a study conducted by Aidenvironment for ISEAL;¹
3. Use of an *analytical approach based on contribution analysis* (see definition in glossary), by understanding the changes (in business benefits) during recent years, their importance for members and the plausible contribution by RJC to these changes;
4. Use of a combination of a digital membership survey and in-depth interviews, to generate in a cost-effective way both an overview of insights that is *representative for the group of members* to be studied, while also generating *in-depth insights in causality* that allows one to understand the underlying dynamics;
5. Use of mixed evaluation methods, meaning the use of qualitative data (perceptions) and quantitative data.

2.2 Steps of the methodology

The following scheme shows the 4 main steps of the methodology, and how the combination of a digital survey and in-depth interviews form the core of the methodology applied, to generate evidence and validate pre-defined benefit pathways (Figure 1).

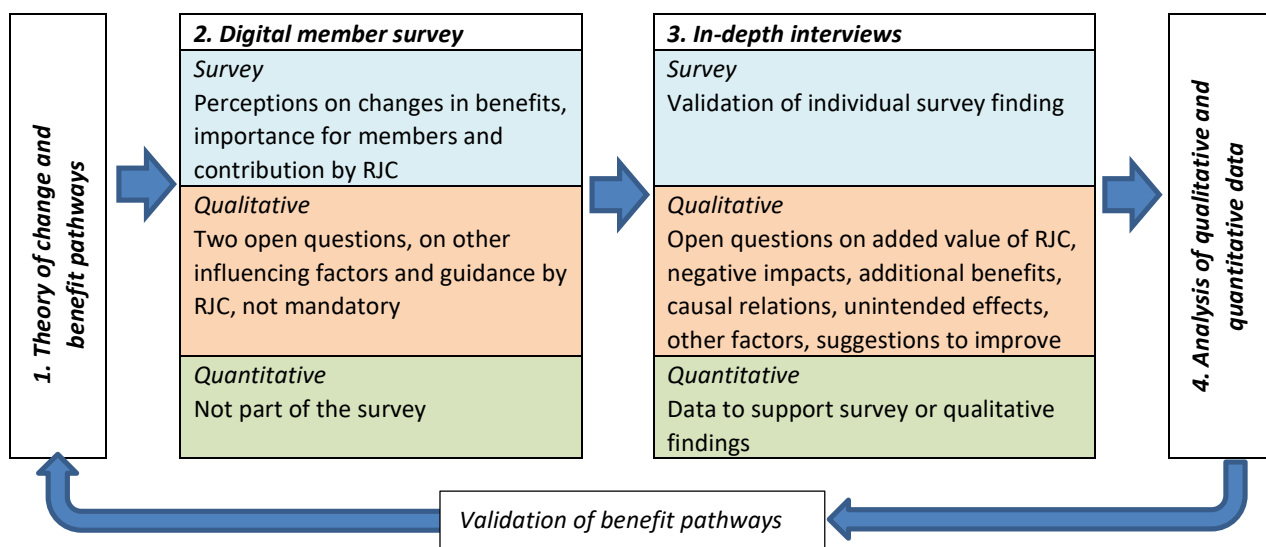


Figure 1: Overview of analytical steps carried out for conducting this assignment.

¹ <https://www.standardsimpacts.org/sites/default/files/Aidenvironment%20report%20business%20benefits%20of%20standards.pdf>

Step 1: Defining the main business benefit pathways applicable to RJC

A workshop, facilitated by Aidenvironment, was organized with all RJC staff, for the dual purpose of defining the main business benefit pathways to be validated during the evaluation, and also for engaging with RJC staff to assure their involvement and commitment to this evaluation.

The following aspects were covered during the workshop:

- Ensuring a common understanding of the purpose of the evaluation and the workshop.
- Identification of the short-term benefits expected for members applying the RJC COP – in following key thematic areas:
 - Internal Operations
 - Procurement
 - Market
 - Stakeholders
 - Finance and sector governance
- Discussion and grouping of the short-term benefits, with insights on the interrelations, and then prioritisation in terms of importance to the member.
- Discussion of how prioritised short-term benefits can lead to long-term benefits.
- Review of other potential short- and long-term benefits (Annex 1) to facilitate the decision making on which benefits to include in the evaluation.

The benefit pathways could not be fully defined during the workshop due to time constraints, therefore this was later developed by Aidenvironment, with input by the RJC team.

Step 2: Conducting the digital membership survey on perceived short- and long-term benefits

The identified benefit pathways (being the ones most relevant for the RJC COP) constituted the basis for the membership survey. The digital survey focused on understanding the perceptions of members with respect to the short- and long-term benefits selected in step 1.

The digital survey was designed to collect data on:

- Business characteristics of respondent members
- Perceptions on the level of impact of implementing the Code of Practices in a number of *short-term benefits*, according to a 5-point score. A differentiation was made between realised impact for those members already certified and expected impact for those not yet certified.
- Perceptions on the *importance* of the listed short-term benefits to the member.
- Perceptions on the level of impact of implementing the Code of Practices in several *long-term benefits*, but only for those members having completed more than one certification cycle, since we expect that only this group can realistically provide an evaluation of this. Other members were asked about their expectation of the long-term benefits.
- Perceptions on the *importance* of the listed long-term benefits to the member.
- Optional *'open' questions* to understand:
 - Other contributing factors (i.e. factors contributing to the realised benefits other than RJC COP)
 - Opinions on the support provided by RJC.

The digital survey was conducted using the online tool SurveyMonkey, and took approximately 15 minutes to be completed. The survey ended by requesting respondents whether they would be willing to participate in an in-depth interview. The full digital survey format can be found in Annex 2.

The digital survey was sent out to all the members in the jewellery manufacturer and wholesaler forum. Of 537 members, 83 responded to the digital survey, which is a 15% response rate (see also section 3.1).

Step 3: Interviews with a subset of members for better understanding of causal relations

Of the survey respondents, 30 members indicated that they were willing to be interviewed. Together with RJC, 20 members were selected for more in-depth interviews, based on the following criteria to acquire a representative sample of views:

- Mix between small, medium and large-sized members
- Mix in geographical location
- Mix between those already certified and those not certified.

An interview guidance was developed including the following issues and key questions:

Component	Details
Narrative	Open questions on: <ul style="list-style-type: none"> • When and why started RJC certification? • Main expected or realised benefit from RJC certification? • Were expectations met?
Validation of findings from the survey	<ul style="list-style-type: none"> • Review of individual member survey results • Discussion of gaps if survey was not completed • Discussion of emerging insights
Negative perceptions benefits, or unintended effects	<ul style="list-style-type: none"> • Discussion of negative perceptions and impacts of RJC certification
External factors that influenced / contributed to the benefits, in relation to RJC’s influence	Open question on other contributing factors identified in the survey: <ul style="list-style-type: none"> • Legislation • Customer requirements • Internal management system improvements
Causal relation between short term benefits and long-term benefits	<ul style="list-style-type: none"> • Discussion of the most important short-term benefits contributing to changes (positive or negative)
Approximate quantification on long-term and short-term benefits, if feasible	Quantification of: <ul style="list-style-type: none"> • Costs and time required for certification • Markets, existing and new customers • Profitability
Elements of the RJC system that have contributed to the benefits	<ul style="list-style-type: none"> • Discussion of survey response and any particular experiences that have made the difference
Suggestions for improvement	<ul style="list-style-type: none"> • Any suggestions for RJC

The duration of interviews varied between 20 minutes and 1 hour. Due to member availability, only 15 interviews were conducted. However, this selection did cover a representative mix of members (on above criteria) and the responses generated a consistent view on the issues being discussed. During the later interviews some insights emerging from the earlier interviews were tested and validated, thus gradually building up cumulative insights.

