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Small to Medium-sized Enterprises (SMEs): Uptake, Access and Impact of Certification in the Jewellery Supply Chain

Julia Möllenhoff, Helena Quinn, Ingrid Sjögren

Partners:

Responsible Jewellery Council

Richemont

- Executive Summary –

Jewellery and watch manufacturing and retailing, particularly in Europe, has traditionally been characterised by small family businesses and workshops. Europe is also at the forefront of the Corporate Social Responsibility (CSR) movement, which incorporates a range of voluntary sustainability and CSR standards for various sectors. For jewellery this includes the Responsible Jewellery Council (RJC), formed in 2005. Its aim was to develop a certification system for diamonds, gold and platinum group metals that would operate from mine to retail. Membership has grown from an initial 14 organisations to now over 500, of which 60% are SMEs (RJC, 2014: 47). Given this large proportion of small companies, this research project aimed to investigate whether SMEs face unique challenges in the implementation of voluntary standards. The aim was to identify the drivers and outcomes of SMEs' efforts to undertake RJC Certification.

The responses from SMEs were very diverse. Among their main motivations for undertaking certification, SMEs underlined the importance of living up to customer expectations, and felt pressure to varying extents – some assumed that it was mandatory, whilst others did not. All indicated that it was necessary to remain competitive in the sector. Improved image leading to new business opportunities was occasionally highlighted.

Regarding the challenges faced by SMEs to adopt certification, some smaller companies emphasised that difficulties reflected the size of the company, viewing the RJC standard as better suited to larger companies. The formality of certification was felt not to be adapted to smaller structures. Expenses, whether in terms of human resources or time, constituted an additional constraint. Costs included paying for the audit and sometimes employing an external consultant. Restructuring of the company in accordance with the standard also represented a significant cost. The complexity and applicability of the RJC self-assessment questions was additionally indicated as an impeding factor. Finally, the lack of translation of the RJC documents into other languages was flagged as a limiting factor.

Regarding support from third parties, most was received from larger customers or, in specific national cases, from sectoral trade associations. Competition between SMEs appeared to be too much of a threat for any exchange of experiences with certification to be

possible.

Perceived benefits of certification included both 'internal' and 'external' benefits. External benefits comprised things such as the maintenance of business ties with larger customers, attracting new clients, and using the certification to advertise. Internal benefits encompassed positive changes in internal company structures and employment terms, mentality of employees and the perception among them of a more ethically sound working environment, which attracted more qualified employees.

Recommendations:

- A need to convince the SMEs of the opportunities from certification, by stressing internal and external benefits.
- Motivating SMEs throughout the supply chain requires that large companies attach equal importance to the RJC standard.
- Make the RJC material more accessible to SMEs: provide translations in all communications and clarify questions in the self-assessment questionnaire.
- Provide face-to-face, affordable and reliable support
- Create a database containing contact details of consultants and non-commercial support to whom SMEs can turn for guidance at national level.

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I. Introduction

The aim of this research project was to discover the challenges small and medium-sized enterprises (SME) face in implementing corporate social responsibility (CSR) and certification in the jewellery and watch manufacturing and retail sector. Much has been written about the beginning of the supply chain, with relatively little focus on the middle of the chain and onwards. Our objective was to begin to fill this gap in knowledge. In finding out which factors influence the uptake of CSR and certification by SMEs, avenues of inquiry included whether challenges such as commercial considerations (competitiveness), human resources, or constraints on achieving conformance played a part.

The sample of companies primarily focused on those who had already undertaken certification, and those seeking to undertake certification but had not yet done so. This meant that companies that were not yet RJC members were excluded from the study. Interviews with SMEs were conducted in Switzerland, France, Germany and Italy. Others were conducted with multinational companies in order to form a comparison in experiences with certification. Another layer of comparison was provided by auditors. Further interviews were conducted with representatives from ministries, federations and trade associations in order to obtain a non-commercial perspective.

Ultimately, this project sought to establish whether there are unique problems faced by SMEs in taking on CSR, and which factors drove their decisions to do so. The Responsible Jewellery Council (RJC) and other stakeholders will use the results of the study to improve programmes aimed at supporting SMEs in the luxury jewellery and watch sector to adopt certification.

In the first part, the methodology will be presented. Thereafter, the first research question is addressed in the form of a literature review. The third part explores the experience of SMEs with the RJC certification in greater detail (the second research question). Subsequently the perspective of non-commercial actors is examined. The final section concludes and offers a number of recommendations.

II. Statement of Research Questions

The research was divided into two main questions. The first question concerned the general implementation of voluntary CSR and CSR-related certification programs among European SMEs. This question was relevant as voluntary CSR and certification programmes are becoming an increasingly widespread phenomenon throughout Europe. The literature review on SMEs' uptake of voluntary CSR provided the framework for the second research question. The latter considered the unique aspects of the adoption of certification according to the standards of the RJC by SMEs in France, Germany, Italy and Switzerland. More precisely it sought to answer what the motivations for the uptake of certification, the principal challenges, costs and benefits that SMEs encountered during the process were. These aspects were then analysed against the background of whether they were specific to SMEs or generic throughout the sector.

III. Methodology

Research Question One

In line with the separation of the research into the general question on SMEs' adoption of voluntary CSR and certification programmes, and the specific question regarding the uptake of the RJC certification of SMEs, a broad literature review on existing research was conducted. On the basis of existing literature, general patterns were identified that show the extent to which voluntary CSR has been adopted by SMEs. The existing literature not only set the context for answering the second, more specific, question on the adoption of RJC certification among SMEs, it also revealed the gap that this study fills.

Research Question Two

In order to answer the specific question on the adoption of RJC certification among SMEs with regard to the drivers, incentives and obstacles and challenges, generating original and analysable data through semi-structured interviews was of fundamental importance.

The method of data triangulation (*cf.* Guion et al, 2011; Hussein, 2009) was identified as the

most appropriate tool. This method, also called data source triangulation, refers to “the use of multiple data sources in the same study for validation purposes” (Guion et al, 2011: 3). According to Guion (2011), in-depth interviews conducted with different groups involved in the same programme allow for a more holistic insight and make it possible to analyse the extent to which different groups agree or disagree on crucial aspects of the research (ibid). In short, data triangulation was deemed relevant for this study given the small sample size.

In this study, a higher degree of validation and corroboration was aimed at by interviewing different actors in the certification process in France, Germany, Italy and Switzerland. Besides SMEs (certified and non-certified), interviews were also conducted with certified multinational companies, non-commercial actors comprising ministries, trade associations and federations in the target countries, as well as audit firms accredited by the RJC to conduct the final independent certification audit.

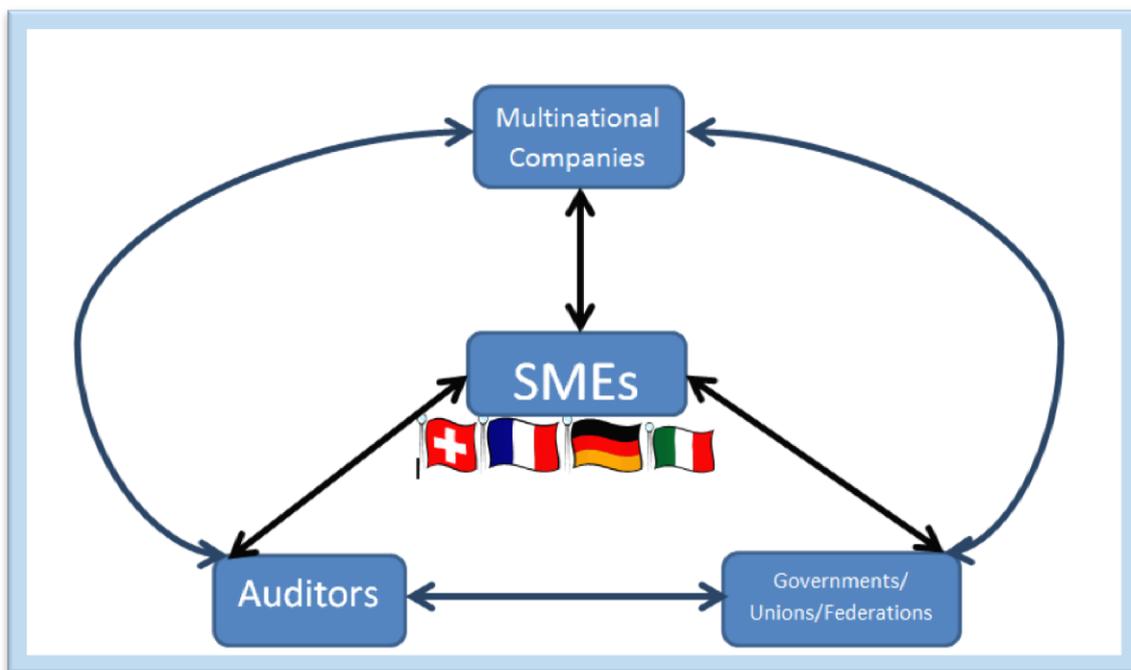


Figure 1: Data triangulation applied to research question 2

Sample Selection

Regarding the SME selection for the interviews, the identified sample was based on a list of 34 enterprises provided by the project partner, including refiners and manufacturers. Interviews were conducted on-site wherever possible. However, if organisational issues

(distance, accessibility and/or availability) required it, or if the participant preferred it, the interviews were conducted via telephone.

Eleven SMEs in Switzerland, five in Germany, seven in Italy and eleven in France were pre-identified by the RJC. On the basis of this pre-selection and by the criterion of geographical accessibility, 16 SMEs (five in Switzerland, three in Germany, four in Italy and four in France) were selected to be contacted by email, which was sent out by the RJC containing a brief description of the project and a more detailed document presenting the research in the annex. After a very low initial response rate, a second reminder email was sent out three weeks after the initial invitation for participation. The reminder email contained a paragraph in English, French, German and Italian in order to encourage responses from SMEs, in case the English language was a barrier. While the reminder email triggered some further response, it was decided to approach the SMEs directly by phone in the relevant language in order to gain further participants. At this stage, SMEs that had not previously been targeted by the generic email invitation to participate in the study were contacted. For some it had not been logistically feasible. The compromise was made to forgo the possibility to speak to SMEs in person and conduct more interviews via telephone, in favour of increasing the overall number of participants.

As a result, interviews could be arranged with 16 SMEs, with a higher number of manufacturers than refiners. Out of these 16 interviews, nine interviews took place on-site, one was conducted in person but not on-site, and six were conducted by telephone. Divided by country, one interview with a German SME was conducted, three with Italian SMEs, seven with Swiss SMEs and five with French SMEs.

Large companies to be included in the research were approached directly by individual email and were immediately available as participants. Two interviews with large, multinational companies were conducted.

Ministries, federations and trade associations were also approached by email. Each entity replied immediately and positively to our request. A total of five interviews were held, three of which were conducted in person and one by phone.

The importance of including the auditors became evident during the interview process with the SMEs. This was realised as SMEs repeatedly spoke of their audit experience. Including auditors proved to enrich the study with an additional third-party perspective. As a result, three interviews with auditors were conducted, two of which by phone and one in person.

While interviews with large companies, auditors, ministries, federations and trade associations were arranged relatively easily, gaining SMEs' participation was decisively more challenging. While very few responded to the initial generic email invitation, personalised emails and phone calls in the relevant language also required significant efforts at persuasion. Among the targeted SMEs, it was initially very difficult to reach small enterprises (less than 50 employees¹). Ultimately, they accounted for nine out of the 16 interviewed SMEs, whereas medium sized companies (smaller than 250 employees²) account for six. One interview was held with a company that lies in the range between 250 and 500 employees. Moreover, it was significantly more challenging to gain non-certified SMEs that are in the process of certification for our study as compared to certified SMEs.

¹ According to the definition of SMEs of the European Commission (EC, 2013, p. 9).

² Ibid.

<u>Interviews</u>	SMEs in Germany	SMEs in France	SMEs in Italy	SMEs in Switzerland	Sub-TOTAL
Conducted	1	5	3	7	16
In-person & ON-site	1	3	2	3	9
In-person & OFF-site	0	0	0	1	1
By phone	0	2	1	3	6
Certified	0	3	2	5	10
Non- Certified	1	1	1	2	5
Pending*	0	1	0	0	1
Employees: 1-49	0	4	2	3	9
Employees: 50-249	1	1	1	3	6
Employees: 250-500	0	0	0	1	1

*at the time of conducting the interview

Table 1: Summary of interviews with SMEs

<u>Interviews</u>	Large Companies	Non-Commercial Actors	Auditors	Sub-TOTAL
Conducted	2	5	3	10
In-person & ON-site	1	4	1	6
In-person & OFF-site	0	0	0	0
By phone	1	1	2	4

Table 2: Summary of Interviews with other actors

<u>Interviews</u>	TOTAL
Conducted	26
In-person & ON-site	15
In-person & OFF-site	1
By phone	10

Table 3: Total interviews

Data Collection

The data was collected through in-depth, semi structured interviews of around 35 to 45 minutes each. Moreover, the interviews were held in the participants' preferred language (English, French, German or Italian), and subsequently transcribed and translated into English. If possible, interviews were recorded for the sake of precision; yet, in most cases participants preferred not to be recorded.

