



Responsible  
Jewellery  
Council

# RJC Inaugural CSR Conference

Arundel House, London

15 May 2014

# Session 1

## Agenda – Future imperatives

### Moderator

- James Courage, RJC Chairman and PGI Chief Executive Officer

### Speakers

- Rein Nieland, Policy Officer for Raw Materials, European Commission, DG TRADE
- Anoop Mehta, President, Bharat Diamond Bourse
- Professor Marylyn Carrigan, Co-Director, the Centre for Trust and Ethical Behaviour (CETEB), Coventry University Business School

### Q&A Session

### *Coffee break*



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# **EU responsible trading strategy for minerals from conflict zones**

***RJC Inaugural CSR Conference  
London, 15 May 2014***

***Rein Nieland  
European Commission  
DG Trade, Unit G3***



- 1. Context**
- 2. Objectives of the integrated EU approach**
- 3. Draft Regulation**
- 4. Accompanying measures**
- 5. Conclusions**



- **Natural resources as a driver for development**
- **Extraction and trade often linked to conflict and instability**
- **UN/OECD/G8 statements to increase transparency in extractive industries**
- **Existing initiatives on responsible sourcing *i.a.***
  - OECD Due Diligence Guidance
  - ICGLR: legislation in the DRC and Rwanda
  - US Dodd-Frank Act Section 1502
- **EP Resolution on conflict minerals (2010) and Commission Communications (2011 & 2012)**

## ■ Operating environment for EU companies

- 150,000-200,000 EU companies indirectly affected by US Dodd-Frank Act
- 420 EU importers (traders, smelters/refiners, component manufacturers)
- EU trade share of ores is about 35% (tin, tantalum, tungsten, gold) and 15-25% for the metals





- **Based on public consultation outcome and impact assessment findings, an integrated EU approach proposed to promote responsible mineral sourcing (5 March 2014)**
- **Complementary objectives established:**
  - Break the link between mineral extraction, trade and the financing of armed conflict
  - Preserve and further develop a market in the EU for responsibly traded minerals from conflict regions
  - Improve the ability of EU operators to comply with existing due diligence frameworks (OECD DDG, US Dodd-Frank)



- **Main elements of the draft Regulation:**
  - Voluntary self-certification by EU importers of tin, tantalum, tungsten and gold (ores, concentrates and metals) regardless of origin
  - Obligations based on the OECD DDG (5-step framework)
  - Publication of an annual EU list of responsible smelters/refiners
  - Ex-post checks by EU Member States competent authorities
  - Review no later than three years after entry into force
- **Aim: to act at the most effective level of the EU supply chain and to facilitate the flow of due diligence information down to end users**





- **EU importers opting for self-certification as responsible importers should:**
  - set up a management system to inter alia track the origin of the minerals purchased
  - apply supply chain risk management procedures to address and mitigate adverse impact
  - carry out third-part audit
  - disclose relevant supply chain related information to downstream purchasers, the public and Member States competent authorities
- **Obligations consistent with the 5-step framework of the OECD Due Diligence Guidance**

# Responsibility of Member States



- **Ex-post checks by EU Member States competent authorities on responsible importers based on information disclosed by the self-certified importers to MS competent authorities**
- **In case of infringement, issuance of a notice for remedial action; in case of inadequate remedial action, issuance of a notice of non-recognition of responsible importer certificate**



- **Additional measures to promote supply chain due diligence in the EU and beyond**
  - Public procurement incentives for companies selling products containing tin, tantalum, tungsten and gold
  - Financial support to SMEs to promote the uptake of self-certification and to the OECD to promote due diligence among EU and non-EU smelters/refiners
  - Visible recognition for the efforts of EU companies who source responsibly from conflict-affected countries or areas
  - Policy dialogues and diplomatic outreach with governments in extraction, processing and consuming countries to encourage a broader use of due diligence
  - Development cooperation with the countries concerned



- **Impact on responsible EU importers:**

- Increased legal certainty and transparency through their self-certification to ensure that they do not contribute to the financing of armed conflicts
- Easier compliance with Dodd-Frank obligations

- **Impact on responsible smelters/refiners:**

- Increased public accountability and transparency of their practices through the publication of an annual EU list
- Identification of those sourcing from conflict areas

- **Impact on downstream users:**

- Facilitated flow of due diligence information down to end users and easier to source metals responsibly
- Public procurement incentives to satisfy contractual due diligence obligations

