

VSS COLLABORATION INDIA

Fifth Meeting
July 2, 2020



COVID-19
**Challenges & Opportunities for Sustainable
Business & VSS Organisations in India**

1. Introduction

COVID-19 has highlighted critical issues at every level and in every domain, including sustainable business. The algorithm between business and community has come to the fore as stakeholders are trying to make sense of the situation; the reorganisation of value chain has become critical. Evidences suggest that businesses which were able to take care of their workers, were also able to function efficiently during the lockdown and start operations soon after.

CRB is committed to pursuing the agenda of integrating sustainability into the heart of business and societal recovery post COVID19. Answering to the call for *building back (forward) better* after the pandemic, CRB convened the fifth meeting of the *VSS Collaboration India* (a coalition of VSS organisations working in India) on July 2, 2020. The objective was to discuss and learn from the perspectives and experiences of the VSS organisations over the course of the pandemic and the lockdown. Specifically, it was expected the discussions would cover the following: (a) understand impacts of COVID-19 on business continuity and sustainable business practices in India; (b) discuss COVID19's impact on VSS organisations & mitigation measures - sharing of experiences; and (c) to share perspectives and suggestions from VSS organisations to 'Build Back (Forward) Better'.

2. Meeting Summary

The meeting started with an introductory note by Rijit **Sengupta, Centre for Responsible Business (CRB)** covering the following points:

- It can no longer be 'business as usual'.
- More efforts would be needed in developing transparent and traceable supply/value chains.
- The balance between business resilience and community resilience will need to be better understood.
- Consumer behaviour/preference is undergoing considerable changes towards buying less, buying local, and demanding sustainable products.
- Occupational health, safety, and hygiene are non-negotiables for industry now and in the near future.
- Increasing push for workers welfare and social protection policies/strategies (close partnership between business and government will be a key).
- Greater competition to access capital and investments (globally investors will play bigger role in supporting/influencing sustainable markets/businesses).
- Regulations in 'home' countries of MNCs are tightening (e.g. in EU businesses) – and better disclosures in their supply/value chains (like India) will become a norm.
- National government will have to enable the business environment such that Indian businesses can take advantage of the changing global order (improve their competitiveness).

Representatives from different VSS organisations shared their experience and learnings during the COVID19 and the lockdown. There was hope that sustainability remains a

priority for businesses, in the recovery period. The members were also of the view that VSS organisations in India need to be better connected and take 'collective concrete actions' – and felt this platform developed by CRB should help in getting their voices across to key policy and business decision-makers. In this section, a gist of the submissions made by the participants has been presented.

Rakesh Supkar, Traidcraft

- In the context of sustainability, the pandemic and lockdown has made *visible the invisible informal workforce* employed across all industrial sectors in India. These workers were not on company's payroll in any case and their lives/livelihood has been most adversely affected.
- All sustainability interventions post COVID19 should be designed with the welfare of these informal workers in view. The entire value chain has to be mapped, looking beyond the manufacturing sector for working conditions.
- VSS organisations and members are seeing this crisis as an opportunity to build forward better.
- However, a number of policy reforms are being passed during this period without following due processes – which is a concern. As a group which looks into responsible business practice, VSS organisations should use this platform to voice such concerns and engage with policymakers.

Vijay Jain, Responsible Mica Initiative

- The set of challenges in the mining industry is different from other sectors. COVID19 has revealed a number of weaknesses in various standards being followed – and efforts are being made to review standards/frameworks.
- Given norms of social/physical distancing, workplace infrastructure and standards will also need to be revisited.
- It would be useful to have a discussion with colleagues around living wages and the need to review the (basis of) calculation of living wages post COVID19. The role of civil society is going to be very important - as they are closely associated with workers, communities - and have a good understanding of the local situation and needs.

Kamal Prakash Seth, RSPO

- At RSPO some of the issues being given priority in discussions are – businesses responsibility to take care of all workers, moving towards living wages, and occupational health/safety/hygiene.
- If interest of producers is not taken care of, then how will the nation feed its citizens? As a community of sustainability standards, there is a need to review the relevance and application of the standards going forward.
- One of good practices that RSPO is considering is the 'group certification' model. Audits are also being done virtually – especially in cases of low risk.

C B Ramkumar, Global Sustainable Tourism Council

- Tourism sector is badly affected. Recovery also seems to be some time away. There is a general belief that if businesses were more sustainable, the impact might have been lesser.

- Everybody in the tourism sector is in a survival mode and might not want to look at sustainability for some time.
- Are other VSS organisations facing push back on discussions with their licensees/stakeholders on sustainability?