Step 4: Analysis of the survey and interview results and validation of benefit pathways

The analysis of the survey data was done using basic analytical tools available through SurveyMonkey. This excluded undertaking statistical analyses. However, drawing statistical conclusions would also not be fully justified given the large diversity in respondents and small number of participants in each member category. A separate

detailed digital survey report was developed for the RJC. The interview results were analysed and summarised based on the questions posed to members.

Adopting principles of contribution analysis (see glossary for definition), the following key questions guided the process of validating the benefit pathways defined by the RJC in step 2:

- Did members confirm the benefit pathways as expected?
- Is it plausible that RJC activities have largely contributed to the realised benefit pathway?
- Is it plausible that other (external) factors have contributed to the realised benefit pathway? What has been the relative influence of these other factors in relation to RJC?
- What are remaining challenges and constraints as well as suggestions for improvement?
- What are the potentials for scaling and sector transformation effects?
- Do the responses on above questions vary for different types of members?

3. Results

3.1 Theory of change and benefit pathways

During the workshop with RJC staff, seven impact pathways were identified. Note that RJC inputs are not exclusive for each benefit pathway, but can contribute to different benefit pathways.

RJC Benefit Pathways: agreed with RJC based on the inception workshop

Inputs →	Outputs →	Short-term benefits →	Long-term benefits
1. Improved labour relations leading to productivity increase			
<ul style="list-style-type: none"> • COP provisions on labour rights and working conditions • Standards Guidance on above • Risk assessment toolkit • Self-assessment toolkit 	<ul style="list-style-type: none"> • Systems in place to engage with employees on H&S issues • Operations align with industry standards on labour rights and working conditions 	<ul style="list-style-type: none"> • Improved labour/worker relations (attraction, retention, satisfaction) 	<ul style="list-style-type: none"> • Productivity increase
2. Improved H&S performance leading to reduced costs			
<ul style="list-style-type: none"> • COP provisions on H&S and environment • Standards Guidance on above • Risk assessment toolkit • Self-assessment toolkit 	<ul style="list-style-type: none"> • Adoption of H&S risk assessment procedures • Adoption of H&S management systems • Improved environmental management systems 	<ul style="list-style-type: none"> • Improved H&S performance (more awareness, less complaints & incidents) • Improved environmental performance 	<ul style="list-style-type: none"> • Reduced costs
3. Reduced risks with suppliers leading to improved reputation			
<ul style="list-style-type: none"> • COP provision on human rights, money laundering, financing terrorism • Standards Guidance on above • Human rights training module • Self-assessment toolkit 	<ul style="list-style-type: none"> • Use of human rights due diligence of their supply chain • Use of KYC process to assess risks of money laundering and financing of terrorism 	<ul style="list-style-type: none"> • Reduced risks of adverse human rights impact, money laundering and financing of terrorism • Improved supply chain transparency 	<ul style="list-style-type: none"> • Enhanced reputation / credibility
4. Improved supplier relations leading to more supply security			
<ul style="list-style-type: none"> • COP provisions on business partners, reporting, anti-money laundering and human rights • Standards Guidance on above • Human rights training module • Business partners training module • Self-assessment toolkit 	<ul style="list-style-type: none"> • Engagement with suppliers to promote responsible business practices within their businesses • More transparency of supply chain 	<ul style="list-style-type: none"> • Improved supplier relations (in terms of communication, trust, reliability of supply, ..) 	<ul style="list-style-type: none"> • Supply security (quality, volume, continuity of supply)
5. Existing and new customer relations leading to production increase			
<ul style="list-style-type: none"> • COP provisions on business partners, reporting and anti-money laundering • Standards Guidance on above • RJC events • Communication of certified member • Self-assessment toolkit 	<ul style="list-style-type: none"> • Engagement with customers to promote responsible business practices • Reporting of responsible business practices externally • Member certification status promoted by RJC 	<ul style="list-style-type: none"> • Access to new customers and market (improved market access) • Retention of existing customers 	<ul style="list-style-type: none"> • Stability or growth in production volume (turn-over) • Increased profitability
6. Improved access to finance leading to production increase			
<ul style="list-style-type: none"> • COP provisions • Standards Guidance • Risk assessment toolkit 	<ul style="list-style-type: none"> • Member reporting of responsible business practices externally • Use of effective risk management and due diligence systems 	<ul style="list-style-type: none"> • Improved access to finance (for insurance, investments, ...) 	<ul style="list-style-type: none"> • Growth in production volume (turn-over)

3.2 Sample size and member representation

The table below shows that the sample of members who participated in the digital member survey is representative of the wholesaler and manufacturer forum, in terms of proportion of members being certified, number of certification cycles, as well as member size. Additional data show that the survey respondents were well spread geographically. Around 15% of respondents indicated they participate in other industry standards, including ISO 9001 (13%), SMETA (2%), Fairtrade (2%), LEED Certification, ISO 50001, ASMEBI, COFRAC, CTPAT and the Kimberley Process.

The interview sample is (as expected) much smaller and covers all types of member characteristics. However, it is slightly biased in the fact that the majority of members are based in Europe and the US (with Switzerland, UK and France over represented).

Characteristics	All forum members		Survey sample		Interview sample	
	Number	%	Number	%	Number	%
<i>Total</i>	537		83	15.5%	15	2.8%
1a. COP certified	362	68%	62	74%	15	100%
1b. Not yet certified	170	32%	21	25%	0	0%
2a. Small member (certified)	212	59%	36	43%	4	27%
2b. Medium member (certified)	91	25%	31	37%	6	40%
2c. Large member(certified)	59	16%	16	19%	5	33%
3a. Certified once	263	72%	39	62%	7	47%
3b. Certified more than once	99	27%	23	37%	8	53%

3.3 Emerging insights from the survey results and interviews

In the following, key insights are presented, supported by a selection of schemes from the detailed digital survey report.

3.3.1 Short-term benefits

1: Significantly improved customer and supplier relations

The most positively expected and realised short-term benefit noted by RJC members are customer and supplier relations (see Figure 2). About 50% of interviewed members have become RJC certified because of customer requests. Obtaining new customers because of RJC certification is less of a benefit than expected.