# Complementarity to US Dodd-Frank



- **Dodd-Frank indirectly responsible for due diligence efforts among EU downstream users**
- **Weakness in the present system is the flow of information from upstream to downstream**
- **Focus of the EU proposal on upstream and in particular on smelters/refiners**
- **Incentive-based EU approach corrects the current deficiency in order to open up the EU market for responsibly sourced minerals from conflict regions**



## Further contact/information

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[http://europa.eu/rapid/press-release\\_IP-14-218\\_en.htm](http://europa.eu/rapid/press-release_IP-14-218_en.htm)



# THE INDIAN DIAMOND SECTOR AND IT'S CHALLENGES

LONDON

MAY 15, 2014



# THE INDIAN DIAMOND SECTOR

- The diamond sector can be considered the first “outsourced” industry for India
  - Industry has emerged from being simply a low cost manufacturing base
  - Newer companies are emerging, primarily driven by their manufacturing skills
  - Healthy industry spread from unorganised units employing a couple of people to organised units employing over 4-5 thousand of people
- Polishing continues to remain a “skill-based” activity
  - Skilled workers remain in constant demand as in other skill-based industries
  - Skilled workers and managers in turn become entrepreneurs, many passing the skills down over the generations
  - The wide spread of material from 0.01 to over 50 carat per stone of rough, provides a wide spectrum of job opportunities for various skill levels



# THE INDIAN DIAMOND SECTOR

- For many people, diamond polishing offers an option to poverty (can be compared to the artisanal mining sector)
  - Jobs are skill based and can be done by under educated or uneducated workers
  - Polishing jobs or work requires limited investment
  - Jobs can be created at their villages, in adjoining areas, rather than working in factories (certain areas have villages with over 1,000 cutters)
- Most companies are run by first or second generation
  - Most entrepreneurs have risen from modest beginnings
  - Most successful companies are well known for their philanthropy, but away from the eyes of the industry, either directly or through their charitable trusts
  - Generally charity is perceived by the larger companies as a way to give back to the under privileged

# LABOUR SCENARIO

- Manufacturing remains the most labour intensive part of the diamond pipeline
- The Indian diamond polishing sector has made significant strides over the last two decades to move towards full compliance
  - Child labour is now non-existent in all units
  - Most established and larger players have factory standards meeting and exceeding all requirements like RJC, BPP or customer audit requirements
  - Latest state-of-the-art factories with the latest technology have been set up
  - Working at diamond factories considered prestigious and enhances prospects of getting a bride – a sign of social acceptance (Though this was severely dented in the crisis of 2009 when there were no goods to polish, leading to layoffs)

# SMALL & MEDIUM ENTERPRISES

- Small and medium sized units are primarily involved in polishing lower cost diamonds (quality and size), with a high labour content and account for
  - Over 200,000-300,000 people
  - Over 25m carats of rough or about 500m stones per year
- Units are located in villages (only regular power connection is required)
  - Small units are the crucible for the next generation of successful manufacturers
  - It is easier to transport the diamonds, rather than the people
  - By providing employment in villages, it ensures a better quality of life for the people as
    - People do not need to travel for work
    - Reduces pressure on cities
    - Allows part-time workers and better quality of life
    - Workers can go back to farming during the monsoon season

## SMALL & MEDIUM ENTERPRISES

- These small units polish some of the cheapest and lowest quality diamonds, much of which has helped democratise diamonds globally, by keeping affordable to the global middle classes; This generates large employment in jewellery manufacturing, retailing and support industries and much of this in developed economies
- Setting health and safety standards in the smaller factories (<20 people) remains a challenge (akin to that of artisanal mining)
- Given the distributed nature of this workforce, standards are difficult to enforce, with only education and training possible
  - For many workers, absence of work can mean going back to hunger and poverty
  - Education and training is the only way to improve standards, rather than enforcement

# CSR : LEGAL OBLIGATIONS

- The company law (Section 135 of the Companies Act 2013) in India has recently been amended (possibly the only country in the world) in February 2014 and is made applicable to all companies from April 1, 2014
  - Companies over the criteria below have to spend on CSR
    - Net worth of at least Rs 500 crs (USD 85m)
    - Turnover of at least Rs 1,000 crs (USD 170m)
    - Profit of at least Rs 5 crs (USD 850,000)
  - Projects, programmes and activities which constitute the CSR spend defined
  - Preference is to projects in the local area of operation
  - Board of directors (BOD) mandated to spend 2% of the average net profit made over the last 3 preceding financial years
  - CSR committee to be formed from the BOD to monitor the spends
  - The BOD is answerable in the annual report if the amounts are not spent