Sumit Gupta, GOTS

- There is likely to be some impact of COVID19 on VSS organisations and their work. With users and clients uncertain about the future, there is uncertainty about the number of members returning for renewal of certification.
- GOTS is starting to get some enquiries as businesses are restarting gradually. GOTS has also allowed virtual audits especially where there are low risks.
- In the textile industry, many companies have started producing products needed during this period like - masks, PPE kit, sanitation kits, etc. Resilience and agility in the supply chain to switch production has kept these businesses going.
- GOTS has introduced requirement for living wages in its standard. Even if labour law gets diluted, GOTS standards will continue to provide higher levels of labour force protection and can be adopted.

Ritu Baruah, Bonsucro

- The gap between adoption of sustainable practices and business performance needs to be addressed – it seems the pandemic has impacted and might widen this gap, which should be guarded against. Through this platform, all VSS organisations should come together to reduce this gap and highlight issues/provide inputs for policy.
- The group should think collectively and undertaken some concrete collaborative actions, going forward.

Kinjal Shah, Responsible Jewellery Council (RJC)

- Times are unpredictable and no rules or norm might have worked given the magnitude of the problem. Nobody could have anticipated something like this in this century.
- If this pandemic would have happened ten or twenty years back, the impact would have been much worse. The commitment to sustainability for most of the businesses (at least those RJC works with) will remain on long-term sustainability - as that is the need of the market. RJC did see a massive dip in membership initially but now globally and nationally, the membership base is coming back to normal.

Saji Kadavil, Rainforest Alliance (RA)

- Like most of the colleagues mentioned, RA also faced challenges in our business initially – especially those activities on the ground. For many of the businesses/entrepreneurs, sustainability was not a priority on their list.
- Given the need of the hour, RA introduced some additional/innovative interventions. One of them was support for health workers working in Assam – especially in and around the tea estates. Together with the Indian Tea Association, a helpline for farmers was also set up. Similar initiative is being developed with the spices board.

- Virtual assistance/support is being provided to farmers for few spices, such as cardamom, turmeric, vanilla. Small farmers are participating actively in this forum and their issues/queries are being addressed. RA has over 600 farmers on whatsapp groups. On a daily basis, calls from farmers from different states are being taken to address issues pertaining to market, buyer seller issues, diseases, distribution of seeds, and development schemes.
- RA has ambitious vision of establishing a collaborative learning platform. RA is also holding regular meetings with government bodies to highlight key issues.

Amaresh Deshpande, Forest Stewardship Council (FSC)

- Issues and challenges being faced by FSC are similar to what others have stated above.
- So, here are some interesting developments:
 - Number of queries from smaller companies, SMEs have gone up
 - Start-ups are coming to FSC especially given that they are operating through e-portals/e-commerce sites (selling organic and sustainable eco-friendly products)
 - Collaborative service packages can be developed by combining services offered by different VSS organisations to specific clients working on different sectors and/or interested in different domains.
 - There is some demand coming up for high-end consumer products
 - Demand is also going to come from the youth, given changing consumer preferences

Shubhdra Gupta, Fair Labour Association (FLA)

- FLA has been on a reflective path and looking at various aspects of MSI with a focus on labour rights and wages.
- Workers have been at the receiving end and all workers, not just migrant workers have been adversely affected. FLA engaged with their member brands and was able to ensure that they did not cancel orders. The path to living wages is still a long way off, especially under the current crisis – so the focus has been to ensure minimum wages are paid.
- FLA been part of coalitions and raised the concerns to Prime Minister's Office (PMO) regarding suspension of labour laws. This platform provides a great opportunity here with representatives from different organisations and diverse sectors. There is a need for collaborative actions, as has been suggested earlier.
- Agriculture sector has a great scope but is vastly unorganised. The issue of child labour cannot be missed out. The sector is marred with regressive laws and various impediments. In the seed sector, FLA is looking to amplifying its activities for preventing child labour.
- Brands and companies also need ideas as to how to implement programmes - and this group can provide those possibilities. FLA is more than willing to be a part of all such efforts.

Archana Panda, Social Accountability International (SAI)

- SAI and SAAS conducted surveys with trade unions, business, other organisations to understand the challenges that current crisis has brought about.

SAI has subsequently issued guidance to their members on how business should be dealing with COVID-19 and its impacts.

- SAI has allowed for their members to follow the local laws for the time being. This temporary exception is given to certain region and countries for certain aspects like working hours and wages. The standards are not being diluted - SAI is ensuring that over-time is being paid and other standards are in place.
- SAI has submitted a joint representation to PMO regarding the labour laws. SAI has also allowed virtual audits by certification bodies in low-risk areas.
- SAI is part of global living wage coalition and has undertaken a pilot in Tirupur (which SAI is happy to share). SAI is also willing to be a part of any process towards collective actions by this group.