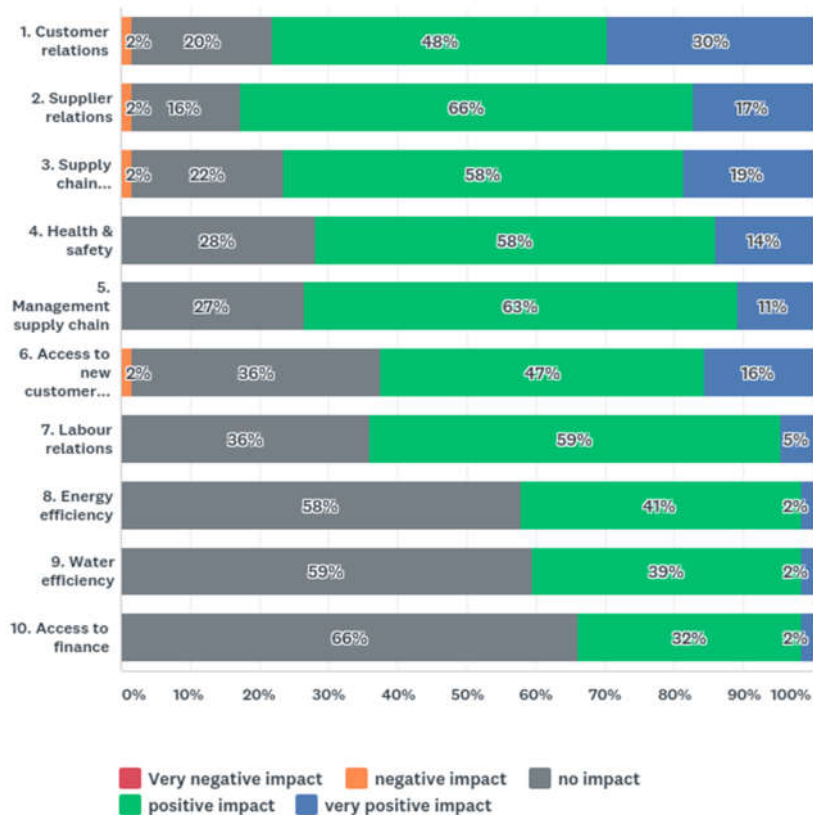


Figure 2: Perceptions of certified RJC members on realised short-term benefits (62 respondents)

- The most positive short-term impacts realised by certified members as a result of RJC COP certification was noted in customer relations, supplier relations and supply chain transparency (all scoring around 80% positive impact score in the digital survey). This is in line with the interview findings, whereby 50% of the members stated that they had obtained RJC certification in order to work with large customers (mentioned are Richmond, Cartier, Signet). The other 50% interviewed stated that it was their own initiative, and selected RJC because it is considered to be the main industry standard. Customer and supplier relations were also among the benefits considered to be most important for members.
- While the expectations of improved customer and supplier relations were met through RJC certification, the digital survey also showed that non-certified members had higher expectations of access to new customers (89% positive score) compared to what has been realised by certified members (63% positive score). This was supported by interviews, indicating that certification did not lead to new customers, and that potential new customers did not accept the RJC standard.
- The main motivation of customer and supplier relations is in line with the general opinion that RJC is the best industry standard and is expected to become the industry norm, so that all value chain actors will sooner or later need to comply (see also below on sector alignment).

“We needed to have a standard to be able to play along with big players.”
“Without RJC we would be playing catch up instead of being ahead of the curve.”

2. Improved internal management systems

An important short-term benefit of getting RJC certified (not covered in the survey) is the improvement of internal management systems: while most had the basic procedures in place, RJC certification helps members to professionalise, get more focus and structure.

- Many interviewed members (60%) stated that RJC certification helped them to become more focused or structured. While most measures were already in place and very limited (if any), improvements were made through the certification process. Many stated that most measures in the COP are 'common sense', but RJC helped them to add rigour or support more consistent implementation of existing measures.
- As a result, for most members the process of getting certified was therefore not very difficult.
- The above views also link up with the general opinion that the RJC standard is the most comprehensive in terms of the requirements for being a responsible company.

"Although we were already compliant, being RJC certified requires rigour and clear documentation of all the procedures, which is useful"

"No major adjustments were made, but addressing things in a systematic way was useful."

3. Some improvements to health and safety systems and labour relations

In terms of internal management issues, health & safety and labour relations benefits score better, in comparison with environmental benefits.

- In terms of internal management issues, 72% of survey respondents perceived a positive or very positive impact in health & safety, compared with 64% in labour relations, and only 40% for energy and water efficiency (see Figure 2). These findings are supported by the interviews, as RJC's COP is considered to be comprehensive in H&S requirements but limited in environmental requirements. Energy and water efficiency are also considered of least importance to members, according to the survey (particularly amongst small companies whose activities are limited to a small administrative office).
- On labour relations and staff satisfaction only a few interviewed members confirmed positive impact, with 20% of interviewees noting that the certification process helped to keep employees excited about their work. This could be interpreted as a positive impact (in the survey) being perceived in terms of improved structuring and focus of what was largely already in place, thus, no significant impact.

"On H&S the impact was very positive: in both (all) cases the company was already compliant, but RJC added rigour and increased awareness. We observe improved staff satisfaction and staff retention as a result of improved rigour."

4. Some improved transparency and reduced risk in the supply chain

In terms of supply chain relations, positive benefits are perceived on both supply chain transparency and reduced supply chain risks but only few members actively support suppliers to meet RJC requirements.

- Reducing supply chain risks and improving supply chain transparency and are considered important and members have perceived a positive or very positive impact in these areas as a result of implementing the RJC COP: 77% for reducing supply chain risks and 74% for management of supply chain transparency (see Figure 2). From the interviews, it appears that this can be interpreted as follows. Many members (47% of interviewed members), especially the larger ones, have made RJC certification a formal requirement for all their suppliers. Thus, reduced risks commonly emerge from the fact that business is only done with suppliers who are also RJC certified.
- Some members interviewed (27%) have integrated RJC requirements in their own agreements with suppliers, or are stimulating suppliers to get certified. For example, one member has developed a code of conduct for its suppliers that has part of the RJC COP in it.

"We now know where all our metals come from. All suppliers that we buy gold, diamonds and silver from are RJC certified."

3.3.2 Long-term benefits

1. Improved reputation as the most important long-term benefit

Improved reputation is by far the most important long-term benefit identified by members, as it helps further improve relations with customers and makes business relations more efficient (see Figure 3). There is little evidence that being RJC certified generates benefits in terms of increased production volume, productivity or profitability. In all the long-term benefits the expectations of non-certified members are higher than what has been realised by members who are already certified (see Figure 4).

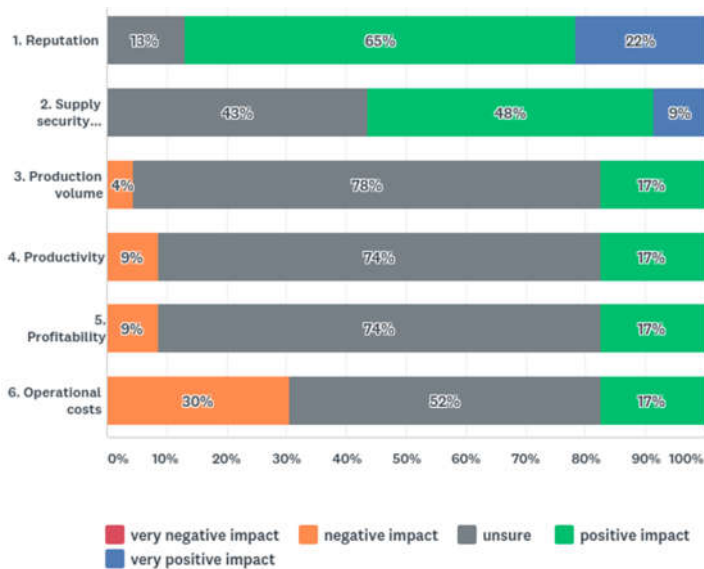


Figure 3: Perceptions of long-term certified members on realised long-term benefits (23 respondents).