# CSR : LEGAL OBLIGATIONS

- Areas include
  - Eradicating hunger, poverty and malnutrition, promoting health care and sanitation
  - Promoting education, including special education and vocation skills
  - Promoting gender equality, empowering women, facilities
  - Ensuring environmental sustainability, ecological balance etc.
  - Protecting national heritage, art and culture
  - Measures for the benefit of armed forces veterans, war widows etc.
  - Promoting rural sports, nationally recognized sports, paralympic sports
  - Contribution to Prime Minister's National Relief Fund or any other govt. fund
  - Contributions or funds to technology incubators located within academic institutions
  - Rural development projects

# CSR ACTIVITIES : DIAMOND INDUSTRY'S LITTLE KNOWN SECRET

- The charitable work done by the industry is one of the lesser known facts as it is done on a private level, rather than through the company level

## Environmental & Humanitarian



## Social & Other



# CSR ACTIVITIES : DIAMOND INDUSTRY'S LITTLE KNOWN SECRET

## Health Care



## Education





## FUTURE PATH

- On a collective basis, a sizeable amount of work is done by the Indian diamond industry, but on an individual basis
  - CSR activities are not properly catalogued
  - Large number of companies, means that each contribution might be smaller
- The Industry is trying to survey and collate the work done by various entities
  - Important to show a consolidated view of activities
- Industry bodies focussed on doing more seminars and training for smaller units
  - Focus on teaching basic health and safety measures and advantages
  - Advantages of maintaining basic standards

# **Bridging the value-action gap: SMEs, CSR and responsible jewellery consumption**

***Professor Marylyn Carrigan***

Co-Director Centre for Trust and Ethical Behaviour, Coventry University

**[Research Team:** Dr Caroline Moraes; Dr Carmela Bosangit; Dr Michelle McGrath]

# Responsible jewellery consumption

- Most studies of responsible consumer behaviour examine 'everyday purchasing'.
- Compared to food, clothing etc. fine jewellery perceived as a luxury item.
- Consumers often misread their jewellery purchases as being of limited importance.
  - Focus primarily on aesthetics, economic value, quality and design.
  - Think infrequent, discretionary shopping has little negative impact.



# Consumers and CSR



- There are social, ethical and environmental consequences to all product purchases.
  - Consumers vary in their knowledge and understanding of CSR.
  - They have different reasons for choosing to buy different products or shop at particular outlets.
  - Ethical choice criteria are not always the same – and the same reasons don't 'spill over' into jewellery purchasing.

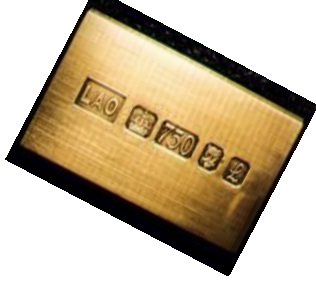
# What do consumers understand about responsible jewellery?

- Expressed concern with provenance of jewellery metals, gems etc. but didn't always act on those concerns:

*"Not really, no. I'm generally ignorant haven't really thought about it. Well I mean I've got some [diamonds] upstairs, I mean, I know I did all the clarity and stuff, but I haven't really read whether it says on there whether it's ... non-conflict diamond or not."*

- Vague idea about blood diamonds, mainly based on media or celebrity stories:

*"You know I'm aware that not all diamonds are OK are they?.... I don't know. Only through hearing bits and bobs in the news, again, was it Jay-Z or Beyonce or someone spoke about them a few years ago, I don't know but, again, I didn't really pay much attention to that."*



- Limited knowledge of supply chain practices and this potentially tarnishes whole industry:  
*"I wouldn't say that I know much really. I know obviously some of the places where they mine the diamonds... I don't know ... do they use children down there? I vaguely ...read something but I couldn't say specifically what it was... I couldn't give you facts and figures."*
- Some knowledge about hallmarking, Kimberley Process and recycling jewellery.  
*"I know there is a hallmark system in the country. I know that's sort of 'policed' within the jewellery trade, but that's as much and as deep as I have knowledge of."*

# Consumer responsibility barriers

- Consumers spend large sums on a product about which they know very little.
- Trust the seller to behave with integrity and responsibility.
- Consumers feel they cannot research the responsibility issues linked to every product they buy.
  - So focus on routine purchases and ignore the problems of infrequent ones.
- Discretionary purchases are influenced by emotions rather than searching for ethical product information.
  - Don't often make a connection between production and consumption
- Think the added cost to buy 'ethical' discretionary products might be too high.