The interview questions were structured around four main themes: First, the motivation to become certified against the RJC standards; second, the perceived benefits from

certification; third, their experiences with the certification process, i.e. main obstacles and challenges. Finally, the fourth theme concerned input regarding suggestions of improvement or changes in the process of certification with regard to differences between large companies and SMEs. This resulted in a set of four main questions and several sub-questions (see Annex). While the main questions were deliberately held open, the sub-questions were designed to explore the theme in more detail according to the answer given to the main question. The questions were influenced by the results of the literature review, that is, the broader patterns identified for SMEs' engagement in CSR in general.

The interview questions were drafted in English and subsequently translated into French, Italian and German. Moreover, the interview questions were tailored to the relevant participant, taking into account whether an SME is certified or non-certified, whether the interview was conducted with a large company, a non-commercial actors or an auditor. On-site visits allowed getting an impression of the working realities within SMEs and large companies.

IV. Research Question One: SMEs and Uptake of CSR – Literature Review

It is widely held that CSR standards are designed for and fall within the domain of large multinational corporations. SMEs have traditionally been left out of the CSR debate and are often seen to be at the “periphery” of sustainable development (Perera, 2008). However, the European Commission has increasingly come to underline the importance of further including SMEs in the field of CSR. In Europe, SMEs account for 99 per cent of all enterprises, providing 75 million jobs (EC, 2007: 3) and are responsible for up to 70 per cent of industrial waste production (Arena et al, 2012: 699). Moreover, SMEs should be perceived as having important strategic significance, not only because they are a main source of employment and growth, but because they can have a considerable impact on the environment and society.

Obstacles

The view that CSR is separate from SME activity is rooted in an understanding that SMEs face a number of challenges in adopting socially responsible practices and strategies. Particularly, it is argued that SMEs’ main focus is on the short-term survival of their business, and that they face significant time and resource constraints to take on “additional actions beyond those undertaken in response to the market” (Iturrioz, 2009: 424). Morsing and Perrini (2009) strongly disagree with the statement that SMEs can simply and seamlessly adopt the techniques and strategies of large companies when they decide to engage in CSR activities. Furthermore, it has also been questioned whether there truly is a ‘business case’ for SMEs in engaging socially responsible projects and roles (Iturrioz, 2009). SME managers often take on several business tasks at once, which is in sharp contrast to larger companies that frequently run particular CSR divisions. Larger companies are more likely to have the human, financial and technological resources to ‘be responsible’ (Pedersen, 2009).

Additionally, some scholars argue that SMEs often lack information and knowledge of CSR practices, which has hindered them from adopting coherent CSR strategies (Perera, 2008: 10). It is held that the awareness of issues beyond the day to day activities of the SME can be low (Jenkins, 2004). There are also reports of SMEs being distrustful towards the

bureaucracy involved in CSR standards (Jenkins & Heledd, 2004). Arena and Azzone (2012), for example, argue that it is difficult for SMEs to meet international corporate sustainability reporting standards. Their study particularly focuses on standards for sustainability reporting and the requirements set by the Global Reporting Initiative (GRI). They find that most of the tools available for supporting corporations in making sustainability reports have been developed for, and by, large companies. With regards to the GRI, they underline how SMEs have so far received limited attention. They claim that the large number of key sustainability indicators (79) required in GRI reporting “makes the reporting process too costly for the SMEs given the amount of data to be collected and analysed” (Arena & Azzone, 2012: 671). In short, it is held that SMEs are “motivated, challenged and engaged in many very different ways compared with large firms” (Morsing & Perrini, 2009).

‘Little Big’ Companies?

However, the view of SMEs as standing outside the ‘sustainability debate’ is increasingly contested. According to Castka et al (2004), the barriers to CSR seem to be more a perception than reality. A study assessing SMEs’ uptake of CSR practices across Europe conducted by the Italian research institute *Centro di Ricerca e Documentazione Febbraio* (CERFE) in collaboration with the European Commission (EC), concludes that “it is wrong to state that small enterprises face hardship in practicing social responsibilities” (CERFE in Nejati and Amran: 260). Similarly, Blombäck and Wigren (2009) challenge the view that the uptake of CSR activities must depend on the size of the firm. They argue that the factors and forces that influence firms to take on CSR are present for both small and large companies. These forces include stakeholder demand, social contracts and legitimacy and reputational factors. Blombäck and Wigren (2009) underline how “all firms have stakeholders, are part of a social context with contracts, and need to act in a legitimate way” (Blombäck & Wigren, 2009) no matter what size. Jenkins (2004) adopts the expression “little big companies” to capture that CSR can be applied to SMEs by simply scaling it down to ‘fit SMEs’. Studies also underline that SMEs, due to a less complicated organisational and owner structure, are more flexible in responding to CSR demands by society.

Blombäck and Wigren (2009) and Ciberti et al (2008) both highlight that rather than dismissing SMEs' ability to engage in CSR and standards, smaller firms should be perceived as being involved in different types of CSR-related activities when compared to larger firms. This reflects the fact that there might be certain aspects of social and environmental responsibility that seem more important to SMEs. Longo et al (2005), for example, argue that SMEs are particularly sensitive to the problems surrounding social responsibility where they "share and experience their local communities' results and worries" (Longo et al, 2005). According to Jenkins (2004), SMEs carry out numerous CSR related activities, however, such activities are often not branded as CSR. This has also been termed "sunken" (Iturrioz, 2009) or "silent" (Jenkins, 2004) CSR. The EC, for example, stipulates SMEs might "not know and use the term 'CSR', but their close relationship with employees, the local community and business partners often mean they have a naturally responsible approach to business" (EC website, consulted October 2014). Instead SMEs often engage in informal CSR practices (Santos, 2011) that are randomly applied and intuitive (ibid.). In short, it is held that SMEs' CSR engagement remains largely informal in character (Santos, 2011) and that SMEs rarely appoint specific persons to be responsible for CSR (Madl & Dorr, 2007). Moreover, SMEs' CSR activities seem to be based on more ad-hoc decisions rather than a coherent CSR strategy (ibid.), for example through certification.

Motivations

In a survey conducted by Catska et al (2004), examining how UK SMEs can effectively implement a CSR agenda, they find that the vast majority of SMEs acknowledge the importance of paying attention to their social and environmental responsibilities. In addition, Jenkins (2006) undertook a study aimed at understanding the limitations and opportunities for CSR in SMEs. In it, she looked at those that had successfully embraced CSR into their corporate strategies. She found that internal drive rather than external pressures was the main motivation for CSR. However, several studies underline how the main drivers for SMEs' CSR engagement arise from both internal convictions and external pressure (Fassin et al, 2010; Glass et al, 2011; Santos, 2011).

Internal Drivers

It is often held that “personal values of the owner-manager are potentially the key drivers of social responsibility practices in SMEs” (Perera, 2008: 10). A study by the International Institute for Sustainable Development (IISD), examining SMEs’ engagement and uptake of the ISO 26000 standard on Social Responsibility from 2008, found that SMEs mainly view social responsibility to be “a matter of ethics and intuition, rather than a strategy to improve business” (ibid: 11). Internal conviction to engage in CSR is often attributed to the high degree of interaction with the community and the environment in which SMEs are active (Murillo and Lozano: 2006). In addition, CSR is also held to stem from internal conviction, as it allows companies to “solve internal problems” (Jenkins, 2004). Moreover, it compels SMEs to look over and revise internal company structures where necessary. For example, to actively engage in CSR may require companies to take on efficient production management such as reducing usage of water, introducing energy efficient equipment (Bauer et al, 2013), improve health and safety standards, as well as employee contracts. According to Iturrioz et al (2009), an additional internal motivation relates to how CSR allow SMEs to develop and prove a strong commitment to their own employees who are amongst the most important assets to an SME.

External Drivers

A number of studies stress the fact that SMEs face increasing external pressure and motivation to engage in CSR (Perera, 2008; Battaglia, 2010; Lynch-Wood et al, 2009). Enderle (in Murillo and Lozano, 2006) argues that due to SMEs’ struggle for survival; they need to work harder to cultivate a positive reputation and image. This gives them a stronger incentive to engage with CSR as an external communication tool. Moreover, there is a belief among SMEs that CSR activities provide a competitive advantage, increase your market share and lead to new business opportunities. Catska et al (2004) find in their UK based survey that SMEs perceive CSR to serve as a vehicle for business improvement and the building of competitive advantage. Jenkins (2006) argues that the location of the SME is a key factor for motivating them to engage in CSR. Fitjar (2011), for example, observes that the values and norms of the societies in which SMEs operate affect the way they perceive

their social responsibility. Similarly, Pedersen (2009) holds that the national regulatory environment and government impact and pressure SMEs' CSR activity. The EC in turn argues that the CSR engagement and the adoption of certification among SMEs can also be driven by the so-called "peer group (within the sector and/or within the region or locality)".

Another identified key driver is the supply chain pressures that SMEs face from particularly large customers in B2B relationships – "these supply chain pressures that they receive can motivate or even force SMEs to have a formalised policy to deal with CSR or to obtain social and environmental standard certification" (Ayuso et al., 2012: 499). Moreover, larger companies increasingly monitor their suppliers' sustainability performance (ibid.). The IISD, with regards to the ISO26000, found a greater absorptive capacity of the standard among SMEs when they were directly linked to international value chains (Perera, 2008: 12). According to Jenkins (2006), supply chain demands for certification represents the strongest external pressure to SMEs in engaging with CSR, however, the success of supply chain pressure will depend on how much SMEs trust the motivation of large corporations.

Impact

SME engagement with CSR can result in a number of what Jenkins (2006) calls "intangible" and "tangible" outcomes.

Tangible Benefits

Tangible outcomes can include such things as improved relations among employees and high motivation, which may lead to financial benefits. As Jenkins (2006) discovered in her study of UK SMEs, CSR activities resulted in business benefits among all companies interviewed. Iturrioz et al. (2009) further found that those SMEs that put the highest value on ethical reasons for engaging in socially responsible behaviour, beyond merely legal reasons, reported much higher business value as a result. MacGregor and Fontrodona (2011) also recognise an increasing trend towards measurement of CSR and related benefits with regards to business value. Activity in CSR can also lead to business benefits more indirectly, for example in the form of improved reputation or company image among other companies, leading to business opportunities (Bauer et al, 2013; Longo et al, 2005; Jenkins, 2006). Fitjar

(2011) concurs that reputation is the most significant payoff for investing in CSR, although he notes that this is more important for large corporations than for small ones.

Competitive advantage as a result of CSR was noted by a number of studies (Ciliberti et al, 2009; MacGregor & Fontrodona, 2011; Bauer et al, 2013; Battaglia et al, 2010; Murillo & Lozano, 2006). For example, Ciliberti et al (2009) argue that the adoption of CSR certification, such as the SA8000, enhances SMEs' competitive advantage by portraying them as more credible, trustworthy and reliable suppliers. Moreover, they claim that CSR and certification allows a firm to differentiate itself and thereby address more affluent markets (ibid.).

Intangible Benefits

Regarding the more 'intangible' benefits or impacts of undertaking CSR activities, the literature highlights greater employee satisfaction and motivation (Longo et al, 2005; Jenkins, 2006). Perhaps most importantly, CSR engagement can lead to an improvement in working practices (Murillo & Lozano, 2006), more efficient production management (Bauer et al, 2013) and improved regulatory compliance (Battaglia et al, 2010). Furthermore, Fitjar (2011) points out that firms can use their status as an ethical company in the labour market as a screening device to select more productive employees, which tend to be more cooperative in the workplace. However, Fitjar's research into a case study on the Norwegian graduate uniform industry leads him to warn that there are higher costs and lower payoffs from CSR investment compared to larger companies. He thus concludes that the business case for CSR is weaker for SMEs than for large companies (Fitjar, 2011).

Finally, Ciliberti et al (2009) also stress the benefits SA8000 certification can bring to SMEs relationships with their own suppliers. Moreover, they underline how wider certification in the supply chain reduces information asymmetry, improves communication and builds trust between firms, as well as improving transparency and reducing transaction costs.

Supporting SMEs

A number of measures have been identified in the literature that are deemed important in

aiding SMEs in the adoption of CSR activities. Castka et al (2004) note that SME engagement requires a process and support that is simple, transparent, and local. Their study shows that SMEs often feel bombarded by legislation and the different approaches from local charities, and feel there are too many organisations providing overlapping advice. According to the authors, what is required is a single, local point of contact providing links to organisations, and through which they can learn about current and best practice, how to get started and also learn about the business case (Castka et al, 2004). Jenkins (2009) supports the view that external networks are crucial for access to skills and information needed to adopt CSR practices. Her study of SMEs reveals that they do not often seek CSR-related support because the information is “patchy”, confusing, coming from the wrong sources or irrelevant (Jenkins, 2009).

