

Responsible Jewellery Council

COVID-19 Adaptation Evaluation

2020

SOCIAL ACCOUNTABILITY INTERNATIONAL

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Acknowledgements

About Social Accountability International

Founded in 1997, Social Accountability International (SAI) is a global non-governmental organization advancing human rights at work. SAI's vision is of decent work everywhere sustained by an understanding that socially responsible workplaces benefit business while securing fundamental human rights. SAI empowers workers and managers at all levels of businesses and supply chains, using its multi-industry SA8000® Standard, as well as Social Fingerprint®, Ten Squared, and other training and capacity building programs.

SAI is a leader in policy and implementation, working together with a diverse group of stakeholders, including brands, suppliers, governments, trade unions, non-profits, and academia. The SA8000® Standard is the leading social standard for factories and organizations across the globe. SA8000 measures social performance in eight areas important to social accountability in workplaces, anchored by a management system element that drives continuous improvement in all areas of the Standard. SA8000 reflects labor provisions contained within the Universal Declaration of Human Rights and International Labour Organization (ILO) conventions. It also respects, complements, and supports national labor laws around the world, and currently helps secure ethical working conditions for over two million workers.

About the Responsible Jewellery Council

The Responsible Jewellery Council helps companies of all sizes throughout the jewellery & watch supply chain meet the rising ethical demands of peers, consumers, financial institutions, and civil society. It does so by providing a clear set of standards – the RJC Code of Practices –, which is verified through a third party, independent audit. Adoption and adherence with the RJC's Code of Practices presents a pathway for companies to address sustainability best practices and align with key United Nations Sustainable Development Goals. The Responsible Jewellery Council is a gateway to sustainable growth for businesses. The Responsible Jewellery Council also works with multi-stakeholder initiatives on responsible sourcing and supply chain due diligence. The Responsible Jewellery Council's Chain-of-Custody Certification supports the development of responsible supply chains of precious metals.

Individuals involved in this evaluation included:

The Responsible Jewellery Council

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Social Accountability International

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Acronyms

SAI: Social Accountability International

RJC: Responsible Jewellery Council

ISEAL: International Social and Environmental Accreditation and Labeling

Executive Summary

SAI conducted remote interviews in 2020 to investigate how RJC members in India have adapted their operations in response to the COVID-19 pandemic. Specifically, SAI explored how RJC members have leveraged their existing management systems (required by the RJC Code of Practices) to deal with changes required to manage labour and working conditions during this time. The survey explored how the RJC standards could be adapted to better equip members to deal with emergency events and business continuity, in addition to collecting member feedback on special measures introduced by RJC during the pandemic such as the certification and audit extension policy, additional member guidance on managing key labour risks during the pandemic and the remote audit derogation. SAI also identified examples of noteworthy achievement and good practices implemented by the members during the COVID-19 pandemic related to labour rights and working conditions.

Users of the Evaluation

This evaluation is intended for use by RJC, and its stakeholders, to help identify the challenges faced by RJC members and the extent to which they used the RJC system to adapt to the COVID-19 pandemic, so that RJC can continually improve its system, including guidance and tools.

Evaluation Methodology and Outline of Main Activities

Primary Source Data Collection: SAI conducted interviews to collect data from a select group of RJC members with operations in India. Interviews were based on a survey that was designed to collect qualitative and quantitative data (Annex, Figure 1). Interviewees were asked survey questions over the phone during sessions with Muralidharan Subramanian of SAI. In total, 23 members were interviewed between October 9-October 30, 2020.

Background

Like many countries around the world, India has seen a staggering economic impact because of COVID-19. Despite recent lifted restrictions allowing companies to reopen at partial and full capacity, in the “last quarter [of 2020] the Indian economy shrank by 24 percent” and “economists say [that] India risks losing its place as the world’s fifth largest economy” as a result.¹

According to a report by the Indian Department of Commerce published in September 2020, ready-made garments, leather and leather products, agricultural products (e.g. cashews, meat, dairy, and poultry products), petroleum products, and gems and jewellery exports all experienced declines². The Gem and Jewellery Export Promotion Council (GJEPC) projects that “gems and jewellery exports [will] decline by 25-30 percent in the current fiscal” year given the “‘complete washout’ of the first quarter due to lockdown to curb spreading of the COVID-19.”³ Given these challenges, RJC sought to explore not only the ways in which certified members have been responding and adapting to the pandemic, but also to assess the extent to which RJC certification has facilitated this.