# Responsible jewellery consumption:

## **Key challenges for SMEs**

- Getting more consumers to think about and act on the *social, environmental and economic* impact of their jewellery choices.
- Consumers have limited knowledge of unethical practices and ethical jewellery alternatives.
  - The knowledge they do have rarely stems from industry communications.
  - People don't always act on their values and best intentions.





# Bridging the value-action gap

- Consumers need a push from jewellery SMEs to engage in responsible purchasing practices.
- Need retail spaces that promote responsible jewellery choices:
  - Can ‘nudge’ consumers to consider it ‘normal’ to think about and act responsibly in jewellery shopping.
- SMEs can ‘choice edit’ what is offered to consumers.
  - Avoid risky/harmful practices down the supply chain.
  - Simplify purchase situation; reduce consumer search effort.
- Clearer point-of-purchase cues and reliable, accessible information will reduce consumer uncertainty and misconceptions around jewellery, and raise CSR awareness.



## Better CSR signposting

*“Obviously with foods because it's on the packaging, you know what's a Fair Trade banana, you know what's Fair Trade chocolate, but in terms of jewellery, no. But seriously I went to a lot of shops along there and I didn't notice anything in the windows or on the displays so, yes, never really crossed my mind.”*

- Altering behaviour requires changing the environment of the action, not just changing people's minds.
- Industry can collaborate to cultivate a broader conception of what represents 'value' for jewellery consumers.
- Better 'choice architecture' will help steer customers towards responsible choices.

# Final thoughts....

- Jewellery firms need to *'future proof'*
  - Collective forces are pushing to improve CSR standards in the industry.
- SMEs can build on trust and legitimacy drawn from traditions in jewellery clusters like BJQ
  - Can promote historic legacy; craftsmanship; design; quality and choice  
BUT should also signal CSR credentials:

*“...I definitely don't think there's enough ready information on where specific things have come ... I think that a lot ....of the information you get when you buy jewellery is ... it's kind of marketing talk..... it goes less into trying to persuade you to buy an ethical diamond or an ethical piece of jewellery...”*



# Above all tell a good story.....

Ethical  
Elegance



- *“I’d love it if there was more information about where the metal had come from, because I think that's part ... **that should be built into part of the story, like when you buy jewellery, it's supposed to mean something, it's supposed to have a story behind it,** if I could have gone to my partner and said the diamond came from here or the metal was recycled gold or whatever, then that adds to it, I think that adds value to it.”*

To embed responsibility in consumer purchasing social responsibility needs to be an intrinsic part of everyday business operations and trading.

The industry needs to be ahead of, not catching up with the consumer....



**Thank you for your attention**

## Session 2

### Agenda – Human Rights and Responsible Supply Chains

#### Moderator

- Fiona Solomon, RJC Director – Standards Development

#### Speakers

- Adam Greene, Principal Officer, Bureau for Employers' Activities, International Labour Office
- Philip Hunter, Program Director, Verité
- Estelle Levin, Director, Estelle Levin Ltd
- Claus Teilmann Petersen, Vice President, Group CSR, Pandora

#### Q&A Session

#### *Coffee break*

# UN Guiding Principles on Business and Human Rights



International  
Labour  
Office  
Geneva

Bureau  
international  
du Travail  
Genève

Oficina  
Internacional  
del Trabajo  
Ginebra

Adam Greene  
ILO Bureau for Employers' Activities

Responsible Jewellery Council  
Inaugural CSR Conference  
London, 15 May 2014



ACT/EMP  
The Bureau for Employers' Activities



# UN Framework: Protect, Respect, Remedy



International  
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Office  
Geneva

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international  
du Travail  
Genève

Oficina  
Internacional  
del Trabajo  
Ginebra

- State duty to protect:
  - Respect rights, establish laws, implement and enforce them
- Corporate responsibility to respect:
  - Comply with all applicable laws
  - Proactive actions beyond compliance
- Access to remedies:
  - Access to (functioning) courts
  - Other mechanisms



# UN Guiding Principles



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Office  
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Bureau  
international  
du Travail  
Genève

Oficina  
Internacional  
del Trabajo  
Ginebra

- Recommendations to implement the “Protect, Respect, Remedy” framework
- Apply to all States and all enterprises, regardless of size, sector, location, ownership or structure
- Do not create any new international laws or obligations
- Endorsed by all governments, business, trade unions and (some) NGO’s

# Corporate Responsibility to Respect



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international  
du Travail  
Genève