Practical suggestions are made by Castka et al (2004) and a report by the EC (2007). Case studies are deemed to be particularly important; the demonstration of specific practices that impact profitability could increase involvement in CSR activities by small and medium firms, as well as detailed analysis into common factors among SMEs that have succeeded in their CSR engagement (Castka et al, 2004). Further, these need to be sector-specific (ibid.). Given the informal nature of CSR engagement among SMEs, formal tools and management systems and reports are not particularly relevant, as they are in larger companies (EC, 2007: 22). Therefore, the EC suggests that a simple guide would be much more effective for SMEs. Guides of this type ought to have the following characteristics: “short, SME-friendly language, without complex terminology; specific to a particular sector of business; specific to a particular size of enterprise (e.g. micro-enterprise, small enterprise, and medium-sized enterprise); drafted in full knowledge of the day-to-day reality of life and work in an SME; suggest relatively simple action as first steps, encouraging an incremental approach; cite examples of SMEs that have successfully engaged in CSR; break CSR down into more concrete issues (e.g. energy use, diversity policy, community relations etc.) that can be addressed individually; suggest further source of help and advice. They may also include simple tests of self-assessment.” (EC, 2007: 23).

Thus, it appears from the literature that third party engagement and cooperation is particularly important for SMEs. Indeed, as Castka et al (2004) point out, “a centrally

coordinated, holistic approach would not only leverage information and resources more effectively, but, from an SME point of view, provide coherent and seamless mechanisms for engagement, tailored for specific sectors and issues” (Catska et al, 2004: 123).

Summary of Research Question One – SME CSR uptake

Obstacles

- Time and resource constraints due to small business structure
- Questioning CSR businesses case
- Lack of information and knowledge about CSR
- Distrustful of the 'bureaucracy' CSR engagement can entail

'Little Big' Companies

- Company size does not act as a barrier to CSR uptake
- All firms face societal and stakeholder pressure
- SMEs often do not report on their CSR activities
- Do not know that they are engaged in CSR
- Motivations
- Internal ethical convictions
- Improve corporate structure through CSR
- External pressure from larger clients

Impact

- Improved relations among employees
- Improved business value
- Improved company image and reputation
- Reduction of information asymmetry and improved transparency through certification
- Improved production management

Measures to support SMEs

- Simplified support mechanisms and guidelines – using SME friendly language
- Single local point of contacts providing links to organisations that provide support
- Help SMEs realise the advantages of CSR

V. The Responsible Jewellery Council

Introduction to the RJC³

The Responsible Jewellery Council is a not-for-profit, standards setting and certification organisation. Its members span the entire jewellery supply chain from mine to retail. It was set up in 2005 by 14 large jewellery companies from diamond and gold sectors. Their objective was to have a traceable, transparent certification mechanism to cover the whole supply chain.

RJC Members are committed to promoting responsible ethical, human rights, social and environmental practices in a transparent and accountable manner throughout the industry from mine to retail. Their commitment aims to reinforce consumer and stakeholder confidence in jewellery products, strengthen and protect the reputation and the integrity of the jewellery industry through the RJC certification standards (RJC Member Certification and the RJC Chain of Custody Certification).

RJC Member Certification can be undertaken by all businesses that contribute to the diamond, gold and platinum group metals jewellery supply chain. All Commercial Members of the RJC are required to be audited by accredited, third party auditors to verify their conformance with the RJC Code of Practices (standard), and become RJC Certified Members within 2 years of joining.

With only one exception, the companies interviewed for this study were involved with the Code of Practices.

There are five main steps in the RJC Certification process⁴

Step 1 – Self Assessment: Members prepare for the independent Certification Audit by carrying out a Self-Assessment against the Code of Practices or the Chain-of-Custody

³ RJC website: http://www.responsiblejewellery.com/files/AtAGlance_EN.pdf

⁴ RJC website: <http://www.facebook.com/l.php?u=http%3A%2F%2Fwww.responsiblejewellery.com%2Fric-certification%2F&h=3AQG-D3ay>

Standard. This involves allocating some time to review internal systems and bring them into conformance. RJC provides training and support for Members in this process.

Step 2 – Certification Audit: The Member then engages an RJC Accredited Auditor, who conducts an independent Certification Audit. The costs of the Audit will vary according to the size of the business, the types of risks, and the areas where the business operates. Members are encouraged to contact Auditors directly and seek quotes in order to better understand the likely costs. The Audit verifies the Member has systems in place that conform to the requirements defined in the applicable RJC Standard. Non-Conformances will be noted and the Member will be directed to address them through an appropriate Corrective action plan.

Step 3 – Reporting: The Auditor then provides the RJC with an Audit Report that documents the audit findings, details about Corrective actions and a Statement of Conformance. The Member will also receive a version of this report, which may include additional details of specific internal issues related to the findings, along with suggested business improvements where appropriate.

Step 4- Certification Decision: The RJC reviews the Auditor's Report and the Statement of Conformance for completeness and clarity, following up with the Auditor where required. Where all is in order, the RJC can grant Certification for one or three years, depending on the nature of any Non-Conformances raised during the Audit and the related corrective actions to address the Non-Conformances. Certified Members are allocated a unique RJC Certification number and will be able to promote their certification status. A publicly available list of Certified Members and the details of each certification is maintained on the RJC website.

Step 5 – Periodic Reviews: Periodic reviews will be conducted during the Certification Period, where required, and at the end of the Certification Period. During the Certification Period, a Mid-Term Review (Code of Practices) or Surveillance Audit (Chain-of-Custody Standard) may be conducted by the RJC Accredited Auditor to verify that the Certified Member's system continue to work effectively. At the end of the Certification Period, a Re-Certification Audit is required to renew the Member's Certification.

VI. Research Question Two: SMEs' Experience with RJC Certification

SMEs' Motivations and Drivers

Previous studies on SMEs' uptake of CSR in general, as discussed in the literature review, have found that SMEs tend to be driven by both 'internal' and 'external' factors. Similarly, interviews conducted with SMEs in this study reveal that there are both internal and external motivations for being RJC certified. However, unlike studies that found internal motivation in terms of ethical conviction to be "potentially the key drivers of social responsibility practices in SMEs" (Perera, 2008: 10), the interviews revealed that SMEs were mostly driven by external motivations when opting for RJC certification.

External Motivation

The main driving force for engaging with RJC certification is the need to respond to client demands and expectations. All of the SMEs interviewed, were part of large companies supply chains. "Our main objective is to satisfy our customers". It seems as though the requests of being certified are steadily increasing, which may reflect the fact that large companies increasingly look to drive CSR and certification in their supply chains.

"Without certification it becomes more and more difficult to sell products and doing business"

"Clients have a way of working that is in line with corporate social responsibility standards"

In light of increasing popularity of certification in supply chains, SMEs were asked whether they felt pressured to be certified. Although not all SMEs explicitly spoke of direct pressure from their clients, pressure was often implicitly referred to. The importance of being certified to retain good commercial ties with their long-term clients was underlined. Having only a few large customers, living up to client requests increasingly becomes a necessity for SMEs. SMEs were often reluctant to use the term "pressure", and in the cases where it was mentioned, they often referred to it as "positive pressure". "Pressure" seemed to have

negative connotation to many SMEs, which may reflect the fact they did not wish to speak negatively about their clients or that they increasingly see the benefits and opportunities of being certified. Yet, many SMEs expressed that certification was increasingly becoming indispensable in remaining competitive and retaining clients.

Besides responding to external requests for certification, SMEs also saw the RJC certification as a tool to improve their corporate image.

“It shows that you live up to a sector wide standard that is internationally recognised”

One respondent pointed out how they want to use their certification as a “business card - as an introduction” with potential new clients. It was felt that certification showed that you are a “clean” and “transparent” supplier. In a competitive market, SMEs hoped that the certification would provide them with a competitive advantage. However, it is worth mentioning that a few SMEs had the impression that not all of their clients attributed the same importance to the RJC certification. Many clients continued to purchase from non-certified SMEs. Not only did this appear unfair to those who had already engaged with certification, but it also created confusion as to the importance of being certified. For certified SMEs, there was hope that with time, certification would become mandatory for suppliers, which would allow them to have a ‘first-mover advantage’.

An additional motivation that came out from interviews with SMEs that entered the market relatively recently, was the need to show local authorities that their business was conducted in line with social and environmental regulations. Indeed, due to its comprehensive nature and the fact that it is well-recognised, the RJC certification works well for this end.

Internal Motivation

SMEs also raised internal motivations for getting certified, although these were less explicitly referred to. In conformity with findings from other studies (see literature review), the choice to get certified was sometimes mentioned to be driven by the ethical conviction of the CEO and the general management of the SME. This often converged with having engaged with

CSR activities previously, or the adoption of other certifications. It might suggest that when you have prior engagement with CSR or certification, the benefits that come from being RJC certified are clearer and the process simpler. Additionally, another motivation appeared to be a concern over the well-being of employees and their personal stake in the business. Arguably, because of their small structures, SMEs work more closely with their employees. In turn, this encourages them to get certified as a way to show that they care about the health and safety of their employees, and that they have structured and transparent employment terms in place. Particularly, one SME felt that the certification represented an opportunity to attract employees and a good talent pool.

SMEs that entered the market recently highlighted that one additional internal motivation was to use the RJC standard as a guide and tool to ensure that they had the required formal structures in place. Interestingly, these SMEs viewed the certification process much less as a burden, but rather an opportunity to build a well-structured business according to an internationally recognised standard. This view was shared by those SMEs that looked to formalise and restructure their traditional “family-like” way of running their business – “RJC certification works as a good guide to change structures”. Additionally, for one SME who wished to expand their business, the certification process and the formalisation it entails was perceived as an opportunity;

“We want to grow as a company so these formalised structures are necessary”

To sum up, SMEs do recognise there to be both internal and external benefits and drivers for being certified. However, the external drivers appeared to be much stronger, especially in response to client requests for certification. This may suggest that SMEs do not yet fully apprehend internal benefits that certification can bring (see below), and that uptake of CSR and certification among SMEs in the jewellery industry requires an ‘external push’. They appeared more motivated by immediate returns to please clients.

Summary – Motivations for being certified

External Drivers

- Responding to client requests and expectations
- Improve corporate image
- Attract new clients
- Demonstrate adherence to local regulation – please local authorities

Internal Driver

- Ethical conviction of CEO/management
- Live up to employee expectations
- Opportunity to formalise and restructure the company
- Attract new employees and a talent pool

SMEs' Experiences with the RJC Certification Process

As the sample of SMEs differed greatly in size, this materialised in somewhat varying experiences with certification. However, a number of common themes regarding positive and negative experiences emerged. A dominant theme was the issue of time. The time investment varied according to the number of employees, a firm's previous experience with certification, the type of support received by SMEs, and the skills of the person in charge. Additionally, the interviews revealed that in most cases SMEs chose to put an internal employee in charge of the process. As will be discussed, this decision was often based on reducing the financial expenses of the process and on a basis of trust. Employing external expertise throughout the entire process was considered to be too costly. The interviews also revealed that two main challenges faced related to the early stages of the process and the overall financial burden. Complying with the formalisation of internal corporate structures, as set out by the standard, was also perceived as demanding. Interestingly, the audit experience itself greatly determined how the SME judged the relevance of the entire process. Finally, SMEs spoke of both 'internal' and 'external benefits' to certification - although the external benefits came out more strongly.

Time Spent

When SMEs were asked how much time they spent or are currently dedicating to the preparation of the audit, their answers varied greatly. Whereas some respondents were able to provide precise answers, others said quantification was not possible. It is often held that less time is needed for SMEs to get certified due to their smaller size, scale of production and premises when compared with large companies. However, the interviews revealed that across the sample of SMEs, RJC certification was considered a time consuming task. There were factors besides the size of an SME that influenced the amount of time spent. These, for example, included the in-house expertise of CSR-related activities, the availability of external support, previous CSR engagement, as well as the skillset of the person in charge.

However, given the broad range of answers it was difficult to establish a direct correlation between the size of an SME (in terms of employees) and the time spent on certification.⁵ Arguably, the vague estimations could reflect that the persons in charge of the RJC certification rarely pursued this task exclusively. They were often employed in general management (e.g. the CEO), administration or accounting - making the RJC certification only one among many responsibilities they had within the business. This could make it difficult to know precisely the amount of hours spent on each task (see section below on person in charge).

“We have spent 400 hours in total with a company size of 100 employees”

“I have spent 85 to 90 percent of my time on the preparation of the certification for the last three to four months”

“For a total of two months, I spent two days per week on the RJC certification”

“It is not really quantifiable – but it was time consuming”

⁵ For an approximate estimation of the time spent depending on company size – view table in Appendices.

Firstly, a factor that seemed to somewhat reduce the time spent on the certification was previous engagement with CSR activities and certification. This was the case for both the smallest and larger SMEs. Previous CSR engagement helped provide them with valuable experience in how to approach RJC certification.