Evaluation Methodology Parameters and Limitations

As a result of the COVID-19 pandemic, consultations were conducted remotely due to travel

¹ [New York Times](#)

² [Statista](#)

³ [Business Standard](#)

restrictions and to protect those involved in the evaluation. While the assessment was conducted independently and objectively, SAI did not select the members that participated in the interviews. The participants were management representatives from a combination of survey respondents who participated in a separate evaluation on labour rights and working conditions in 2019, supplemented by other members selected by RJC. They represent a small portion of RJC members and are not necessarily representative of all RJC members in India.

Findings: COVID-19 Response and Adaptation

Impact on Operations

100% of the interviewees reported temporarily closing due to COVID-19 restrictions, but at the time of the interviews, 100% had resumed operations. The table below provides a breakdown of the member’s current operating capacity and projections as to how long it will take for members to reach full capacity again:

If you are now re-opened, at what percent of production are you currently operating?	
Full	13%
50%	9%
Partial	78%

If operating at less than full capacity, how long do you expect it take to reach full production from the day you restarted/increased operations?	
Not Sure	83%
Already at Full Capacity	13%
After November	4%

Impact on Business

Members were asked about the level of impact the COVID-19 pandemic had in on difference aspects of their operations. Please see the table below for the detailed results:

	Major impact	Moderate impact	Minor impact	Impact, but unsure of severity	No impact	Not sure
Lost business from clients or buyers taking business elsewhere	9%	4%	30%	17%	39%	0%
Lost business from unfilled orders or backlogs	4%	0%	30%	65%	0%	0%
Gained business (orders, clients, etc.)	4%	0%	9%	13%	70%	4%
Delays in receiving materials from suppliers	9%	4%	17%	57%	13%	0%
Delays in completing or distributing work to clients or buyers	9%	0%	4%	78%	9%	0%
Unsold inventory	0%	0%	26%	30%	43%	0%
Delayed or missing payments from clients or buyers	4%	13%	57%	13%	9%	4%
Delayed or missing payments to suppliers	4%	0%	22%	43%	30%	0%
Increased price pressures from clients or buyers (demanding discounts, reduced fees, etc.)	0%	0%	0%	0%	100%	0%
Increased price pressures from suppliers (demanding premiums, increased fees, etc.)	0%	0%	0%	0%	100%	0%

**When percentages do not add up to 100%, this is a result of excel rounding.*

Overall, all interviewees have faced some level of impact to their business operations as a result of COVID-19. 61% of interviewees reported losing business from clients or buyers taking business elsewhere, 100%

reported losing business due to unfilled orders or backlogs, and 70% reported no change in orders gained.

Overall, 87% of interviewees experienced delays in receiving materials from suppliers, and 91% experienced delays in completing or distributing work to clients or buyers. 56% report having unsold inventory, with another 87% reporting experiencing delayed or missing payments from buyers or suppliers, leading to 70% delaying or missing payments to their suppliers.

100% of members interviewed reported no impact on the price pressures from clients and buyers or their suppliers when compared to pre-COVID operations.

Outcome of RJC Code of Practices on COVID-19 Response and Adaptation

This section of the interviews focused on the direct outcome of the RJC COP on how the members responded and adapted to COVID-19. We found that many companies had existing management systems and working practices that are aligned with RJC requirements, but they were not implemented solely because of RJC membership.

For example, the first question asked was whether companies have been able to leverage existing management systems and working practices, implemented under the RJC Code of Practices, to address operational changes brought on by COVID-19. 95% of members interviewed indicated that they somewhat agreed or strongly agreed. Of those 95% of respondents, 17% strongly agreed that yes, they have been able to leverage existing management systems and working practices under the RJC COP, and the remaining 78% replied “somewhat agree,” noting that management systems and working practices were helpful, but that the RJC COP was not the only reason for their implementation.

My company has been able to leverage existing management systems and working practices, implemented under the RJC Code of Practices, to address operational changes brought on by COVID-19.	
Strongly agree	17%
Agree	0%
Somewhat agree	78%
Neutral or Not Sure	0%
N/A or No response	0%
Disagree	4%
Somewhat disagree	0%
Strongly disagree	0%

**When percentages do not add up to 100%, this is a result of excel rounding.*

Overall, members felt that the implementation of the COP and supporting management systems was generally helpful in supporting their efforts to address operational changes brought on by COVID-19. Another member stated that it was helpful in specific aspects of their COVID-19 response, including in their efforts taken in making [and developing] procedures. One interviewee noted that the implementation of the COP was helpful to a great extent, along with other systems that they had implemented including ISO 9000 certification. On the other hand, another member stated that since the COP does not address unforeseen events like COVID-19 it was not very helpful. Furthermore, they were of the opinion that limited assistance was provided to address issues.