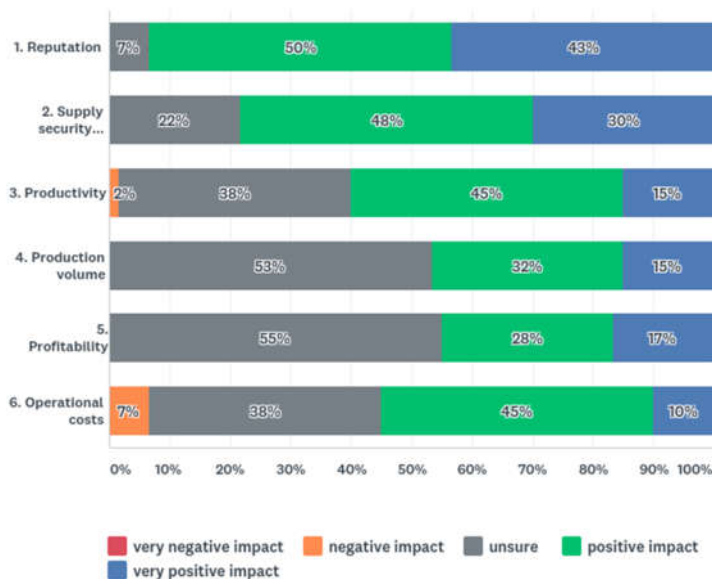


Figure 4: Perceptions of non-certified and once certified members on the expected long-term benefits (59 respondents).

- The digital survey shows that RJC has had the greatest impact on reputation (87% positive score), and supply chain security (57% positive score) according to certified members.
- All long-term benefits included in the survey achieved a higher positive score in terms of the expected impact compared with the realised impact. The difference being most significant in the long-term benefits of production volume, profitability or productivity, where members have high expectations (50-60% positive score) but the realised impact does not match (17% positive score).
- The positive opinions about improved reputation is supported by the interviews, whereby 67% of interviewed members mention this as an important benefit of RJC certification. An improved reputation is associated with the sector-wide recognition of the RJC standard, as being rigorous and reliable in terms of being a responsible business. Thus, the fact that some large brands do not recognise RJC as such is a major set-back for several members.
- It appears from the interviews that improved supply chain security has been mainly interpreted as improved relations with customers, and not in terms of sustainability of raw material supplies and business partners as such.
- Benefits such as production volume, improved productivity or profitability were explored during the interviews. However, there are only incidental cases of positive impact noted in relation to these benefits. For instance, one small member improved knowledge on chemicals and environment leading to reduced costs and improved profitability. For another member RJC certification helped the company to open up to new markets and customers, contributing to improved production volume.

"Most important have been benefits in terms of our reputation, RJC is becoming an industry wide accepted standard."

"On long term benefits, it is all about reputation. We do not expect any benefits in terms of profitability or production volume."

"Knowing the amount of effort getting certified is, the company itself has gotten more confidence in their business partners who are also RJC certified."

2. Certification costs are generally balanced by increased efficiency in doing business

Members indicate that the certification process took time and increased production costs, with some expressing doubts on the business benefits. At the same time, members mentioned that operational costs may have reduced because of efficiency gains.

- Getting certified requires time and financial investments, which may explain why 30% of survey respondents had the perception that the implementation of the COP had a negative impact on operational costs. This impact was not expected amongst non-certified and once certified members (7% negative impact). Typical costs mentioned during interviews included costs to hire a consultant, costs of improving existing systems and costs associated with the audit process. The costs referred by members approximately amounts to around 10 thousand dollars, which however could not be validated through quantitative means. These costs are high according to some smaller members. While the initial investment is high, second and third certification requires a lot less investment.
- On the other hand, a concrete benefit of being RJC certified is the increased credibility and trust, leading to more smooth and efficient relations with suppliers and customers, because they recognise the RJC certificate as certification becomes more prominent in the supply chain. Thus, productivity has not increased in the sense that employees have become more productive or resources are more efficiently used, but it has helped members to work more efficiently with customers or suppliers and create clarity, because both take the RJC standard as the required norm for business practices.

"We present our RJC number and due diligence questions end, so to speak."

"Being RJC certified smoothens the process of doing business."

"Having the RJC gives proof of our responsible behaviour. It reduces burden of documentation (sending things to new customers). No further questions asked."

“RJC has not increased efficiency of our manufacturing operations, but it is a comfort level for our customers.”
“Indicating RJC membership in KYC requests smoothens our relationship. It ticks the box.”

3. RJC as the industry norm in terms of sustainability performance

RJC members expect the RJC standard to become the industry norm in terms of sustainability performance, and their participation in the RJC process is partly inspired by the desire to support sector alignment on responsible business practices.

- Several interviewees (around 50%) noted that RJC is becoming the norm in doing business and referred to improved sector alignment as a motivation or driver for certification.
- Some members refer to the domino effect, where at first the RJC was unknown, but increasingly RJC has become a reason for members to engage in business with a company.

“The single most important thing RJC has established is to create a direction and create a conversation to share among its members to better their practices. Set a standard for the whole sector to live up to.”

“There is trust because we know how deep the standards goes into business practices. We went through the same audit. The standard and verification system is solid. The standard improves constantly and lifts member to a new level.”

3.3.3 Negative perceptions and unintended effects

Three negative perceptions stand out from the insights gathered, in declining priority:

1. RJC is not widely accepted by large companies

A large amount of members interviewed (60%) had expected that the auditing burden would reduce substantially once they became RJC certified. However, they found that RJC is not sufficiently well known especially by some large brands and retailers, and is not accepted by them as a rigorous standard. Several large buyers, especially those, where jewelry is not the only product they sell, have established their own standards for responsible business practices (Sainsbury, Disney, Walmart, M&S, Tesco). As a result, the audit burden remains high. Members expected RJC to have done more on harmonisation of their standards within the sector. Also, the lack of consumer awareness of RJC was also noted as a reason why several benefits from materialising.

“RJC is not enough right now to comply with requirements of our all our customers. This puts more strain on the factory and financial resources.”

2. The RJC COP is not sufficiently detailed on some issues.

From the interviews, 53% of the members claim that RJC’s added value is the fact that it is so broad, covering all sustainability issues relevant to the sector. This distinguishes the RJC standard from other standards being used by members, which are issue-based. However, some also claim that on certain issues more detailed standards or guidelines are available and the COP should at least refer to these standards (reference was particularly made to national legislation or EU standards on environmental, social, labour and health and safety issues). Interviewees also referred to the need for more guidance on supply chain transparency and measures to reduce human rights risk, as these were considered priority issues that members want to address in an adequate way.