Secondly, when SMEs received support and external advice, they felt this greatly reduced the time spent on certification. SMEs sought out and received different amounts and types of support (see section on change and support). It seemed as though the more they were supported, particularly in the early stages of the process, the less they perceived certification as a time consuming task. Interestingly, the extent to which SMEs were supported appeared not to depend on their size, but rather on the country in which they operated, on their decision to resort to external consultancy, and on their relationships with their clients.

Finally, SMEs tended to see the process as less time consuming when they were thoroughly convinced not only of the external, but also of the internal benefits of certification. Arguably, in these cases SMEs saw RJC certification as compatible with their company values and daily activities. In short, the interviews revealed that when SMEs were aware of the internal benefits, they perceived the process as less of a time burden. This simultaneously allowed them to embrace the opportunity to adjust their business according to the requirements of the RJC (see section on benefits).

Person in Charge

In discussing their experience with the RJC certification, SMEs were asked if they had put a particular person in charge of the certification process. In most cases, SMEs put one person in charge, who was responsible for coordinating the process and compliance with the standard. According to the SMEs, a person internal to the firm was chosen because they were more trusted and represented a lower cost. Hiring an extra person or an external consultant on a full time basis was perceived to be too expensive. A certain skill, knowledge or previous experience was not the main criterion for the selection of the person in charge. It appeared that cost-saving was a priority. Additionally, SMEs underscored their choice to

put an internal employee in charge because of their thorough prior knowledge of the company:

“We chose an internal employee because the person knows the company by heart.”

In this way, SMEs also felt that they can be sure to retain confidential information within the firm. It is important to note that many of the interviewed SMEs were family businesses that had been passed down through generations, and were genuine artisanal manufacturers. Making an internal person responsible for certification corresponded with their nature and tradition as family businesses. In short, SMEs seemed to be reconciling the need to get certified to please customers and remain competitive with keeping control of the process within the family business.

Although most SMEs put an internal person in charge of the certification, a few of them employed an external person. In these cases, SMEs still based their selection on a consideration of trustworthiness and long-term relationship with the company. Additionally, several SMEs interviewed appeared to have found a middle way, by making an internal person responsible for the process, while occasionally resorting to experienced external support (see section on support). Firms often also had a pre-established relationship with this person.

Nonetheless, where the person in charge had previous experience with CSR-related activities or a legal and quality management background, SMEs found this to be an asset. This helped them understand the somewhat technical parts of the self-assessment questions and the standard. Additionally, knowing which parts of the certification were already covered by national legislation reduced the number of remaining questions to be focused on. In some cases the person in charge was part of the younger generation of the SME's management. Often, these people were more exposed to the CSR discourse, and were the initiating force behind CSR activities in the companies. They recognised the importance of certification for the future competitiveness of the company and could see beyond traditional production methods.

SMEs' Challenges

SMEs identified four types of challenges to the certification process. These included those relating to the initial stages of certification, formalisation required, the audit, and cost-related challenges.

Getting Started

The SMEs found the beginning to be the most difficult stage. They underlined how the initial consultation of the relevant material, in particular the Code of Practices and the self-assessment questions, were “frightening” and seemed “impossible”. One respondent spoke of RJC’s “famous 145 questions” to capture the view among SMEs that the questionnaire is overwhelming and takes time to fully understand.

“When you look at the material for the first time, you just want to close it and say ‘no thanks’”

Additionally, the SMEs stressed that the earlier stages were made more challenging because the RJC material had originally been transmitted to them in English. Although the material is now available in several languages, it was not accessible at the time when many of the SMEs joined the RJC and engaged with the certification. Additionally, the RJC website and the communication with RJC members is done in English. In short, this was perceived as a clear initial barrier that added to SMEs’ sensation of being overwhelmed. SMEs also mentioned the unsatisfactory quality of the available translations.

Some SMEs also expressed concern over the type of language and wording used in the material transmitted to them. They saw the language type as not ‘SME-friendly’ and found it ambiguous. In turn, this made it difficult for SMEs to grasp the level of depth expected from their answers. SMEs also felt the questions in the questionnaire to be repetitive. As mentioned, in most cases the employee in charge of the process did not have the appropriate training or experience, which amplified the uncertainties in the early stages.

“Our general manager is a jeweller - English is not even his second language”

In addition, an in-depth examination of the material was hampered by a lack of time and continuous involvement in other areas of the company and in its daily management.

“I only had the chance to properly familiarise myself with the material during my summer vacation. I needed complete tranquillity for this. Otherwise there is always something more urgent to do”

SMEs also had the impression that a considerable number of questions did not apply to them. The process of going through all the questions and knowing which ones were relevant to their business was considered to be a time consuming exercise. What further added confusion was questions relating to human and labour rights (for example child labour), for which it appeared difficult to know the level of depth required in evidence given. Often, these questions appeared superfluous in the European regulatory environment. While a legal background and previous CSR experience were considered advantageous, many SMEs were still unsure of how to deal with these questions and how - and if at all – they should provide evidence to show compliance. Additionally, this difficulty was particularly pronounced when SMEs received little external support.

Indeed, the issue of showing compliance represented a particular worry in their preparation for the audit. Given the significant cost involved, SMEs were especially concerned that the evidence they provided would be sufficient. This was further reinforced by the worry that any finding of non-compliance would jeopardise their relationships with established larger clients, who had requested the certification.

“For one question, we were really concerned. We were convinced that we had a severe non-conformity. But when the day of the audit came the auditor helped us to understand that it was actually not the case”

“We had difficulties to figure out which kind of documentation would be accepted as proof in the different categories”

Formalisation of Structures

Another challenge to the certification process was the fact that many of the interviewed SMEs were family businesses, often lacking formal procedures and the internal structures required by the standard.

“We are a family business. This means we work based on a ‘verbal culture’. We are not used to a formalised culture. Becoming certified really meant we had to change our corporate culture”

Family businesses with small structures tend to have flat hierarchies, cultures of direct contact and unbureaucratic problem-solving. For these businesses, documenting and formalising their procedures is uncommon, and the SMEs in many cases perceived it as more hampering than conducive to their business realities. In other words, they felt that they were artificially adapting their structures to those of large companies. It is important to note that this view reflects the experience of particularly small SMEs, and does not apply to the entire sample.

The Audit Stage

For some SMEs, the audit and the interaction with the auditor was considered to be a challenge. Often this was related to SMEs’ difficulty of knowing the applicability of questions and type of proof necessary. Moreover, they sometimes found it difficult to tell whether or not they were well prepared for the audit. In certain cases, SMEs also found the process of choosing an auditor problematic, as all appeared to be located at the high end of the price spectrum. Therefore, many SMEs felt they had a very limited choice when selecting the auditor.

Additionally, the SMEs also highlighted that a particular challenge was to make the auditor understand how their business realities and structures differed from those of large

companies. They reported a positive audit experience when auditors acknowledged this difference. In these cases, the auditors conducted an in-depth risk assessment of the company beforehand, allowing them to focus their audit. Interestingly, SMEs often based their judgement of the entire RJC certification process and its appropriateness to their small size on their audit experience. In short, when auditors were said to have the appropriate expertise in dealing with smaller companies, for example, acknowledging that the formalisation of certain processes would hamper internal processes, the audit and ultimately the entire certification process was perceived as less challenging.

Financial Costs of Certification

As to the financial costs of certification, the interviews revealed that SMEs were divided between those who viewed the costs to be a major obstacle and those who perceived the costs as less of a barrier.

“Let’s put it like this: It is not cheap”

“It was a costly undertaking. You can only be certified if you can afford paying for the audit”

“It does represent a cost, but not an impossible cost”

This divide can be explained by a number of factors. Firstly, as seen, SMEs differed greatly in the time they spent on the certification. The more time (working hours) spent on certification, the higher the costs. Secondly, the cost experience also depended greatly on the type of support available. On the one hand, when SMEs had to resort to external consultants, they saw their costs increase substantially. On the other hand, when SMEs could receive less costly or free external support, for example, from their larger clients or trade associations, the overall costs of the certification appeared to be less of a burden. There seemed to be a trade-off between time and costs; when external support was seen as too expensive, SMEs chose to do the certification entirely on their own - instead increasing the time and working hours spent on it.

“It is expensive, in particular the audit. But because we decided to do it on our own, without external consultancy, it was not too expensive in the end”

Thirdly, the overall costs of certification were also largely determined by the costs of the audit. Here, the duration of the audit and its costs seemed to be proportionate to the size of the SME (see assessment manual 2013: 42-43). However, SMEs felt that the costs of the audit were predictable prior to engaging with certification, and therefore did not act as an obvious barrier.

On the contrary, high adjustment costs to comply with structural requirements of the standards were often unforeseen by many SMEs, which added to the feeling of a burden. Whether fundamental structural changes were necessary, depended on the existing structures of the company. In some cases, SMEs reported that these adjustment costs even exceeded what was feasible for them.

“There were certain things that were simply too costly to change. Here, we did the best improvements we could – a step forward in the right direction”

“The costs were heavy for us. We needed to rectify certain issues that were not in line with the standards – although this was positive. Then the audit was also costly. In the end, we ended up spending more than we thought we would”

“In order to fulfil all the requirements, we would actually have to move out of our current facilities. We don’t know yet how to deal with it. We will see ...”

Interestingly, interviews with SMEs who entered the market relatively recently (start-ups) or SMEs who were looking to expand their business revealed that they considered the costs to be less burdensome, even when they were high. In short, for these SMEs the costs of the certification were considered as part of their upfront costs.

“We are a new company, so certification became part of building our company and of our corporate strategy. Therefore, the high certification costs were worth it”

Similarly, when SMEs were convinced of both the internal and external benefits of CSR and certification, the costs involved were considered to be “worthwhile”. In these cases, SMEs referred to the costs of certification as an investment.

“We saw it as a form of investment, like a new machine or a software programme”

In contrast, when becoming certified was solely seen to be something that is necessary to fulfil the demands of large clients, costs were more likely to be perceived as extremely burdensome.

Additionally, when SMEs had experience with certification and CSR, they were able to apply a ‘routinised’ approach, which *de facto* led to reducing the costs of the certification. This is due to the fact that the important adjustments or restructuring had already been carried out.

“It costs, but it is not too overwhelming. It is about the same as an ISO certificate considering the preparation. You have to treat it as an investment and as something that needs to be done to satisfy your client”

Finally, SMEs also raised the issue of having to go through multiple audits against different standards. Despite official recognition between some of these standards, this was not communicated well to customers, who nonetheless demanded these further audits. This added significantly to the costs of some SMEs.

Benefits of the RJC Certification

SMEs were also asked if they saw benefits to RJC certification. Similarly to what previous studies have found (see literature review), SMEs identified both external and internal benefits (or tangible and intangible benefits).

External Benefits

External benefits are understood as those aspects that are beneficial to SMEs' external relationships with business clients and local/legal authorities. The SMEs mentioned external benefits more often than internal benefits. They identified three types of external benefits in particular. Firstly, the most widely reported external benefit was how certification allowed SMEs to maintain long-term business relationships with their key clients.

“Ultimately, the benefit from certification is that it does not ‘block’ you from working with clients that require certification”

While it is still possible that in some cases clients did not request the SME to become RJC certified, this was still acknowledge and welcomed. However, SMEs reported that for some clients the RJC certification was more important than for others. According to a few SMEs, some of their clients had their own internal codes of conduct in place and were thus less concerned with RJC certification. This created some confusion as to the benefits of being RJC certified in the long term.

Secondly, SMEs saw the certification as an asset to the company's external image. The already certified SMEs often expressed that they were proud of their achievement. Certification made them stand out and signalled compliance with social and environmental issues beyond legal requirements.

“Certification allows you to be on top of things”

“It proves that we are clean”

Moreover, SMEs advertised their certification and found it positive for their reputation vis-à-vis their existing and potential clients.

“It is like a business card”

“Our certification signals a high quality of our products”

However, it is important to note that the ‘good’ image resulting from certification alone was not felt to recover what was spent on certification. Rather, for tangible benefits to arise and for SMEs to recover their costs, certification had to result in higher sales. According to some SMEs, certification should ideally attract new clients.

“Certification is an entry ticket to the game, particularly to attract more large clients”

Interestingly, one respondent pointed out how attracting new clients had not been their main motivation to get certified, but certification had unexpectedly led to new clients approaching them. However, whilst some SMEs reported having attracted new clients, the majority did not confirm this benefit. In other words, the attraction of new customers cannot be taken as a given. Arguably, this discrepancy can be explained by the fact that for some SMEs it was too early to observe whether certification could attract new customers, as they had only recently become certified. SMEs that achieved certification shortly after the initiation of the RJC standard could more clearly view the external benefits. Thus, certification was generally perceived to be more of a long-term asset to the SMEs, that is, ‘return-on-investment’ only became visible after some time.