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Internacional  
del Trabajo  
Ginebra

- “Know and show”
- Not infringe on the human rights of others:
  - Avoid causing or contributing to adverse impacts through own activities; and
  - Seek to prevent or mitigate adverse impacts directly linked to company through business relationships

“Avoid” = control (you are responsible for impacts)

“Seek to” = leverage (supplier is responsible for impacts)

# Human Rights Due Diligence



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- *“Identify, prevent, mitigate and account for how you address their adverse human rights impacts.”*
- Includes adverse impacts:
  - Caused by the enterprise (where the enterprise is responsible for the impact); or
  - Directly linked to its operations by a business relationship (where the enterprise is not responsible for the impact)

# Implementing Due Diligence

- No one-size fits all
- Not static – ongoing process
- Due diligence will vary depending on:
  - Enterprise (size, structure)
  - Context (country)
  - Human rights risks (security, labor standards)
  - Existing procedures, mechanisms, etc.
- Development of industry programs:
  - Oil & gas, Mining, Finance, Electronics, Apparel, Jewellery

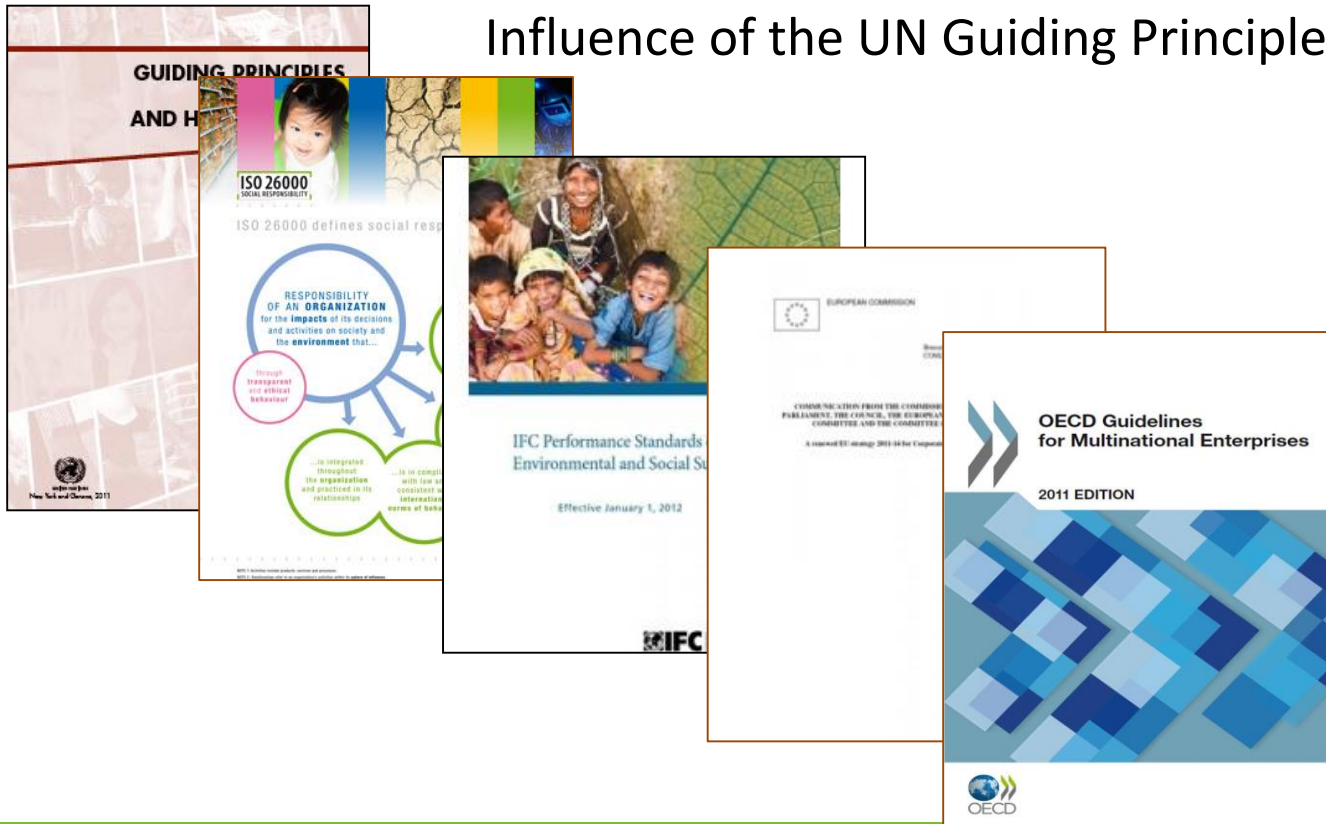


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# Influence of the UN Guiding Principles