“There should be an exclusive provision on supply chain management. RJC does not provide sufficient guidance on how to address human rights risks – if RJC had a clearer set of requirements this would help.”

“RJC needs to be a Sherpa more in areas of Human rights, women’s equality, the environment. It’s a little too narrow in its directions on these issues.”

3. Barriers to get certified are high for small companies

There are significant barriers to becoming certified, especially for smaller companies. Challenging requirements, high costs, complex language used in communication materials and insufficient guidance from RJC were commonly

mentioned as barriers for small companies by 40% of the interviewed members. One member stated that he would like to ask suppliers to become certified but acknowledged that many of them would have difficulties in view of the high costs and complexity of the guidance, particularly referring to suppliers from developing countries. Three members stated that the audit was too elaborate and costly and varied according to the requirements from the auditor.

Of the above negative effects, the barriers to becoming certified for smaller companies is an unintended effect. Unintended effect can be defined as potentially damaging negative effects of the standards system’s activities.² It was found that for smaller companies, especially those from developing countries, there can be significant barriers to getting RJC certified. This can lead to these companies getting excluded from their buyers, who increasingly request for suppliers to be RJC certified, or requiring these companies to make large investments. In both cases this will affect the profitability and viability of these companies, which is certainly an unintended effect.

3.3.4 Differences between types of members

1. Benefits vary according to the size of members

Large members noted the ease of achieving RJC certification due to the presence of existing management systems which comply with the COP requirements, resulting in limited internal benefits of the RJC process but mainly external benefits. Small members on the other hand, often find it more difficult and costly to comply, but as a result perceive more positive internal benefits compared with external benefits.

- The relations were explored between benefit impacts scores and the main characteristics of the respondent members. First, we found a correlation between the size of member company and the extent by which these have adopted other responsible business standards beyond the COP. The survey showed that only 28% of small members have adopted other standards, compared with around 70% of medium and large members. This can explain why medium and large-size companies are more likely to already have in place some of systems required by the RJC COP.

Business size	RJC+ other standards
small	28%
medium	68%
large	73%

- Members of all sizes all ranked customer relations and supplier relations in the top 3 short-term benefits. Labour relations only featured within the top-3 ranking amongst small members.
- During the interviews, we found that large members have adopted other standards to improve their sustainability performance. Greater added value was perceived from the implementation of the COP amongst small members in terms of improving internal systems for H&S, etc., as they had not participated in such a process previously.
- The survey also shows that small members perceive the RJC certification process to have a higher negative impact on costs (44% negative score) compared to medium and large members (20 and 22% negative score respectively). Overall, small members noted more negative long-term impacts compared with the medium and large members (on operational costs (44%), profitability (22%) and productivity (11%)).
- Members who are RJC certified only, noted a higher negative long term impact on operational costs (50%) compared with members who have multiple certifications, as they don’t have the foundations of systems to build upon, compared to members who are already certified against other standards.

2. The contribution by RJC in relation to other factors

The added value of RJC depends upon the rigour of implementing existing international and national legislation.

² ISEAL Impacts Code of Good Practice

- In both the digital survey and during the interviews, members mentioned other existing international and national standards as the most important external factor influencing the level of benefit derived from the implementation of the COP. In the interviews, several members indicated that COP requirements were equivalent to existing local laws, especially in the areas of H&S and labour requirements. As such, these businesses often found themselves already compliant with COP provisions on these topics and sometimes even going beyond. Nevertheless, members acknowledge the added value of COP, being an encompassing and widely accepted guide on good practices in the jewellery sector.
- There appears to be a considerable variation between different countries in terms of existing legislation and the intensity of law enforcement. It was commonly mentioned that members in countries with no or poorly enforced laws would benefit most from RJC certification.

4. Conclusions and recommendations

4.1 Conclusions on benefit pathways

The benefit pathways defined in step 1 of this evaluation have been revised in light of the member insights generated by this evaluation (see below scheme). The key changes can be summarised as:

- It is not useful to split up RJC inputs for different pathways, as there is much overlap, thus this differentiation is generally not made.
- Five different benefit pathways have been identified, one being internal to the business, three being external (related to suppliers and customers), and one being relevant to the industry as a whole.

RJC Benefit Pathways: proposed as based on the results of the benefit study

RJC Inputs	Outputs	Short-term benefits	Long-term benefits
<ul style="list-style-type: none"> • COP provisions • Standards Guidance • Risk assessment toolkit • Human rights training module • Business partners training module • Self-assessment toolkit 	Internal to the business 1. Improved internal management systems leading to more efficiency and reduced costs		
	<ul style="list-style-type: none"> • Member has systems in place to engage with employees on H&S, labour rights, working conditions, environmental issues, human rights issues • Member operations align with industry accepted standards on labour rights, working conditions, H&S, environmental issues, human rights issues 	<ul style="list-style-type: none"> • Improved and more structured internal management systems 	<ul style="list-style-type: none"> • Internal efficiencies and reduced operational costs
	External to the business 2. Improved customer and supplier relations reducing costs and enhancing reputation 3. Improved efficiency of supply chain operations reducing transaction costs 4. Improved recognition of being a responsible business causing improved reputation		
	<ul style="list-style-type: none"> • Member conducts human rights due diligence of supply chain • Member implements / strengthens KYC process to assess risks of money laundering and financing of terrorism amongst business partners • Member engages with suppliers to promote responsible business practices within their businesses • Communication of responsible business practices externally 	<ul style="list-style-type: none"> • Improved customer and supplier relations 	<ul style="list-style-type: none"> • Reduced (transaction) costs by improved supply chain relations
		<ul style="list-style-type: none"> • Improved efficiency of supply chain operations 	
<ul style="list-style-type: none"> • Recognition within the sector of being a responsible business • More transparency of the supply chain 		<ul style="list-style-type: none"> • Enhanced reputation / credibility 	
Sector-wide 5. Contribution to RJC membership enhancing acceptance of RJC as industry standard			
<ul style="list-style-type: none"> • Harmonisation and recognition with comparable standards • Review and strengthening of RJC standard, governance and assurance system 	<ul style="list-style-type: none"> • Engaging with downstream companies and retailers on accepting RJC as the sector norm • Reporting of responsible business practices externally, by RJC members and RJC • Member certification status promoted by RJC 	<ul style="list-style-type: none"> • Growth in RJC membership across the supply chain and establishment of RJC of the industry norm 	<ul style="list-style-type: none"> • Acceptance of the RJC standard as the standard for the jewellery supply chain, particularly amongst large retailers. • Reduced audit burden for members

The insights also show that the benefits of being RJC certified will vary by company size, and is correlated with the extent by which companies already have systems for responsible business in place, prior the RJC certification, by complying with other national or international standards or legal requirements. Large companies find it easy to comply to RJC requirements because most requirements are already met through pre-established systems, while experiencing limited internal benefits but mainly external benefits. Small companies often find it more difficult and costly to comply, perceive more positive internal benefits and less external benefits. This suggests the following priorities for different sizes of companies:

	Priority benefit perceptions by company size		
	Small-sized	Medium sized	Large-sized
Perceptions of certification costs and efforts	High	Variable	Low
Benefits internal to the company: Benefit pathway 1	++	0 / +	0
Benefits external to the company: Benefit pathways 2, 3 and 4	+	+	+
Benefits for the sector: Benefit pathway 5	0	+	+

4.2 Conclusions and limitations on the methodology

The methodology for conducting this study was newly developed and was adjusted during the evaluation. One objective of this assignment was also to pilot this methodology and draw conclusions on its effectiveness. In general we believe that the methodology was cost-effective and has generated a wealth of information.