“In the short term, you don’t get back what you put into it”

“We communicated externally that we have been one of the first to get certified. This impressed our clients and attracted new ones. The RJC label is perceived to be a very positive label”

Finally, some SMEs felt that their certification was positively received by shareholders and local authorities. Both highly valued the compliance with an internationally recognised standard and improved the trust between partners.

Internal Benefits

Internal benefits are understood as improvements and advantages inside the company from certification. These include improvements to procedures, structures as well as relations between the general management and employees. Similarly to external benefits, SMEs' statements regarding the achievement of internal benefits differed considerably. While some SMEs did not mention internal benefits at all, others stressed that internal benefits exceeded external benefits. Arguably, this reflects the fact that SMEs differ in their previous uptake of CSR. When SMEs understood the underlying principles behind certification, or where CSR engagement was present before becoming an RJC member, the recognition of internal benefits was much more pronounced.

The interviews revealed that internal benefits are present in two forms. Firstly, SMEs underlined the benefits to changing and improving company structures and procedures, such as instalment of regularised safety structures or more formalised reporting. Whilst the formalisation of internal structures and procedures was identified as a prevalent challenge to certification, in many cases SMEs recognised that the effort actually paid off.

"We have now well-functioning structures in place"

Importantly, however, this mostly applied to SMEs with staff exceeding 30 employees. That is, the smallest SMEs rarely voiced the benefits to formalisation. Yet, the smallest SMEs did recognise that even when formalisation seems superfluous to them, the review of structures and procedures is beneficial to some extent, for example, the complete review of the security mechanisms in place. SMEs also found that the certification process allowed them to identify structures that could be improved. For example, SMEs often stressed how they have always been concerned with transparency in their supply chain, and that the RJC certification helped them to further improve their transparency and traceability of their products. In short, certification encouraged SMEs to "professionalise" the way they run their business.

Secondly, some SMEs also recognised how the ‘professionalisation’ and formalisation of their business improved their relationship with and between employees. In other words, certification was said to boost the ‘working environment’ and facilitate coordination within the staff. Many SMEs spoke of a positive change to the mentality and motivation of employees and how the certification created a more trusting climate. This was particularly felt by SMEs who had previously engaged with CSR. According to one respondent, certification also helps you to attract new qualified staff as you show that you are a structured company with processes in conformity with international standards.

“The most important change is caused by the impact on the mentality of employees”

“There is a return in terms of the development of the company, rather than a monetary figure”

However, it was pointed out that internal employees did not always initially grasp the benefits from undertaking certification as it sometimes required them to alter their working methods. Therefore, employees occasionally had to be convinced of the benefits. According to one respondent who was not yet certified, they convinced their employees of the importance of certification by showing that they would also require compliance with the RJC standard from their suppliers.

“Saying ‘no’ to the first supplier that does not fulfil the requirements of the Code of Practices loudly is very important. Employees then know that the management has not only put on paper what it intends to do, but also follows through on it”

Points of Contention

Additionally, the interviews revealed three points of contention:

- While some SMEs referred to advantages of being among the first to become certified, other statements hinted at a certain frustration of having made this early step. This is due to the fact that large companies requesting certification continue to source from

non-certified SMEs. As a result SMEs felt that their efforts to be certified were less valued. This was referred to as “double standards”.

- In light of the rise of several similar standards and certification schemes, SMEs showed a fear of having to go through numerous audits where the cost of compliance would always have to be borne by the SME.
- A final point concerns the fact that SMEs were able to advertise with RJC membership long before they actually become certified – a point which also provoked controversy.

Conclusion

In conclusion, several factors largely determined SMEs’ negative or positive experience with the RJC certification process. The most salient were: access to affordable support, previous experience with CSR, as well as the grasping and internal conviction of the benefits.

Summary – SMEs’ Experience

Time Expenditure

- Difficult to quantify due to different approaches and conditions
- Influencing factors: size, experience, support, motivation, conviction as to benefits

Person in Charge

- Mostly internal employee (trustworthiness, knowledge of firm)
- Avoidance of professional external consultancy (costly)
- Concrete skills and previous experience not priority

Challenges

- *“Getting started”*
 - “overwhelming”
 - Affordable help and guidance?
 - Language barriers
 - Applicability and understanding of questions
- *Formal Evidence & Formalisation*
 - Type of accepted evidence?
 - ‘verbal culture’ – especially in family businesses
- *The Audit Stage*
 - Choice of auditor
 - Awareness of difference between SMEs and ‘large players’

- *Financial Cost of Certification*
 - Controversial: Uncertainty whether 'it is worth it'
 - Audit as largest cost aspect
 - Cost of compliance can be existential
 - Paying for multiple certifications
- Benefits**
- *External Benefits*
 - Image improvement
 - Client satisfaction and securing of commercial relationships
 - Client attraction
 - Applicability and differences between questions
 - Signals compliance to authorities / shareholders
- *Internal Benefits*
 - Proud of the achievement!
 - Positive relationship between internal benefits and reduced burden of certification
 - Professionalisation
 - Sign of responsibility towards (future) employees

Change and Support

SMEs came up with a variety of suggestions in order to facilitate the certification process and also had different positions on the extent to which a change in the support given by RJC was necessary. The suggestions focused greatly on the need to revise, simplify or clarify the self-assessment questions and the type of evidence required. The interviews revealed that SMEs saw great benefits in receiving face-to-face support rather than help through manuals or webinars. Depending on the country, SMEs often sought such valuable help from national trade associations, federation or government bodies. SMEs also raised the need for more personalised national based support to be provided by the RJC.

Self-Assessment Questions

Regarding the self-assessment questionnaire required by the RJC, SMEs suggested that in order to make it less 'overwhelming', it might be helpful to simplify it in various ways. They

mentioned that repetition of questions ought to be avoided, and that it would be useful to make it shorter. Relevance came out as a particular concern, with a few of the SMEs proposing that the questionnaire should be adapted for different sectors (such as mining or the commercial sector), business operations or the size of the company. These findings correspond with the suggestions made by the EC in their report (2007) (see literature review).

“We need to have some kind of example, such as a template of the process for small companies. There needs to be an example of how to put each of the things in the self-assessment questions in place”

Further, a couple of the SMEs commented on the psychological effect of the large number of questions that were not relevant to SMEs in many instances. Some felt that the self-assessment questionnaire ought to be tailored to their characteristics as small companies. By contrast, others perceived that it was sufficient to clarify which questions were applicable and their meaning. In its current form, the self-assessment questions appear to have presented a seemingly insurmountable hurdle to SMEs, further slowing the certification process. An important concern also related to the fulfilment of the requirements demanded by the questions, and lack of clear instructions of how to put each of the measures indicated into place.

Other Help Sought

When SMEs received help from external experts, this was considered to be “indispensable” and “crucial” to the process. In some cases the experts spent one day on-site and went through the self-assessment questions, identifying the relevant and critical points that SMEs should focus on. Their reliance on this kind of support suggests that it would be important for all SMEs to have it available to them. In other cases the auditor itself provided guidance and consultancy services. SMEs in France, in contrast, relied heavily on the support of the *Union Française de la Bijouterie, Joaillerie, Orfèvrerie des Pierres & des Perles* (UFBJOP). They provided support material in the form of translated documents and pre-made answers to the technical and legal questions of the self-assessment questionnaire (see case study

below). SMEs who sought out this kind of help reported that the process would have been significantly more complicated without it.

Other SMEs approached their large customers for advice, which corresponds to the help the large customers interviewed for this study reported that they offered. The reason for turning to their larger customers can be attributed to the fact that support from these was more readily available. Moreover, SMEs tended to have an established and long-term relationship with them. In particular, the large customers spoke the same language as the SMEs and offered their help at no additional cost, for the most part. Reliance on customers also depended on the country in which the SME operated - as mentioned above, firms in France could call on the help of the UFBJOP. This was not the case to the same extent in other countries. Therefore, SMEs had to turn to other actors for guidance. Those SMEs who did this found it particularly useful. However, although they would go to their customers for help, SMEs said that they would not turn to other companies in the sector for advice or sharing experience, citing the extreme competition with these as the biggest concern. While they stressed the importance of their long-term relationships with their large clients, the fear of being replaced by a competitor nonetheless appeared highly relevant. In these cases, it completely undermined any possibility for SMEs to exchange experiences regarding the RJC certification process.

SMEs also noted that they would have liked to talk to someone experienced in the process face-to-face and in their native language, in order to explain the process or provide some kind of training. This could reflect that language remained a significant issue, and that they did not have the time in their daily operations to analyse the RJC material. No SMEs mentioned that they had approached the RJC for help, which was most likely due to the language barrier.

A couple of the SMEs also looked into the RJC resources available to them, such as the website and e-training – although they found that the e-training required too much of a time commitment. Other supporting documents, such as the Certification Handbook, the Standards Guidance and the Assessment Manual received mixed feedback. While some rarely consulted these and found them unsuitable for small enterprises, others found them

very useful and clear in conjunction with the self-assessment questions. However, there was a feeling that they could be improved in terms of clarity of language, quality of translation and the inclusion of practical advice and examples. One of the external consultants attended an RJC event in London in order to seek out further information, and although was encouraged to get in touch via email, felt that this ought to be made more explicit. It therefore seems that tailored help from the RJC occurs on more of an ad hoc basis.

Suggestions for the RJC

Indeed, the desire for more personalised help and support from the RJC was cited by a number of the SMEs. Some felt that the RJC ought to delegate people to go to SMEs in person to explain and clarify the process and the questions to firms. This suggests that the simpler the certification process was made for them, the less it appeared as a burden. It also helped to alleviate the initial ‘overwhelming’ impression they got and made it seem more feasible.

“It would have been helpful to directly talk to someone with experience, preferable in your native language and who knows about the business of SMEs in [the particular country]”

In addition, regarding email communication, they proposed that there should be more than the newsletter, which itself ought to be translated into more languages. One suggestion was implementing regular follow-up emails to SMEs to enquire where in the certification process firms are, and whether there are any problems or questions SMEs would like help with. In contrast, a couple of SMEs regarded the RJC as having a relatively minor role in the process, embodying more of an information-providing role, with the responsibility of management of the process falling on the SMEs’ shoulders.

“There should be an experienced, senior person to advise SMEs who is not as expensive as external consultants – something like a partnership between experience people/companies and SMEs would be helpful. It would also be helpful to create some synergies with other certifications such as ISO certifications, to save money and speed up the procedures”

This opinion was shared by the non-commercial actors. Yet, irrespective of whether SMEs found the RJC to be in charge of providing more direct support, all SMEs agreed that more readily available, affordable support is needed.

One particularly interesting suggestion was the setting up of a members' forum or an annual regional networking event where SMEs can seek guidance and business opportunities. Furthermore, the RJC should affiliate itself with regional and national sectorial associations in order, one would suppose, to make available the kind of help and network that the UFBJOP offers to SMEs in France. This suggests that SMEs would like to see more nationally based, readily available assistance, and thus a stronger national RJC presence.

“The RJC could provide a background document for SMEs to describe the early stages of the process and have this translated into different languages.”

Finally, it was proposed that there could be different tiers of membership of the RJC, in order to reflect the kind of involvement different firms had in it. That is, one potential issue firms could have is that although they have membership, this does not guarantee to customers that they are also certified. Therefore, a first tier could consist of members, a second of those involved in compliance, and a third Chain of Custody, for example. This concern may stem from a fear that those firms that have become members but have not yet undertaken certification can claim the same level of involvement as certified companies. That is, uncertified members could claim the same benefits from advertising their RJC membership to customers as certified members, without having invested the efforts, time and costs of certified firms.

Summary – Support and Change

- Change to self-assessment questions – simplify, clarify or shorten
- Personalised, national-based help
- RJC presence nationally
- More and better translations of documents
- Communication with RJC to be provided in other languages than English
- Creation of different tiers of membership – to avoid ‘free-riding’
- Spur further cooperation between national or regional bodies (trade associations, federation and ministries) and the RJC

Case Study: SME Support in France⁶

What clearly came out from interviews with SMEs in France was the support mechanisms in place to assist them in their RJC certification process. The support is mainly driven by the *Union Française de la Bijouterie, Joaillerie, Orfèvrerie, des Pierres & des Perles (UFBJOP, French trade association)*. In 2009, the French trade association joined the RJC as an associate member and has since then taken an active role in promoting the adoption of RJC certification among their members in France. According to the CSR manager at the UFBJOP, it is important for French SMEs to be RJC certified to show that they live up to an internationally recognised standard and to remain competitive in the industry. Today, all members of the trade association who have also acquired the association's own certification "*Joaillerie de France*" label, must be RJC certified within two years of obtaining the association's label.

The UFBJOP early on identified the need to support SMEs in their RJC certification. In developing rigorous support mechanism, the UFBJOP launched a support programme in 2010-2011 in collaboration with other industry organisations (*Comité Francélat* and the *Cetehor*). Together they created a folder containing French translations and explanations of all the questions in the RJC questionnaire. The folder also includes references to French regulatory and legal matters of relevance to the RJC questionnaire, which helps SMEs answering the questions. The purpose of the folder is to assist SMEs in the initial stages of the certification process, which is often identified as the most challenging. The support programme also included the selection of four "pilot" companies, all different in size and structure, to complete "blank" audits (i.e. an initial audit that did not count) with an accredited auditor. This allowed the trade association to identify some of the most prevalent challenges the companies faced. It also helped the pilot companies to prepare themselves for the final and real audit.