The next section of the interviews focused on how the existing management systems and working practices established by the RJC Code of Practices has enabled organizations to address the specific issues relating to working conditions and labour rights. Again, it is important to note that the majority of interviewees indicated that they had management systems implemented prior to their RJC Certification.

96% of interviewees indicated that they strongly or somewhat agreed that the RJC COP enabled them to better assess COVID-19 workplace hazards; of this 96%, 13% strongly agreed and 83% somewhat agreed. 87% somewhat agreed it enabled them to implement effective COVID-19 H&S training and communication as well as provide the necessary onsite medical provisions, with 13% strongly agreeing. From a labour perspective, 100% of interviewees somewhat agreed that the RJC COP enabled them to complete payment of owed wages to workforce despite impacts of COVID-19, while 83% somewhat agreed that the RJC COP enabled them to implement protections for vulnerable populations as needed (e.g. migrant workers, female workers).

69% of interviewees had indicated “not applicable” for limiting the reduction of wages, because the majority of members did not reduce wages. Similarly, 87% of members had replied “not applicable” for hiring more workers because the vast majority were not hiring additional workers during this time.

Working conditions:

Implementation of the RJC COP enabled members to:	Strongly agree	Agree	Somewhat agree	Neutral or Not Sure	Not applicable	Disagree	Somewhat disagree	Strongly disagree
Better assess COVID-19 workplace hazards	13%	0%	83%	0%	0%	4%	0%	0%
Implement effective COVID-19 health and safety training(s) and communication(s)	13%	0%	87%	0%	0%	0%	0%	0%
Strengthen H&S committee oversight and response during this time	0%	4%	26%	70%	0%	0%	0%	0%
Provide the necessary onsite first-aid provisions and trained first aid personnel.	0%	0%	100%	0%	0%	0%	0%	0%

**When percentages do not add up to 100%, this is a result of excel rounding.*

Labour rights:

Implementation of the RJC COP enabled members to:	Strongly agree	Agree	Somewhat agree	Neutral or Not Sure	Not applicable	Disagree	Somewhat disagree	Strongly disagree
Complete payment of owed wages to workforce despite impacts of COVID-19.	0%	0%	100%	0%	0%	0%	0%	0%
Reduce the number of layoffs made to overall workforce.	0%	0%	83%	0%	17%	0%	0%	0%
Limit the reduction of wages (if wage reductions have been made).	0%	0%	13%	0%	69%	17%	0%	0%
Hire more workers (if operations have resumed).	0%	0%	4%	0%	87%	9%	0%	0%

Better assess and identify potential labor risks as a result of COVID-19 (e.g. increased potential for forced labor, child labor, etc.)	0%	0%	87%	0%	13%	0%	0%	0%
Implement protections for vulnerable populations as needed (e.g. migrant workers, female workers).	9%	0%	83%	0%	4%	4%	0%	0%

**When percentages do not add up to 100%, this is a result of excel rounding.*

Additional:

Implementation of the RJC COP enabled members to:	Strongly agree	Agree	Somewhat agree	Neutral or Not Sure	Not applicable	Disagree	Somewhat disagree	Strongly disagree
Monitor and respond quickly to supply chain disruptions and challenges presented by COVID-19.	4%	0%	96%	0%	0%	0%	0%	0%
Implement community initiatives to help the local community members address COVID-19 (e.g. health initiatives, providing medical support, etc.).	13%	0%	83%	0%	4%	0%	0%	0%

**When percentages do not add up to 100%, this is a result of excel rounding.*

RJC developed special guidance and tools to support members during this uniquely challenging period. When asked about whether their company utilized any of the following special guidance or mechanisms, many interviewees stated that the guidance was used as a reference as they navigated their responses to COVID-19. Many interviewees reported not using the certificate and audit extension, as well as the remote audit derogation, because they were in the middle of an audit cycle. As a result, these items were not relevant to them at the time of the interview, but noted that they appreciated these efforts.

	Certification extension	Remote audit derogation	Guidance on COP compliance during COVID
Yes	39%	57%	87%
Not used	61%	43%	9%
Did not receive	0%	0%	4%

**When percentages do not add up to 100%, this is a result of excel rounding.*

Members who utilised these tools were then asked to rate how useful it was to them:

	Certification extension	Remote audit derogation	Guidance on COP compliance during COVID
Most useful	17%	17%	0%
Useful	9%	13%	43%
Somewhat useful	13%	26%	30%
Neutral	0%	0%	13%

**When percentages do not add up to 100%, this is a result of excel rounding.*

At the end of the survey, members were also asked if they had any additional concerns related to this pandemic that they would like to see RJC address in future guidance, as well as what other RJC provisions have been useful/impactful for managing their business responsibly during COVID. Interviewees did not have additional concerns or feedback regarding either of these questions. At the time of the interview, many members' operations were no longer in a lockdown situation, and therefore had no concerns or feedback on guidance that they wanted to highlight or share. The only additional feedback provided here was regarding the reduction of fees associated with RJC membership.