However, the following limitations were also encountered.

1. *Low response rate.* The initial response rate to the digital survey was very low, despite the email reminders sent. Ultimately a 15% response rate was reached, while only 3% of respondents also completed the open questions in the survey. Some members in the interviews noted the large number of mails that they received (including those from RJC), which might partly explain the low response rate. Interviews were also not easily confirmed and follow-up calls were made to acquire confirmation from members to participate. It was found that those who had to be motivated to participate were less responsive and the interview was shorter. .
2. *Positively biased responses.* It cannot be excluded that the members who did respond to requests for completing the survey, and for being interviewed, are those with relatively positive experiences and good connections with RJC (two interviewees were RJC Board members). This is a commonly recognised weakness of conducting surveys, which could only have been avoided by taking random samples. However, there is a real risk that this would have given an even lower response rate. From the follow-up interviews in several cases it was found that positive survey responses required some nuance (e.g. it was found from the interviews that positive scores had to be interpreted as 'just structured already available measures', or 'positive for our suppliers'). On the other hand, during the interviews members spoke up frankly and provided genuine feedback.
3. *Findings not supported by robust evidence.* The initial aim was to interview not only one management staff from each participating company, but also undertake additional interviews, to support opinions by more robust evidence. More specifically, the aim was to interview other staff members (to acquire evidence of internal management benefits), and some selected suppliers (to acquire evidence on measures taken to enhance issues

such as H&S, human rights, etc). However, this proved to be impossible, given the low response rate and limited willingness to spend time on interviews. Also, the aim was to request for quantitative data (e.g. on number of suppliers, turn-over during last year, etc), but this proved not possible. This means that underlying evidence of the perceptions expressed in the interviews is missing. Also, quantitative evidence has not been acquired to support some of the statements made.

4.3 Recommendations for RJC

The following are recommendations emerging from the study, many suggested by members during the interviews.

1. Improving value, reputation and coverage of RJC

- Many interviewees were of the opinion that RJC should do more to convince large retailers in the sector to recognise the RJC standard. Through dedication of more resources to achieving sector alignment, RJC can better achieve its aims of reducing audit burden and limit the number of responsible business standards that its certified members are required to comply with.
- It is suggested that this promotion process starts out with the larger brands, and will then by itself lead to sector-wide recognition of RJC as larger companies will require all their suppliers to meet the RJC COP.

RJC management response (May 2018): To date, RJC has engaged with several large retailers to understand their requirements for supply chain audits and identify opportunities to collaborate to reduce audit burden within the jewellery supply chain. Where differences between retailer audit requirements and RJC's approach have been identified, these will be taken into consideration as part of the review and update of the RJC Assessment Manual, and feasibility of implementation of changes considered. Furthermore, RJC has hired a Director of Business Development, whose responsibility is to develop strategies to drive membership engagement and strengthen RJC relationships with key stakeholders, to drive growth for the organisation, strengthen its influence and reputation across the industry. Retailers have been identified as a key stakeholder and focus for the newly formed Business Development team.

2. Creating a membership data base

- RJC should develop a database, to help members to connect with other members in their own supply chain, and form a community to exchange experiences and information on responsible business practices and provide peer-to-peer support. This would be particularly valuable for small companies, and would possibly reduce costs associated with the use of consultancies.
- The data base would also be useful for members to know which of their suppliers are RJC certified and thus stimulate wider adoption of RJC membership. It could also stimulate members to share how they stimulate their suppliers to improve responsible production systems (through their own checklist or protocols).

RJC management response (May 2018): Whilst RJC recognises it can do more to proactively facilitate these aims, RJC members are encouraged to share experiences on responsible business practices to foster a community of confidence through participation in, and networking at events hosted by the RJC such as the AGM, webinars and sessions at industry events. Furthermore, RJC is focused on nurturing its relationship with national trade associations, providing them with the necessary information and tools to enable them to facilitate local peer to peer learning and support members with the Code of Practices and responsible business practices. Members are also encouraged to engage with its dedicated member training and support manager on issues related to the implementation of standards, to reduce the member's need to engage external consultants in the development of their own internal management systems.

3. Differentiate expectations for types of members

- There appears to be a gap between expected and realised benefits of getting RJC certified, with some expectations not being met. Also, realised benefits vary according to the size of the company, with differences between realised internal, external and sector-wide benefits. RJC could pay more attention to the communication of these different types of benefits, providing tailored communication on benefits depending on the target audience. For larger companies the contribution to a sector-wide standard might be a more relevant incentive than internal business benefits.

RJC management response (May 2018): RJC is already developing a new multi-faceted communications strategy that will include a comprehensive member engagement programme. This programme will address how RJC communicates the value and benefits of membership and certification to its members in each sector in the supply chain. In addition, the programme will also equip RJC members with techniques and tools to market the RJC value proposition to their upstream and/or downstream stakeholders.

4. Make the RJC COP more appropriate to smaller businesses

- Some interviewees suggested that RJC could develop different versions of the COP, with one being more tailored to small businesses, thus addressing an important unintended effect of creating barriers for smaller companies to getting RJC certified. The one size fits all model does not work well according to some members. However, there are also members who oppose this opinion, stating that different versions would compromise the robustness of the standard. Another option to reduce costs and efforts for small businesses would be for RJC to provide stronger guidance to small members or organise peer member meetings between members to facilitate sharing of best practices and learning.
- Some interviewees stated that the auditing process should be made easier for those who already comply with other (comparable) standards, by focusing the audit less on those areas where the member has other comparable certifications already in place (lower entry points). This would require more efforts towards harmonisation between RJC and other standards.

RJC management response (May 2018): More than 60% of RJC members are classed as small members (who pay the minimum membership fee based on the annual relevant sales). We recognise that there is no clear consensus amongst the RJC membership to develop a version of the standards specifically designed for SMEs.

Our Guidance document contains information on how SMEs can implement the provisions of the Code. With the current phase of standards review, attention is being paid to provide more information on how SMEs can implement provisions. This will be reflected in the new COP 2018 Standards Guidance document. In addition, we are focussing on our training and support to SMEs and promoting mutual initiatives aimed at facilitating the implementation of responsible business practices by SMEs.

To reduce audit burden for members, we currently recognise several external standards and certifications with equivalent requirements and encourage auditors to take into consideration these certifications during the audit as evidence of the member's compliance with the relevant provisions. We will continue to uphold these recognitions and are currently working on a project to expand the number of standards we recognise. We are identifying target standards through consultation with members.