Ashish Srivastava, Network for Certification and Conservation of Forests (NCCF)

- COVID-19 has greatly impacted the wood-based industry, which has considerable untapped potential to contribute not only to the GDP but also local/rural livelihoods.
- NCCF has issued a letter to the Government highlighting the need to revive and invest attention towards the wood-based industry. The Ministry of Commerce and Industry has increased import duties as part of its agenda on 'Self reliant India' (*Atmanirbhar Bharat*).
- There is also a lot of potential in agro-forestry sector. Certification of trees outside forest is a huge challenge which can ensure that farmers get better price and industries would get certified material.

Ashish Bhardwaj, Alliance for Water Stewardship (AWS)¹

- AWS has been closely in touch with its members during the pandemic to understand their needs and support needed. Most of AWS members are fully committed and supportive – and see water stewardship as a part of their long-term commitment. With increased emphasis on hygiene and hand washing, the importance of water has increased more than ever. The inclusion of WASH as the first outcome in V2.0 of the AWS Standard fits very well in current COVID scenario.
- Some of AWS's current initiatives include - case studies to build local knowledge base; introducing online tools (e-Standard and Guidance, Self-assessment, Monitoring. etc.), introducing online training and audits.
- The need of collaboration among VSS has emerged now more than ever and there is a need to have a combined voice of VSS to work more closely
- AWS has already been working with other VSS like BCI, SRP, and Global GAP and recently have collaborated with RSPO in Indonesia to boost sustainability practice and performance at the landscape level through good water stewardship under ISEAL Innovation fund. The collaborations are happening, and we need to leverage these in India.

¹ Points sent over email, as he had to leave the meeting

3. Summary & Way Forward

The meeting ended with a brief presentation about CRB's 7th Annual Sustainability Conference 2020 (India & Sustainability Standards 2020) to be held 28th to 30th October 2020. This year, the Conference would be held virtually. Details about the theme and partnership opportunities are available at: **www.sustainabilitystandards.in**

In his summary, Rijit mentioned the following:

- 13 VSS Organisations participated in this fifth meeting of the 'VSS Collaboration India' (refer *Annex1: List of Participants*)
- There is a consensus now for initiating concrete 'collaborative actions', given this platform has evolved into a strong network of like-minded VSS organisations willing to work together
- A *Working Group* would be set up with 5-6 members from VSS organisations (volunteers are invited) to brainstorm on the specifics of 'collaborative actions' to be taken through this platform. Some colleagues have already expressed their interest to be part of this WG. This meeting would be conducted over the next couple of weeks – and possible 'action items' would be identified
- CRB would also develop a follow-up plan from the fourth meeting of the coalition that looked at 'VSS Contribution to SDGs in India'. Perhaps a report could be planned, documenting 'good practices' and 'experiences' of VSS organisations in India (which the VSS organisations had shared through their presentations in the fourth meeting). NITI Aayog has expressed interest in this area of work – and could be approached to provide 'logo support'.

Annex 1: List of Participants

S. No	Participant	Organisation
1	Archana Panda	Social Accountability International (SAI)
2	Ashish Bhardwaj	Alliance for Water Stewardship (AWS)
3	Amaresh Deshpande	Forest Stewardship Council (FSC)
4	Ashish Srivastava	Network for Certification and Conservation of Forests (NCCF)
5	C B Ramkumar	Global Sustainable Tourism Council (GSTC)
6	Devyani Hari	Centre for Responsible Business (CRB)
7	Kamal Prakash Seth	Roundtable on Sustainable Palm Oil (RSPO)
8	Kinjal Shah	Responsible Jewellery Council (RJC)
9	Priyanka Chhaparia	CRB
10	Rahul Bhajekar	Global Organic Textile Standards (GOTS)
11	Rakesh Supkar	Traidcraft Exchange
12	Ranjit Suseelan	Marine Stewardship Council (MSC)
13	Rijit Sengupta	CRB
14	Ritu Baruah	Bonsucro
15	Saji Kadavil	Rainforest Alliance (RA)
16	Siya Batra	CRB
17	Sonali Paikaray	CRB
18	Subhadra Gupta	Fair Lab Association (FLA)
19	Sumit Gupta	GOTS
20	TR Manoharan	CRB
21	Varun Grover	NCCF
22	Vijay Jain	Responsible Mica Initiative (RMI)