All the members of the UFBJOP who wish to be certified are today offered help from the trade association and are given the folder to assist them in the process. French SMEs greatly appreciate this help and consider it to be crucial in their certification processes. It is clear that such readily available support that successfully reaches out to SMEs is lacking in Switzerland, Italy and Germany.

⁶ Based on information kindly provided by the UFBJOP and the CETEHOR

VII. Motivations and Experiences from a Non-SME Perspective

This section will present these studies' findings on the perspective of other relevant actors in the jewellery sector regarding SMEs' motivations, challenges, benefits and possible support regarding the RJC certification. Relevant groups of actors, as identified for the purpose of data triangulations, are large multinational companies, non-commercial actors and certification auditors. Each group of actors added an additional layer to the study and made it possible to identify key aspects in SMEs' motivations, challenges, benefits and support. The section will conclude by summing up the essential points of convergence and divergence among the different actors.

Large Companies

For the purpose of this study, large companies are defined as those companies that do not fall under the definition of SMEs of the European Commission (EC), and that are commercially active in more than one country. Including large companies in this study allows for identifying which kind of motivations, challenges and benefits are particular to SMEs, and which are generic. Moreover, since the interviewed SMEs are suppliers to the large companies, they could observe SMEs from an outsider's perspective and provide another angle to the analysis. It will be outlined that, although large companies experience certification in many of the same ways that SMEs do, there are also important differences. Those differences are especially found in diverging motivations due to their different positions in the supply chain, and large companies having quite different access to expertise and support.

Large Companies' Perspective on Motivations

Regarding larger companies' motivation to become certified according to the RJC standard, one of the companies interviewed cited stakeholder scrutiny as the most pertinent factor. It had the impression that wider society was becoming more conscious of human rights and environmental issues.

“The reputation of industry can be tainted as a whole by one negative thing that has a ripple effect”

The aim of certification, thus, was to enhance consumer confidence and assure its customers of its credibility. The large firms are also founding members of the RJC. Their decision to engage in this initiative pertained to a perceived lack of a standard for the luxury industry and, furthermore, saw the benefit in maintaining a standard that would cover the entire supply chain. Other standards, such as ISO 26000, are seen as lacking given that it is not auditable and it only covers part of the supply chain. They also see it positively that the RJC certification is more rigid, in terms of promoting formalised structures and procedures.

The large companies’ perception of SMEs becoming RJC certified was somewhat divergent. According to the large companies, there is less societal or consumer pressure on the SMEs because their business is characterised by business-to-business relations. Arguably, this shows that the kind of “positive pressure” inevitably has to come from companies further upstream in the supply chain. Unless companies were aware of the potential internal benefits, they would be unlikely to pursue certification without the pressure of their larger clients as they do not face societal pressure.

One respondent claimed that SMEs’ experience of this pressure was relatively pronounced and were afraid to lose business if they did not become certified, which implies the need to internally change their processes. In contrast, another large player was convinced that the motivation for SMEs to become certified stems from their internal conviction that this is necessary for a clean supply chain. According to this view, the RJC certification would thus not be something firms use as a business tool to communicate on their products, but rather as an internal reassurance for their compliance.

The difference in large companies’ opinions could be explained by the fact that SMEs were in fact motivated by both pressure and internal convictions. As previously noted, the findings of this study are that the former type of motivation prevails among the interviewed sample.

Large Companies' Perspective on Challenges

A common view raised by both large and smaller companies is that the certification process involved considerable formalisation. Many processes must be documented in written form, which was a costly and time-consuming exercise for both. Large companies seemed to acknowledge, however, that SMEs are different in the extent to which necessary structures facilitating the formalisation process are already in place. Unlike the fluid boundaries between task and responsibilities in SMEs, large companies are already organised in different departments, pursuing specific tasks. However, the large companies perceived SMEs' experience with certification to be less formalised, which they found was an advantage for SMEs. This is due to the informal nature inherent in the management structures of SMEs. On the basis of the information obtained from large companies and SMEs, it is difficult to establish whether SMEs have an advantage or disadvantage regarding the time necessary for putting in place the necessary structures that allow for proper formalisation of processes.

While SMEs had to put these structures in place, the scale of the organisation was also smaller, meaning that the level of formalisation required was seen as lower by the large companies. Processes in large companies, by contrast, were seen to be more complex, which implied that collecting information took longer despite the fact that most structures were already in place.

Large companies seemed to more easily find appropriately qualified employees within the company to take responsibility for the process on a full time basis. One of the large companies additionally employed a staff member in order to undertake re-certification. As seen above, due to financial constraints and concerns regarding confidentiality and trustworthiness particularly in the family business, this was hardly an option for SMEs. Indeed, similarly to the viewpoint of non-commercial interviewees (see below), the larger companies considered it to be problematic that most SMEs engaged internal employees with their certification process, often the CEO of the enterprise. The concern here appeared to be that these employees would lack the necessary knowledge, skills and time.

Regarding the self-assessment questions, large companies seemed to acknowledge that SMEs had problems to understand how 'deep' they had to go in answering the questions. That is, it was not evident what proof was required to be in line with each question. This statement supports previous findings from the interviews with SMEs. In terms of costs, however, larger firms viewed the costs of certification as dependent on the size of the firm, in particular since the audit was quicker and cheaper. Large companies still nonetheless seemed to acknowledge that certification could be a heavy financial burden for SMEs. Large companies stated that given the more limited resources of SMEs, they would offer help and guidance free of charge. This could take the form of either disseminating information on the RJC and their experience of certification within their supply chains (on an informal basis), or through more direct help. The latter took the form, for example, of spending between half a day and one day at the premises of the SME to explain the process and go through the standard. It could also take the form of telephone conversations to address questions from SMEs, or re-visits on-site to SMEs to answer questions in detail. This factor also underlined large companies' enthusiasm towards pushing certification through their supply chain. One of the large firms did note, however, that only around half of the SMEs in their supply chain or group contacted them for help, whilst the remaining firms managed independently.

Large Companies' Perspective on Benefits

Concerning the perceived benefits of RJC certification for both large companies and SMEs, the large companies saw the benefits of certification as being the same regardless of the size of the enterprise. According to the large companies, one particular benefit for SMEs was that it exempted them from having to prove compliance with the codes of conduct of large companies. One of the large companies also identified RJC certification as a potential sales pitch for SMEs. That is, through their certification firms could prove that they had certain labour law, health and safety standards implemented in their organisation, thus widening their clientele base. As previously shown, this benefit did not occur for all SMEs.

The other company asserted that there was no image benefit towards consumers of the general public due to small companies' position in the middle of the supply chain, rather

than at the end. That is, image benefits of certification only accrued to firms at the end of the supply chain, which tended to be the larger firms. This interviewee conceded, however, that SMEs were convinced that they would lose business without certification, given the changing nature of the market and evolving client demands. Thereby, the interviewee also somewhat contradicted his/her own assertion that there was no client pressure to undertake certification. While these statements do not lead to a clear picture of the benefits from certification for SMEs, they confirm the mixed perception of benefits that could also be seen among SMEs. As outlined above, SMEs were divided between seeing the only benefits concerning keeping their large client, and acknowledging benefits that go beyond mere client satisfaction. This mixed perception also stresses the internal benefits that can be seized from certification are not properly and sufficiently conveyed to SMEs. Large companies could also play a role in stressing these additional benefits for their suppliers.

Large Companies' Perspective on Support for SMEs

Both larger companies acknowledged the importance of the greater support SMEs required from the RJC. Larger firms reported that they had often been through other certification processes and could draw on these experiences in a way that many SMEs could not. In order to provide actual support to SMEs, the fact that SMEs do not have previous experience with certification would need to be taken into consideration. Large companies perceived that the E-learning tools provided by the RJC were too time-consuming for SMEs, as they were more preoccupied with daily operations. It was suggested that a 'guideline' should not be 'overwhelming', and should be translated into SME-friendly language by local consultants in the respective country. Additionally, it was suggested that the best help occurred in person. The large company that had undertaken site visits in order to explain processes in detail found that SMEs were more motivated following face-to-face contact and help. These statements clearly underline that SMEs are in need of direct help, which explains the process to them in their native language, especially at the beginning.

Summary – Large Companies' Perspective

Motivations

- Larger companies face society/stakeholder scrutiny – SMEs don't
- 'Positive pressure' on SMEs to promote 'clean' and sustainable supply chains

Perspective on SME challenges

- SMEs' informal operations are an advantage
- SMEs must put in place structures – but are also less complex
- Limited resources: Especially lack of appropriately qualified internally employee to manage to the certification process

Perspective on SME benefits

- Same benefits for SMEs and large companies
- No image benefit for SMEs towards society due to their position in the supply chain (B2B business relationships)
- Potential sales pitch to attract new clients

Perspective on SME support required

- Less time consuming, direct, in-person, language-specific support needed for SMEs

Non-Commercial Actors

The non-commercial interviews were conducted with five representatives from federations, trade associations and government representatives from the jewellery industry in France, Italy and Switzerland. The interviewees greatly welcomed the study and deemed it necessary, as they interact with SMEs that face difficulties in their process of being RJC certified. The non-commercial actors brought an interesting perspective to the study, as they had a broader overview of the entire jewellery sector. They could thus speak of motivations, challenges and benefits more broadly. In many instances, the non-commercial actors confirmed points raised by SMEs themselves. In addition, as the non-commercial actors often act as national contact points for SMEs looking to engage with certification, they were able to give valuable insight into the type of support SMEs needed in the process of being RJC certified.

Non-Commercial Actors' Perspective on Motivations

According to the non-commercial interviewees, SMEs in general seem to be open towards CSR activities. However, there appeared to be an underlying thought that as soon as these CSR practices required formalisation in terms of certification, resources and time, SMEs increasingly perceived CSR as a burden. Additionally, SMEs' general uptake of CSR related to the extent to which CSR was being promoted at the national level. In Italy, for instance, it was argued that SMEs were crucial drivers for the Italian economy, and as a result SMEs' uptake of CSR was greatly advocated as a unique selling point.

Regarding SMEs' key motivations for RJC certification, the opinions of non-commercial actors and SMEs largely converged. One interviewee pointed out how they perceived SMEs' motivations to be two-fold; value-driven and a drive to please customers.

“There are two types of SMEs, the first one is value-driven and has CSR already in its DNA. The second type gets certified in order to keep a certain important customer”

The interviewee also highlighted that the former type, i.e. the value-driven SMEs, remained the minority, and that today most SMEs get certified to live up to client demand. This confirms the findings from interviews with SMEs, whereby the most prominent driver for being RJC certified was said to be a response to client requests. The non-commercial actors agreed with the fact that there was an increasing pressure on SMEs to be RJC certified, which mainly comes from larger clients. However, similarly to many SMEs, they described it as 'positive pressure'. Non-commercial actors also confirmed the view of large companies, namely that an external push or a 'threat' to lose clients was often needed for SMEs to actively engage in certification. This underlines how SMEs do not yet fully perceive the direct internal as well as external benefits from being certified. Nevertheless, one respondent highlighted that a negative impact of external pressure coming from larger clients was that certification rarely seems to translate into higher prices for SMEs. In a market with a few big clients “they do not have the bargaining power to increase their prices”. This statement emphasises a crucial dilemma: becoming certified is necessary for SMEs to 'survive' in the

sector, while the costs for becoming certified can simultaneously threaten this ‘survival’. Interestingly, none of the SMEs interviewed brought up the issue of prices, which may reflect the fact they did not perceive the certification as a means to increase their prices.

A final motivation for SMEs’ engagement with RJC certification, as perceived by the non-commercial interviewees, is to use RJC certification as a tool to trace and prove the traceability of minerals in their supply chain. According to some of the non-commercial interviewees, traceability represents a challenge to SMEs. SMEs interviewed for the purpose of this study, by contrast, rarely referred to this as a key motivation or difficulty they encountered.

Non-Commercial Actors’ Perspective on Challenges

According to all respondents, the main obstacles faced by the SMEs related to the financial costs involved in being certified. Moreover, non-commercial actors underlined the significant financial burden for SMEs. Interestingly, as seen above, the financial burden for SMEs was only partly recognized by large companies. Additionally, non-commercial actors perceived it as problematic when SMEs made internal employees responsible for the certification process, as these often lacked the appropriate training or expertise, and simultaneously had to keep up with their other responsibilities within the company.