5. Improving evidence of real impact on suppliers

- It appears that members have high confidence that the COP addresses the key issues and the auditing system is rigorous. However, this study did not generate evidence whether within the (upstream and downstream) supply chain negative risks and effects are sufficiently reduced. This would be expected to be improved as more actors (suppliers and downstream actors) become RJC certified. It has not been possible to verify during

this study to what extent suppliers of the member were also RJC certified (although interviewed members generally provided a rough indication). This limitation has become more relevant in view of the recent study by Human Rights Watch, claiming that the RJC has positioned itself as a leader for responsible business in the jewellery industry, but has flawed governance, standards, and certification systems.³

- It would be good for RJC to conduct some in-depth verification studies or request members to provide evidence of risks being reduced (e.g. on human rights) or benefits being realised.

RJC management response (May 2018): RJC will consider this issue when determining the focus of its next in-depth evaluation as part of its impacts workstream.

6. Improving consistency of auditors

- Some interviewed members (four in total) complained about the auditors, not being consistent and showing variable focus and interpretations of certain COP clauses. As a result, second or third cycle audits in some cases took longer than expected, because new auditors requested information and evidence which had not previously been sought. This was cause of irritation for some.

RJC management response (May 2018): RJC has engaged the services of Accreditation Services International (ASI) to assist us in our strategy to maintain credible and quality focussed audit and assurance services to members. RJC will work with ASI to conduct a series of oversight assessment of RJC accredited audit firms during 2018, to improve the consistency and quality of RJC audits. Additionally, the oversight will ensure that audit firms and auditors are working in compliance with the RJC Accreditation Criteria and Assessment Manual. RJC has also revised its Assessment Manual, providing greater guidance to accredited auditors on how to conduct RJC audits to enhance audit consistency. An additional revision of the Assessment Manual is planned to coincide with the release of the new Code of Practices in 2019. The roll out of the new Assessment Manual has been supported by the release of new auditor training.

7. Suggestions on improving guidance on certain COP requirements

Several suggestions have been made on the need to improve the COP, on certain requirements.

- Improved provisions on supply chain management and supplier transparency (e.g. consider adopting blockchain technology for the Chain of Custody);
- Improved guidance on how to address human rights risks, especially among suppliers
- Improved guidance on gender equality and environmental issues, these issues are currently too narrow

RJC management response (May 2018): RJC is currently undergoing a phase of standards review and update, with the new Chain of Custody released at the end of 2017, and the Code of Practices currently under review.

- RJC is keeping a watching brief on the uptake of blockchain technology on the industry and how it could potentially be used in the future to enhance assurance of its chain of custody.
- Key changes proposed for the 2018 Code of Practices include strengthening of the responsible sourcing provisions and guidance for assessing and addressing human rights risks in the supply chain.
- RJC has engaged Business for Social Responsibility (BSR) in 2018 to review the COP with a gender lens to identify areas for improvement to better address gender considerations within the jewellery value chain.

8. Revision of the RJC theory of change capturing the five main benefit pathways.

The evaluation study shows the validity of five benefit pathways, with differential importance for large, medium sized and small businesses. It is proposed to revise the RJC theory of change and develop monitoring, reporting and communication initiatives aligned with these benefit pathways.

³ <https://www.hrw.org/report/2018/02/08/hidden-cost-jewelry/human-rights-supply-chains-and-responsibility-jewelry>

RJC management response (May 2018): RJC plans to conduct a full consultation and revision of its theory of change in 2019. As part of this work, RJC consider how best to incorporate the outcomes of this evaluation into the new theory of change.

Annex 1: Long list of short- and long-term benefits

The following is an overview of short- and long-term benefits that formed the basis for identifying business benefit impact pathways by RJC. It is based on the study conducted by Aidenvironment for ISEAL: see https://www.standardsimpacts.org/sites/default/files/Aidenvironment_report_business_benefits_of_standards.pdf

Overview of potential short-term benefits

Main cluster	Short-term benefit	Specifications
Internal operations	Operational efficiency and risk management	<ul style="list-style-type: none"> Improved management systems and processes Improved operational risk management Improved governance & membership engagement Innovation
	Human Capital Development	<ul style="list-style-type: none"> Improved and more safe working conditions & worker benefits More employee satisfaction & retention
	Sustainability strategy	<ul style="list-style-type: none"> Increases awareness on sustainability issues Benchmark or roadmap to operationalise sustainability Helps achieve sustainability / business objectives
	Monitoring and evaluation	<ul style="list-style-type: none"> Improved performance and/or impact monitoring
Procurement	Supply chain risk management	<ul style="list-style-type: none"> Improved management and mitigation of risks in supply chains
	Transparency & traceability	<ul style="list-style-type: none"> Increased product traceability and transparency
	Supply chain coordination	<ul style="list-style-type: none"> More reliable suppliers Improved quality of supplier relationships (trust, reduction in supply-side costs, reliability of supply)
Sales and marketing	Marketing strategy	<ul style="list-style-type: none"> Facilitates customer communication (e.g. claims) Enables to differentiate from other brands or companies
	Market access	<ul style="list-style-type: none"> Client retention Access to new customers and markets (e.g. geographies) Improved customer relationships (e.g. stability of demand, payment terms, etc.)
	Market reward	<ul style="list-style-type: none"> Access to inputs or other support efforts Additional cash premium or higher prices
Stakeholder engagement	Access to finance	<ul style="list-style-type: none"> Improved investor communications (More favourable) access to finance
	Public Sector Engagement	<ul style="list-style-type: none"> Improved relationships with the government Improved voice in policy making and public sector investments.
	Community, NGO & donor relationships	<ul style="list-style-type: none"> Improved civil society communication and dialogue Opportunities in partnership building Improved networking / business opportunities
	Access to knowledge and support	<ul style="list-style-type: none"> Improved access to information Improved access to capacity building

		<ul style="list-style-type: none"> • Improved access to inputs
Sector-wide development	Sector alignment & coordination	<ul style="list-style-type: none"> • More sector transparency • More sector-wide agreement on sustainability • Pre-competitive space to discuss sector issues (e.g. living wage)
	Public sector engagement	<ul style="list-style-type: none"> • Improved policy dialogue • More effective lobby and advocacy

Overview of potential long-term benefits

Main cluster	Long-term benefits
Business case	<ul style="list-style-type: none"> • Cost reduction • Increased profitability • Growth in production (productivity, quality and growth) • Enhanced reputation / credibility • Growth (volume, economies of scale) • Supply security (in volume, quality) • Level playing field • Legal compliance • Improved enabling policy context
Sustainability case	<ul style="list-style-type: none"> • Improved social sustainability, e.g. less child labour, health & safety, .. • Improved environmental sustainability, e.g. reduced carbon emission, less pollution, ... • Improved incomes for producers or value chain actors, e.g. fair wages, incomes, ...

Annex 2: Digital member survey

Introduction

Dear RJC member,

This survey aims to assess the business benefits (or impacts) RJC certification has realised or is expected to realise for RJC members. After a few questions on your business characteristics (Part 1), you will be asked in part one of the survey about short term business benefits (Part 2), followed by questions on the longer-term benefits (Part 3). The survey will take around 15 minutes to finalise.