Examples of Good Practice

Venus Jewel

Venus Jewel reported running at full capacity at the time of the interview. The company had experienced backlogs due to the early lockdown in India, but they noted that they were slowly getting back to normal. The leadership at Venus Jewel reported to SAI that "the implementation of [the RJC] COP and system was helpful to some extent", as they addressed COVID-19. To prevent the spread of COVID-19, the company had taken proactive measures with regard to social distancing, sanitization, the implementation of new operating procedures, in addition to implementing a quarantine policy. The company also provided continuing education on the risks of COVID-19 to workers. All workers were covered under Medclaim Insurance, and regular testing and contact tracing efforts were implemented in the workplace. One of the most notable learnings SAI found was that there were no employee payment deductions, even during the lockdown period. There were also no layoffs. Venus Jewel also carried out CSR community-based initiatives, which included dedicating part of their company hospital for community use. They also donated and distributed food to the local community, and as a result of their efforts, 50,000 meals were distributed to local community members.

Gold Star Jewellery Pvt. Ltd

Similar to the best practices described above, Gold Star Jewellery did not cut worker wages, even during the lockdown period, and prioritized the health and wellness of workers. Preventive kits were given not only to employees, but to their families as well. These kits contained items including homeopathic medicines. This facility also adjusted the infrastructure within the organization and layout to avoid touch including changing how doors within the facility were opened by adding in foot operated taps to open doors. Non-essential personnel were also permitted to work from home, and no cuts were made to employment numbers or pay. For employees who are working in person, temperature checks are being conducted 3 times a day. There were 13 workers who tested positive, but they were provided medical support through Medclaim insurance. All support for hospitalization for employees was provided when required. Gold Star also undertook impressive efforts taken to address mental health through their 'Hungama Week', where they reached out to families to understand their issues and emotional health, and to address and better understand financial stability, and concerns, of employees. Management formed a WhatsApp group to stay in touch with all employees and boost their morale with a 'daily quiz' and positive messages.

Worldwide Diamond Sorting Pvt. Ltd.

Worldwide Diamond Sorting took measures to ensure sanitization, even changing their fixtures and floor plan to ensure employee safety. Employee symptom screening efforts are also in place, with an Oximeter being made available any workers experiencing symptoms. Through the robust symptom checking procedures, nine positive COVID cases were identified where employees received medical support from the facility and all were covered under Mediclaim Insurance. Similar to other members, there were no layoffs or cuts in payment to workers, and the company took steps to establish a company dormitory to ease travel burden and exposure to workers, and to ensure business continuity.

DNJ

The CEO of DNJ stated that COVID-19 'was a shock to our business operations' for many reasons. One of the challenges that DNJ faced was the fact that over the past 10 years, the company never outsourced any of their activities. However, due to the complications presented by COVID-19, DNJ began to explore alternative manufacturing locations. In mid-June 2020, when the city of Surat was permitted to start working, DNJ planned and entered into an agreement with another RJC certified entity to produce 20% of DNJ's production. This step, while unprecedented for the company, helped in ensuring business continuity, which was critical for client support. Following the strict lockdown, DNJ had arranged for over 150 of their team members who had earlier returned to their hometowns, to be flown back for the start of operations. The CEO also noted that, for many of these workers, it was their first time on an airplane and that arranging this journey helped these members of Team DNJ to gain confidence about their future at work, in a city which was the most severely affected in India.

Conclusion and Recommendations

Overall, interviewees noted that RJC membership was helpful in supporting their efforts to address COVID-19. While many members noted that the tools provided by RJC were not the sole drivers behind their COVID-19 responses, they acknowledged the helpfulness of these tools as references and guidance as members developed their response strategies.

SAI believes that a more in depth study could be conducted with a larger number of RJC members, targeted at both managers and workers, in order to gain a more representative understanding of the role that RJC membership has played in members' response to addressing the challenges presented by COVID-19. SAI also recommends that RJC continue to keep up regular communication with their members as they grapple with the effects of COVID-19 on their workers and business operations.