“Employees within the company are simply not qualified to do it”

In turn, this was perceived to considerably slow down the process. Non-commercial actors indicated that they were regularly contacted by “worried” SME staff for help and guidance. When SMEs turned to external consultants, non-commercial actors, however, acknowledged that the cost of the entire certification process could rise significantly. Additionally, one non-commercial respondent was critical of the type of external consultants that occasionally approach SMEs. The interviewee reported that there had been cases where the alleged experts “are not the experts they claim to be”. This point adds a further challenge to SMEs in the process of certification. While they are unsure of where to seek affordable advice in the

first place, they also have to be able to identify what kind of external consultancy is actually worth the price.

As a result, another dilemma can be identified: On the one hand, it was perceived negatively when SMEs put internal 'non-qualified' employees in charge of the certification process. On the other hand, paying for external help was not viewed as always leading to the best results, and represented an incremental cost for SMEs. Unlike the non-commercial actors, SMEs rarely brought up the issue of internal staff lacking the relevant expertise as being an obstacle in the certification process. However, this could relate to the fact that most of the SME interviewees were internal employees in charge of the certification process.

Finally, the non-commercial respondents agreed with the SMEs that the most difficult stage is the beginning of the certification process.

"The process seems overwhelming and they just don't know where to start"

Non-commercial actors felt that SMEs are often overwhelmed by the volume of the RJC self-assessment questionnaire, and face difficulties in knowing the level of depth required in the answers. Interestingly, this was an issue raised by all the different interviewee groups; SMEs, large companies, non-commercial actors and auditors (see below). Similar to SMEs' statements, non-commercial actors also clearly perceived that the overwhelming effect is exacerbated when the material and support is not made available in SMEs' native language.

Non-Commercial Actors' Perspective on Benefits

Despite these obstacles, non-commercial actors viewed that there are clear benefits for SMEs to be RJC certified. According to the interviewees, certification makes SMEs more competitive, particularly when it allows them to differentiate themselves from other companies in the market. Non-commercial actors seemed to care about the competitiveness of their own SMEs and their national jewellery industry vis-à-vis SMEs in other countries. As a result they often worked to convince the SMEs of the commercial benefits to certification. In line with perceived internal benefits as expressed by SMEs, one non-commercial interviewee underlined that a positive outcome of RJC certification was that it pushes SMEs to formalise and professionalise their organisational structure and processes. Although it

was recognised that SMEs might not see the benefits from formalising their structures and thus moving away from ‘family-like’ businesses, the interviewee said that SMEs generally realise the benefits of restructuring over time. This was not recognised explicitly by SMEs themselves.

The non-commercial actors were also asked if they felt that the RJC certification was appropriate for the size of SMEs. In light of the difficulties faced by SMEs, it was generally stated that the process is complicated and resource-intensive, but with the appropriate guidance and assistance, SMEs generally manage it well.

Non-Commercial Actors’ Perspective on Support for SMEs

Concerning support for SMEs, non-commercial actors agreed in large part with what SMEs themselves had identified as valuable support. Non-commercial actors suggested that more clarity was needed regarding the content and applicability of questions in the self-assessment questionnaire. Indications on how to provide evidence would also be helpful. They expressed that there could be more specificity on the applicability of questions depending on the type of company, i.e. refiner, manufacturer etc. It was felt that some questions, such as those concerning human rights, were not easily understood by many SMEs. Such questions were already evident from the standpoint of national legislation, and this had to be made clearer to European SMEs. With respect to the early stage of “getting started”, non-commercial actors added that the certification material, when first transmitted to SMEs, “comes with too little guidance”. Moreover, this was perceived to be the root cause as to why so many SMEs viewed the process as ‘overwhelming’ at the beginning. A clearer and shorter guideline in different languages should be made available – a suggestion also raised by large companies.

One non-commercial actor also suggested the adoption of a more tailored certification process for SMEs. The interviewee made reference to how the reporting requirements under the Global Reporting Initiative (GRI) have been adapted to SMEs (see literature review). In a similar manner, the interviewee suggested that there could be more focus and adaptability of the RJC standard.

However, none of the other non-commercial actors wanted to see the creation of an ‘easier’ standard for SMEs. Making the standard or the process different for SMEs was perceived as rendering the certification less valuable. One interviewee highlighted that the strength of the RJC certification lies in the fact that it is an internationally recognised standard applicable to companies world-wide, and that this should not be jeopardised. Rather, there was consensus that the process itself could be made easier through appropriate support mechanisms and clarifications. Arguably, this could reflect the interests these non-commercial actors have in protecting the competitiveness of the SMEs in their respective countries. Finally, it was also pointed out that easily accessible ‘databases’ of experts and trustworthy consultants could be created, so that SMEs quickly know where to turn to for reliable and affordable help.

Interestingly, among the non-commercial actors interviewed there seemed to be a clear difference in opinion on the role that the RJC should play in supporting SMEs.

One interviewee clearly saw the RJC as a standard-setting body, and that support should be provided at national level by federations and trade associations.

“Assistance should be provided mainly by national bodies such as federations and trade associations”

In contrast, another interviewee expressed that the RJC has a clear role to play when supporting SMEs in the preliminary phases of the certification process. This difference in opinion can arguably reflect the fact that the actors interviewed have different interests in coordinating help for SMEs. Additionally, the different non-commercial organisations interviewed provide very different levels of support to SMEs. The French trade association *Union Française de la Bijouterie, Joaillerie, Orfèvrerie, des Pierres & des Perles* (see information box below), takes a very active role in reaching out to SMEs, providing them with targeted assistance with the self-assessment questionnaire, and advocating the benefits of certification. Other organisations provide assistance upon request, through the organisation of seminars, and focus more on particular issues in the standard, “especially the issue of traceability”. It seemed as though non-commercial actors regularly assisted SMEs with translations of the RJC documents and communications.

Summary – Non-Commercial Actors’ Perspective

Perspective on SME motivations

- Two-fold: (a) satisfy client request, (b) value-driven
- Increasing pressure on SMEs
- Dilemma: Certification is essential to ‘survive’ – but costs of certification can equally ‘threaten survival’

Perspective on SME challenges

- Financial costs: Cost of compliance can be existential
- Lack of appropriately skilled employees internally
- Initial stage: Certification is overwhelming

Perspective on SME benefits

- Certification increases SME competitiveness
- Benefits not readily felt by SMEs – but perceived beneficial in long run

Perspective on SME support required

- Self-assessment questions need to be clarified as to: content, applicability and evidence
- Language barrier persists – needs to be rectified with regard to support mechanism provided
- Facilitation of the process rather than a ‘different’ process for SMEs
- Point of contention: divide on whether more support should come from the RJC or provided at national level from local bodies

Auditors

Auditors provided important insight on the process for SMEs regarding the latter’s motivations, challenges and benefits. They also gave an overview of their own role. As independent bodies, the auditors do not play a commercial role in the jewellery sector, but have broad knowledge of the RJC standard and the distinct risks and processes of the industry. The added value of the auditors’ perspective, thus, lies in their expertise and independence. The auditors witnessed a strong increase in the demand for certification audits by SMEs in the past few years, which was particularly strong in 2014. Due to this recent increase, auditors had a clear picture of SMEs’ motivations, challenges and benefits

and could identify additional factors that could support SMEs during the process of certification.

Auditors' Perspective on Motivations

Similarly to other actors interviewed, the auditors recognised that SMEs are subject to increasing requests from larger clients to become certified, and referred to this as 'pressure'. The auditors also observed that SMEs would rarely engage with certification without a clients' request. Auditors perceived that – while CSR in general is not far from SMEs' realities – SMEs' are reluctant to become certified. This was because it implies they must pay for an audit and make efforts to obtain a 'label' for an activity they would undertake in any case. Thereby, auditors clearly underlined what has also previously been found to be the most important motivation, namely fulfilling clients' demands. Auditors also observed that a younger generation often initiated and led the process of certification. This underlined that becoming certified often requires a change of thinking, that is, the awareness that being certified is the only way to respond to this pressure.

Auditors' Perspective on Challenges

Some auditors were quick to point out that the time available for auditing SMEs is considerably shorter than for large companies. Thus, auditing SMEs required more strict time management. The time scheduled for an audit depended on the size and the complexity of an SME. Auditors often perceived that SMEs preferred the audit to be done in as little time as possible. While this is reasonably explained by the fact that the audit is a financial burden for SMEs, auditors stated that less time makes it more challenging for them. It could, for instance, be a problematic issue with respect to the depth in which the audit can be done. Conducting a proper individual risk assessment for every SME was, thus, indispensable, and allowed the auditor to focus on the most relevant issues in the short time available. SMEs also appreciated this fact. In this way, it became more important to ask what the specific risks in a company were rather than how many employees a company had. In accordance with the identified risks, auditors mainly saw it as their responsibility to adapt the questions to the context of an SME.

“The role of an auditor is to make the difference between a blueprint, the standard, and the reality of this company”

Regarding the extent to which they could provide support to SMEs and conduct an independent audit, auditors perceived that SMEs perfectly respected and understood the importance of the auditor’s independence. Auditors, however, stated that SMEs are often in need of support, even regarding basic issues. Where somewhat basic issues were concerned, auditors were ready to assist the SMEs as long as there was no conflict of interest. Such basic issues might include helping with registration for RJC membership, which due to language barriers may pose an obstacle. Yet, auditors stressed the fundamental distinction between an auditor and an external consultant. Whenever they perceived SMEs needing significantly more support, they provided contacts to external consultants.

Regarding the challenges for SMEs, auditors tended to agree with all other interviewed actors that the most difficult stage for SMEs was the beginning. In “getting started”, direct, hands-on support in the company’s language was urgently requested. The ‘overwhelming’ effect of the RJC material, that is, the self-assessment questions, the Code of Practices and all additional material, was also reinforced by the auditors’ experience. In contrast to the other actors interviewed, auditors felt that SMEs were overwhelmed when they had waited too long after acquiring membership to engage with the certification process. This is because they have a 2-year time period within which they must complete certification. In addition, refraining from external consultancy could exacerbate the difficulties SMEs faced.

In line with the findings in previous sections, auditors also felt that the self-assessment questions are too many, too complicated, and too repetitive.

“The questions are very detailed. SMEs spend a lot of time on finding out what the difference between the questions is”

“One out of ten questions would already be sufficient”

Auditors also stated that the documentation and gathering of evidence was very challenging for SMEs. From the auditors' perspective, this was explained by the fact that SMEs operate mostly out of habit and pragmatism.

“Sometimes, for example, even small but crucial things like a complete list of clients do not exist. For decades they might be sourcing from the same suppliers without precise documentation, and if they need something particular, they just pick up the phone and make some calls”

Auditors also recognized that SMEs' operations are characterized by a “verbal culture”. Within these operations, documentation and providing evidence become more challenging. To an extent, auditors had to simply rely on what SMEs told them. Yet, it was also stated that the auditor does not need written proof for every aspect. A further challenge for SMEs was thus to understand when such written proof is needed.

Auditors confirmed that SMEs found certification difficult because they did not have prior experience with CSR, and because the person in charge often lacked appropriate training. As a result, the auditors find it difficult to tell whether it takes more time for SMEs to complete the actual certification process, as much time is spent on training internal employees. Arguably, large companies have *different* rather than *fewer* issues: there are more sites to be audited and processes are more complex. Thus, according to the auditors, the extent to which adjustments have to be made depends on the company and not on the size.

It is important to note that when major adjustments are necessary, the related costs were seen to be more threatening for SMEs than for large companies. Here the auditors' perspective matched the hitherto mentioned dilemma of the necessity to become certified to stay competitive, and the high costs that certification may entail, without the possibility to translate these costs into higher prices.

Auditors' Perspective on Benefits

Besides the benefit of securing commercial relationships to larger clients, becoming certified is also an opportunity for improvement of weaknesses. It is also a chance to involve all employees in corporate social behaviour. These are two points which not all SMEs recognised, and which non-commercial actors reinforced when motivating SMEs to become certified. Partly, auditors mentioned that the reason for SMEs not realising the internal benefits was that they were extremely concerned with the costs and potential non-compliance. Auditors seemed to attribute this to the fact that the entire process was not made clear to SMEs at the very outset.

Auditors' Perspective on Support

One auditor suggested that there should be an entirely different standard for SMEs. This suggestion is explained by the fact that the distinction between small, medium and large companies, and particularly the concept of SME, is institutionalised and recognised, not only in national jurisdictions but also at the European level (see EC Report, 2007). There are specific tax breaks, different employment protection measures and other rules that apply to SMEs exclusively. Others, however, suggested that the number of questions in the self-assessment questionnaire should be reduced for SMEs, which would importantly alleviate the psychological effect stemming from the volume of the material. Without lowering the quality of the standard, the volume should be reduced to what actually applies to SMEs. Arguably, as certification increasingly penetrates the supply chain this will become more important as more actors are requested to become certified, including even smaller companies.

Another suggestion regarding the clarity of the material was to specify where and what kind of documentation ought to be provided by SMEs. Auditors did not seem to always require written proof, but it appeared that most SMEs were highly concerned about this being the case. Moreover, auditors also promoted the idea of providing more concretely applicable templates and examples for SMEs to show them how they could prove their compliance or make necessary adjustments. The more precise the indication, the more appropriate evidence SMEs could provide. Finally, it was suggested that the RJC require re-certification

sooner than after 3 years, because this would reduce the risk that non-conformances arise in the interim.