Part 1: Business Characteristics

1.	Business activity	1. Manufacturer 2. Wholesaler
2.	Size of organisation	1. Small (50 or less employees) 2. Medium (51-250 employees) 3. Large (more than 250 employees)
3.	Geographical location of manufacturing and wholesale activities	1. Italy 2. Switzerland 3. France 4. US 5. China 6. Thailand 7. Other, please specify [FREE TEXT BOX]
4.	RJC certifications	1. Code Of Practices only 2. Code Of Practices and Chain of Custody 3. Not yet certified
5.	Application of other industry standards in your business	1. SRSP 2. ISO 14001 3. OHSAS 18001 4. De Beers BPP 5. SA 8000 6. other, please specify [FREE TEXT BOX] 7. none
6.	Maturity of RJC certification	1. Not yet certified 2. First certification 3. Second certification 4. Third certification 5. Fourth certification.

Part 2 - Short term business benefits

As a certified member, the questions in this section aim to understand what short term business benefits have been realised within your company, as a result of implementing RJC's Code of Practice in your business.

1.	What is your perception on the impact of the RJC Code of Practices in the following short-term benefit categories?	
	a) Labour relations (attraction, retention, satisfaction of workers)	1. very negative impact/ 2. negative impact / 3. no impact/ 4. positive impact / 5. very positive impact
	b) Health & safety performance	
	c) Energy efficiency	
	e) Water efficiency	
	f) Management of supply chain risks (such as human rights, money laundering)	
	g) Supply chain transparency	
	h) Supplier relations (communications, trust, reliability of supply)	
	j) Customer relations	
	i) Access to new customers and markets	

2.	How important are each of these short-term benefits to your business?	
	a) Labour relations (attraction, retention, satisfaction of workers)	1. not important at all / 2. not important / 3. unsure / 4. important / 5. very important
	b) Health & safety performance	
	c) Energy efficiency	
	e) Water efficiency	
	f) Management of supply chain risks (such as human rights, money laundering)	
	g) Supply chain transparency	
	h) Supplier relations (communications, trust, reliability of supply)	
	j) Customers relations	
	i) Access to new customers and markets	

3. Please specify any additional short-term impacts realised by your business because of the implementation of the RJC Code of Practices?

<i>Free text</i>	1. very negative impact/ 2. negative impact / 3. no impact/ 4. positive impact / 5. very positive impact
<i>Free text</i>	
<i>Free text</i>	

4. OPTIONAL QUESTION: Are there any other factors other than the RJC Code of Practices, that have contributed to the short-term impacts realised in your business, as note above. Other factors could be: other standards, legislation, business partner requirements, existing management systems, ...:

Labour relations (attraction, retention, satisfaction of workers)	<i>Free text</i>
Health & safety performance	<i>Free text</i>
Energy efficiency	<i>Free text</i>
Water efficiency	<i>Free text</i>
Management of supply chain risks (such as human rights, money laundering)	<i>Free text</i>
Supply chain transparency	<i>Free text</i>
Supplier relations (communications, trust, reliability of supply)	<i>Free text</i>
Customer relations	<i>Free text</i>
Access to new customers and markets	<i>Free text</i>

5. OPTIONAL QUESTION. What support received from RJC has been most important in contributing to positive impacts in your business? Please tick all that apply:

- Self-assessment process
- Use of toolkits (self-assessment toolkit, human rights due diligence toolkit, risk assessment toolkit)
- Online training modules
- Guidance documents
- Support from RJC Topic Experts
- Personal support from RJC staff (member helpdesk)
- RJC events and webinars
- Other, please specify

Part 2 – Expected short-term business benefits

As an RJC member who is not yet certified, the questions in this section aim to understand what short term benefits / impacts your business expects to realise from the initial implementation of the RJC Code of Practices in your business.

1.	Do you expect the implementation of the RJC Code of Practices to result in any impacts in the following short-term benefit categories?	
	b) Labour relations (attraction, retention, satisfaction of workers)	1. very negative impact/ 2. Negative impact / 3. no impact/ 4. positive impact / 5. very positive impact
	b) Health & safety performance	
	c) Energy efficiency	
	e) Water efficiency	
	f) Management of supply chain risk (such as human rights, money laundering)	
	g) Supply chain transparency	
	h) Supplier relations (communications, trust, reliability of supply)	
	i) Customer relations	

	j) Access to new customers and markets	
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2	How important are each of these expected short-term benefits to your business?	
	a) Labour relations (attraction, retention, satisfaction of workers)	1. not very important/ 2. not important / 3. unsure / 4. important / 5. very important
	b) Health & Safety performance	
	c) Energy efficiency	
	e) Water efficiency	
	f) Management of supply chain risk (such as human rights, money laundering)	
	g) Supply chain transparency	
	h) Supplier relations (communications, trust, reliability of supply)	
	j) Customer relations	
	i) Access to new customers and markets	

3. Are there any other additional short term impacts you expect to realise from the implementation of the RJC Code of Practices in your business?

<i>Free text</i>	1. very negative impact/ 2. negative impact / 3. no impact/ 4. positive impact / 5. very positive impact
<i>Free text</i>	
<i>Free text</i>	

Part 3 - Longer-term business benefits

This part of the survey focusses on the longer-term benefits your business has realised, resulting from the short-term benefits identified in part two of the survey. These benefits may have taken more time to materialise.

1.	Has the implementation of the RJC Code of Practices in your business resulted in any impact on the following longer-term benefit categories?	
	a) Productivity	1. very negative impact / 2. Negative impact / 3. no impact/ 4. positive impact / 5. very positive impact
	b) Operational costs	
	c) Reputation	
	e) Supply security (quality, volume, continuity of supply)	
	f) Production volume	
	g) Profitability	

2.	How important are these longer-term benefits to your business?	
	a) Productivity	1. not very important/ 2. not important / 3. unsure / 4. important / 5. very important
	b) Operational costs	

	c) Reputation	
	e) Supply security (quality, volume, continuity of supply)	
	f) Production volume	
	g) Profitability	

Part 3 - Expected longer-term business benefits

This part of the survey focusses on the expectations you have on longer-term business benefits which may materialise as a result of the short-term business benefits identified in part two of the survey. Note that these benefits may take more time to materialise.

1.	Do you expect the implementation of the RJC Code of Practices in your business to result in any impact on the following longer-term benefit categories?	
	a) Productivity	1. very negative impact / 2. Negative impact / 3. no impact/ 4. positive impact / 5. very positive impact
	b) Operational costs	
	c) Reputation	
	e) Supply security (quality, volume, continuity of supply)	
	f) Production volume	
	g) Profitability	

2.	How important are these longer-term benefits to your business?	
	c) Productivity	1. not very important/ 2. not important / 3. unsure / 4. important / 5. very important
	d) Operational costs	
	c) Reputation	
	e) Supply security (quality, volume, continuity of supply)	
	f) Production volume	
	g) Profitability	

Further participation

Thank you very much for your time and efforts in completing the survey. The results of the survey will be analyzed by Aidenvironment. Using the aggregated results of the survey, Aidenvironment will undertake one to one interviews with a sample of members to further explore the contribution by RJC to business benefits of RJC certification, and the link between the short and longer-term benefits.

We would very much appreciate your participation in the next phase of the study which will take place between January and February, and which will include a short follow up telephone interview (lasting no more than 1 hour).

If you are willing to participate in these interviews, please provide your contact details:

- Name:
- Company:
- Role:
- Email address:
- Telephone number (with dialing code):

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