Annex

Figure 1: 2020 COVID-19 telephone interview questionnaire

	Answers	Notes
Did your organization close temporarily or significantly reduce operations as a result of the pandemic?		
If you temporarily closed or reduced operations, have you now re-opened or begun increasing operations again?		
If yes, at what percent of production are you currently operating?		
How long do you expect it take to reach full production? Please select the time it will take from the day you restarted/increased operations (not the time from when you are completing this survey).		

Please enter the approximate level of impact each scenario has had on your operations:	Answer	Notes
Lost business from clients or buyers taking business elsewhere		
Lost business from unfilled orders or backlogs		
Gained business (orders, clients, etc.)		
Delays in receiving materials from suppliers		
Delays in completing or distributing work to clients or buyers		
Unsold inventory		
Delayed or missing payments from clients or buyers		
Delayed or missing payments to suppliers		
Increased price pressures from clients or buyers (demanding discounts, reduced fees, etc.)		
Increased price pressures from suppliers (demanding premiums, increased fees, etc.)		

	Answers	Notes
My company has been able to leverage existing management systems and working practices, implemented under the RJC Code of Practices, to address operational changes brought on by COVID19.		

The existing management systems and working practices established by the RJC Code of Practices has enabled my organization to:	Answers	Notes
Better assess COVID-19 workplace hazards.		
Implement effective COVID-19 health and safety training(s) and communication(s)		
Strengthen our H&S committee oversight and response during this time.		
Provide the necessary onsite first-aid provisions and trained first aid personnel.		
Complete payment of owed wages to workforce despite impacts of COVID19.		
Reduce the number of layoffs made to overall workforce.		
Limit the reduction of wages (if wage reductions have been made).		
Hire more workers (if operations have resumed).		
Better assess and identify potential labor risks as a result of COVID19 (e.g. increased potential for forced labor, child labor, etc.)		
Implement protections for vulnerable populations as needed (e.g. migrant workers, female workers).		
Monitor and respond quickly to supply chain disruptions and challenges presented by COVID19.		
Implement community initiatives to help the local community members address COVID19 (e.g. health initiatives, providing medical support, etc.).		

Did your company utilize any of the following special guidance or mechanisms developed by RJC during the pandemic?	Answer	Notes
Certification extension		
Remote audit derogation		
Guidance on COP compliance during COVID		

If so, to what extent did you find them useful in terms of maintaining your RJC certification during these extraordinary times? 5= Most Useful, 1= Least Useful	Answers	Notes
Certification extension		
Remote audit derogation		
Guidance on COP compliance during COVID		
What additional concerns related to this pandemic would you like to see RJC address in future guidance?		
What are some noteworthy achievements/best practices that you have implemented in relation to labour rights and working conditions during the COVID19 pandemic?		
What other RJC provisions have been useful/impactful for managing your business responsibly during COVID?		



RJC MANAGEMENT RESPONSE TO RESEARCH

RESEARCH REPORT

Evaluation of RJC member COVID-19 Adaptations 2020)
Social Accountability International (SAI)

RJC'S RESPONSE TO REPORT FINDINGS

We thank the SAI team for their collaboration and expertise on this project, and the RJC members who participated in the project during particularly challenging circumstances.

This evaluation provides a useful insight into how RJC members in India, one of the key geographical hubs in the jewellery value chain, were able to adapt to unprecedented challenges brought on by COVID-19 and the restrictions placed on social interactions. RJC was pleased to see that 95% of members interviewed indicated that they agreed (to various extents) that they were able to leverage existing management systems and working practices implemented under the COP to address operational challenges that arose due to COVID-19.

We welcome the findings of the study, where 87% of members interviewed utilised specialised guidance issued to members during the pandemic on maintaining compliance with the COP. RJC will continue to develop issue specific guidance in response to any exceptional circumstances that may arise, to support members to navigate such issues. Whilst the certification extension and remote audit derogation were used to a lesser extent by members surveyed, due to the timing of the interview and the member being in the middle of an audit cycle, members appreciated these efforts and found them to be the most useful. RJC is participating in a project funded by ISEAL to test the adoption of new procedures that could make remote auditing a permanent feature of assurance models.

Regarding the member comment that the COP does not address unforeseen events like COVID-19, RJC will explore the opportunity to include a business continuity and emergency preparedness planning requirement in a future version of the COP.

RJC'S RESPONSE TO REPORT RECOMMENDATIONS

SAI have recommended a more in-depth study of RJC's membership is conducted to gain a deeper understanding of the role of RJC certification in enabling members to respond to addressing challenges presented by COVID-19. As we enter a post-pandemic phase, we will keep a watching brief on future challenges associated with COVID, however we do not feel it is a priority to continue research in this area, and instead will focus efforts on other business as usual topics from the COP that are of material interest to stakeholders.