All in all, adding the perspective of large companies, non-commercial actors and auditors helped to identify key aspects in motivation, challenges, benefits and support. Their perspective also greatly reinforced the conclusions drawn from interviews with the SMEs, and often stated these more explicitly.

Summary – Auditors’ Perspective
Perspective on SME motivations

- Main driver: client pressure

Perspective on challenges

- SMEs want ‘short’ audits – yet auditor wants to uphold quality of audit
- For SMEs: Self-assessment questions are too many, too complicated, too repetitive
- Perceived lack of previous CSR experience
- Financial costs: Cost of compliance can be existential

Perspective on benefits

- Mainly securing commercial relationships with major clients
- SMEs don’t sufficiently realise internal benefits

Perspective on SME support required

- Largely adjusted procedure needed for SMEs: reduce number of questions
- Specifications as to where written evidence is required
- Beneficial to allow for re-certification sooner

VIII. Conclusions

The purpose of this study has been to shed light on the experience of SMEs with corporate social responsibility (CSR) in general, and the RJC certification in particular. In-depth interviews with SMEs in the jewellery industry in France, Germany, Italy and Switzerland revealed that SMEs' motivation for CSR engagement and RJC certification is mainly driven by client demand further up the supply chain. In line with previous studies (see literature review), CSR uptake in the jewellery supply chain is driven by large companies pushing certification through their supply chains. SMEs generally perceived this pressure as positive and indispensable for remaining competitive in the sector. The other actors interviewed considered that absent this pressure, most SMEs would likely not become certified. This would restrict the spread of RJC certification, along with its goal of establishing a fully traceable and transparent supply chain. Although SMEs do recognise there to be other drivers to getting RJC certified, such as internal restructuring, these benefits tended to be discovered only after SMEs engaged with certification.

Once certification was complete – SMEs felt both 'internal' and 'external' benefits from being certified. These included satisfying established clients, occasionally attracting new clients, improving their corporate image, the professionalisation of their internal structures and improved employee engagement. The external benefits to certification came out significantly more strongly than the internal ones. This suggests that there is significant scope for the internal benefits to be emphasised, in order to motivate SMEs and help them recognise that certification need not be such a burden.

The interviews also revealed that SMEs experience with the certification was not problem-free. One of the main difficulties encountered was the financial and time cost involved. It was often highlighted that the Code of Practices was more applicable to large companies. Furthermore, it became evident that it is not possible to establish a direct link between the time spent on certification and the size of the firm. Factors such as previous CSR experience and in-house expertise, as well as external support received in person – seemed to be more important. It was found that financial costs are high regardless of the companies' size (whether large firms or SMEs), yet when restructuring costs were major, these could pose an

existential threat to SMEs. The least problems were encountered where the SMEs reported a positive audit experience.

Based on their positive and negative experiences, all actors interviewed were able to make suggestions for improvement. They seemed to converge on the view that the material provided by the RJC is overwhelming. Moreover, many adjustments could be made to the self-assessment questions, in terms of the number, clarity and applicability. It was also generally held that face-to-face support and guidance is critical in easing the process for SMEs. Language proved to represent a major barrier regarding understanding questions and general communication from the RJC. Although it was recognised that work has been done to provide more translations of documents, it was still perceived that this was an area in need of improvement.

An interesting observation was the differing level of support prevalent in the countries of study. France proved to be a particularly good example of best practice. Given that SMEs wanted more nationally-based support, the French example could be a model for other countries. It is questionable whether this support ought to be provided at the national level, or by the RJC.

IX. Recommendations

Encouraging SMEs to become certified:

- Make the benefits from certification clearer to SMEs, in particular, the internal benefits. This could be done by disseminating testimonials by SMEs who experience positive benefits from certification. For example, those who saw an improvement in operations from internal restructuring.
- Promote the importance of being in compliance with an internationally recognised standard over and above what is required by law. Participating in an industry-wide standard is a crucial and effective way to promote human rights, environmental protection and safeguarding of labour rights. A certified supply chain ensures traceability of products and transparency of processes.

- Motivating suppliers throughout the supply chain will require that large companies attach equal importance to the RJC standard.

Making the RJC material more accessible to SMEs:

- Rather than an entirely different or 'reduced' standard for SMEs, more targeted support and guidance is necessary.
- Provide all material and communication in relevant languages. Only when numerous and adequate translations are provided will the RJC message be conveyed and uptake promoted through the supply chain.
- Issue a concise and tailored handbook for SMEs. This must detail the initial stages of the certification process (how to "get started") and where SMEs can find reliable and affordable support within proximity and in their language.
- Clarify the self-assessment questions, detailing the type of evidence required and which questions are applicable for different actors (refiners, manufacturers, miners, commercial etc.).
- More personalised help and support, e.g. having someone from RJC going in person to explain the process and self-assessment questions.

General Support & Cooperation:

- Creating a database, similar to the one for auditors found on the RJC website, that include external consultants and experts. SMEs could then get directly in touch with those institutions or persons that are geographically close to them and speak their language. They could also contact them directly to find out about their expertise and fees. The database could contain the audit firms that provide consultancy, non-commercial actors (such as trade associations and federations), as well as individual experts/consultants.
- To ensure that compliance is maintained between certification and re-certification, institute an intermediate evaluation as a way to ease the re-certification process.
- Despite competition in the industry, promote partnerships between experienced and inexperienced SMEs in the RJC certification. These partnerships could take the form of local or regional forums for discussion mediated by trade associations.

- Institute an annual regional networking event for RJC members where SMEs can seek guidance and business opportunities.
- There ought to be different tiers or levels of membership to reflect the depth of involvement of RJC members so as to avoid confusion between those who are members, and those who are certified members.
- The RJC should affiliate itself more widely with regional and national sectoral associations.

X. Appendices

Interview Questions - SMEs⁷

General questions

1. Is the company RJC certified?
2. How many employees does the company employ?

Capturing SMEs motivations to achieve RJC certification:

3. If certified, what were the major factors that influenced your decision?
4. Do you feel a pressure to get certified?
5. Do you think that getting certified is something you need to do in order to stay ahead in your sector?
6. Did you pursue any kind of CSR engagement prior to RJC certification?

Capturing SME's experience with RJC certification

7. Were there – and if yes – what were the problems you encountered with regards to RJC certification?
8. Do you feel there are uncertainties/risks involved in the process?
9. Did you make someone specific responsible for the process of certification? Was any training needed?
10. Is it a costly undertaking for your enterprise? Are there any unforeseen costs or steps involved?
11. Do you think the RJC certification is appropriate for the size of your enterprise?
12. What stage of the certification process is more difficult?

Capturing SMEs perceived benefits to certification

13. What are the benefits to certification? Is there a “return-on-investment”?
14. Do you think you put more effort into it than you got out of it?

Capturing SMEs view on improvements to the certification process

15. As an SME, would you change something in the process of certification that you would have found helpful?
16. Is the guideline helpful? What do you think of the self-assessment questions?
17. Would support mechanisms help? What type of support would you have time for?
18. Do you think the RJC could have done anything differently / more for you?
19. Did you have someone to turn to when and if you found you needed help (associations, other SMEs, large companies, enterprises in your cluster)?

⁷ Note: all interview questions were translated into French, Italian and German.

Interview Questions – Large Companies

Capturing large companies motivations for RJC certification, in comparison with SMEs motivations

1. In our research we found that in small companies it is primarily the motivation of the owner-manager that pushes through certification. Would you say that this is similar for you?
2. We see that you are a founding member of RJC. What were your motivations in participating in this move?
3. What do you think are the motivations of non-founding members to get certified/jump on this bandwagon?
4. How do you think larger companies' motivations differ from those of SMEs?
5. To what extent do you encourage SMEs in your supply chain to get RJC certified?

Capturing large companies view on the benefits to RJC certification

6. What are the benefits to having a private certification in the jewellery industry rather than using, for example, ISO standards?
7. What are the benefits for RJC certification for the industry?
8. What are the benefits for a large firm for being RJC certified? How might these benefits differ for smaller companies?

Capturing large companies' experience with RJC certification

9. What are your experiences with RJC certification?
10. Did you have to put people in charge specifically? Including time/resources?
11. Does certification fall under a particular department?
12. How much work does it involve?
13. Do you think the experience with certification is different based on the size of the enterprise?
14. Do you think it's true that larger companies have an advantage over smaller companies in the process of getting certified?

Capturing their view on the support SMEs require in the certification process

15. In your opinion do you think that SMEs are in need of more support mechanisms to carry out certification?
16. Do you voluntarily assist SMEs? Or share your experience/knowledge with them?

Interview Questions – Auditors

General questions

1. When did you become an accredited auditor? Does the accreditation for the RJC certification involve particular training; does it differ from other accreditation processes you have experience with?
2. Did you perceive an increase in demand for RJC certification audits in the past two years?

Capturing the difference between RJC auditing a large and small company

3. According to you, what are the main differences in RJC auditing a large company and smaller company?
4. To what extent is the time needed to conduct the audit in a company proportionate to its size?
5. According to you, what is the SMEs' main motivation to become certified / be audited?

Capturing auditors' view of the difficulties SMEs face with the RJC certification

6. What is your experience with the SMEs preparation for the audit? Are SMEs well prepared?
7. Is the effort that SMEs put into the preparation adequate?
8. As an auditor, can you identify any particular difficulties that you face when dealing with SMEs?
9. In your opinion, what are the main difficulties that small companies that you audit encounter? Are the difficulties similar to larger companies?
10. Is there any particular point in the standard that causes problems to SMEs?

Capturing the auditors view on ways to support SMEs and their own role

11. What did you find were the expectations of the SME regarding your role in the certification process?
12. Did SMEs contact you for help in stages before the actual audit? What kind of help did they seek?
13. In your opinion what support would be helpful to SMEs?

Interview Questions – Non-Commercial Actors (trade associations, federations and ministries)⁸

1. When did you/your organisation first get involved with the RJC? And why was this important to you/your organisation?
2. In your opinion, how do SMEs in the jewellery sector generally respond to CSR-related certification?
3. What is your view of the RJC standard?
4. Do you encourage SMEs to get certified?
5. According to you, what are the main motivations for SMEs to become certified?
6. What are the main obstacles faced by SMEs?
7. In your opinion, do SMEs gain from being RJC certified?
8. What type of support do you think should be made available? Where should this support come from?
9. How are you involved in SMEs certification process? If so, do you offer support to SMEs?

⁸ Note: these questions were slightly adjusted according to the type of non-commercial actor interviewed.

Table: Rough estimation of time spent on RJC certification depending on size of company

As mentioned in the report, it was not possible to draw conclusions on a correlation between time spent and size of the SME. However, below is a rough estimate provided by a partner to the project.

<u>FTE (full time equivalent on payroll)</u>	<u>Minimum days</u>	<u>Maximum days</u>
Less than 10	5	10
Less than 50	10	20
50-250	20	60
More than 250	60	90

Helpful pre-requisites:

- Clear commitment from the CEO/owner.
- Project team leader sponsored by the CEO or member of the executive committee.
- Project team ready to invest some time in the pre-assessment process.

Other conditions:

The time requested for the pre-audit and audit varies with:

- The number of industries covered by the member (pre-auditing a global Brands is more demanding than helping a single product manufacture as a component manufacturer or a diamond dealer, etc.)
- Number of industrial sites, location of the sites
- Status of the member (whether they are already certified by ISO 14001 or other standards or if they have been audited by major customers as De Beers BPP., Richemont CSR's audit, etc.)

XI. List of Acronyms and Glossary

CERFE	Centro di Ricerca e Documentazione Febbraio
CSR	Corporate Social Responsibility
EC	European Commission
EU	European Union
FEDEORAFI	Federazione Nazionale Orafi Argentieri Gioiellieri Fabbricanti
IISD	International Institute for Sustainable Development
ISO	International Organization for Standardization
ISO 26000	International Standard providing guidelines on Social Responsibility (not certifiable)
ISO 9001	International Standard providing Quality Management Systems
RJC	Responsible Jewellery Council
SME	Small and Medium-sized Enterprises
UFBJOP	Union française de la Bijouterie, Joaillerie, Orfèvrerie, des Pierres et Perles
CETEHOR	A French technical and industrial centre for watch-making, wellery, gold and silver – working professionals
Comité Francélat	Comité Professionnel de Développement de l'Horlogerie, de la Bijouterie, de la Joaillerie, de l'Orfèvrerie et des Arts de la Table
Code of Practices	Is the RJC standard that provides evidence of responsible business practices in the Jewellery sector against which RJC members must be certified within two years of joining the RJC (see RJC website)
Chain-of-Custody Certification	Advances responsible ethical and environmental practices with respect to human rights, throughout the diamond and jewellery supply chain, from mine to retail (see RJC website)

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