**The Business of Representing Business**  
**la fonction de représentant des employeurs**  
**la empresa de representar a las empresas**

 **ACT/EMP**  
The Bureau for Employers' Activities  
[www.ilo.org/employers](http://www.ilo.org/employers)



## Addressing risks of forced labour and human trafficking in jewellery supply chains

Philip Hunter

May 15<sup>th</sup>, 2014

**Fair Labor. Worldwide.**





## Who is Verité?







## Research: Uncovering risks of forced labour and human trafficking in jewellery supply chains






## Key indicators of risk

- Vulnerability of migrant workers (both internal and international)
- Unethical recruitment and labour sub-contracting
- Deception, false promises, fraud
- Abusive wage systems: Payments in-kind, wage advances & loans
- Debt bondage & forced labour
- Gold export and integration into global supply chains

# Guidance and tools for business




International  
Labour  
Office

## Combating Forced Labour

## A Handbook for Employers & Business

Special Action Programme to Combat Forced Labour



VERITÉ  
A VERITÉ INITIATIVE

HELP WANTED  
A VERITÉ INITIATIVE

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Tell Us What You Think

INTRODUCTION ABOUT WORKER PROFILES FAIR HIRING TOOLKIT RESOURCES CONTACT US

### Fair Hiring Toolkit

#### Sustainability Begins With Fair Hiring


Whether you are a brand, supplier, government, investor, anti-slavery or labor-rights organization, social auditor, or certifier, your approach to protecting migrant workers is not complete unless it includes a focus on the path that workers take to get a job in the global economy. This Fair Hiring Toolkit offers tools, guidance, and approaches to support the responsible recruitment and hiring of migrant workers in global supply chains.

- Brands
- Suppliers
- Government
- Advocates
- Investors
- Auditors
- Multi-Stakeholder

#### Highlights



WORKSHOP: Fair Hiring Toolkit & VERITÉ SYSTEMS APPROACH FOR MECHANIZED CONTRACT LABOR FORCE



MYTH  
Slavery is not a major part of the global economy.

UNITED STATES DEPARTMENT OF LABOR  
Bureau of International Labor Affairs

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DOL Home > ILO > Reducing Child Labor & Forced Labor Toolkit

### Reducing Child Labor and Forced Labor

A Toolkit for Responsible Businesses

#### Welcome

The International Labor Organization (ILO) estimates that there are 215 million children in child labor worldwide, 115 million of them in hazardous forms of work. It also estimates that 21 million people are in forced labor, six million of them children.

By utilizing this toolkit, you have shown that your company is concerned about these grim statistics. You are interested in reducing the chance that your products—and the raw materials they come from—are manufactured, mined or harvested by children who should be in school, or by workers locked in sweatshops or forced into work through false promises or threats.

In order to effectively combat the risks of child labor and forced labor in your operations and global supply chains, you should have a comprehensive and transparent social compliance system in place. The goal of this toolkit is to assist companies that may not have such a system, as well as companies whose existing systems may need strengthening—particularly in the areas of child labor and forced labor.

#### Select a Step to Learn More



STEP 1 Engage  
STEP 2 Assess  
STEP 3 Develop  
STEP 4 Communicate and Train  
STEP 5 Monitor  
STEP 6 Reinforce  
STEP 7 Review  
STEP 8 Report





## Practical steps to action

- New strategies and solutions are needed
- Anchor: UN Guiding Principles and due diligence
- Checklist approaches to auditing will not work
- What role for supply chain mapping and traceability to increase our understanding?
- Awareness & capacity building



## Multi-stakeholder and international engagement

RJC Code & Human  
Rights Working Group



RESPONSIBLE  
SUPPLY CHAINS  
& HUMAN RIGHTS

ILO Combating Forced  
Labour in Brazil & Peru





# Thank-you!

For more information:

Philip Hunter

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Verité

**Fair Labor. Worldwide.**



# Artisanal and small-scale miners: A Human Rights Perspective

Estelle Levin Ltd.  
RJC Inaugural CSR Conference  
London, 15 May 2014



# What is ASM?

- Shallower workings, smaller concessions
- High labour intensity, low capital intensity
- Rudimentary tools, *limited machinery*
- Often informal, unregulated, illegal
- Individuals, gangs, cooperatives, associations, small companies

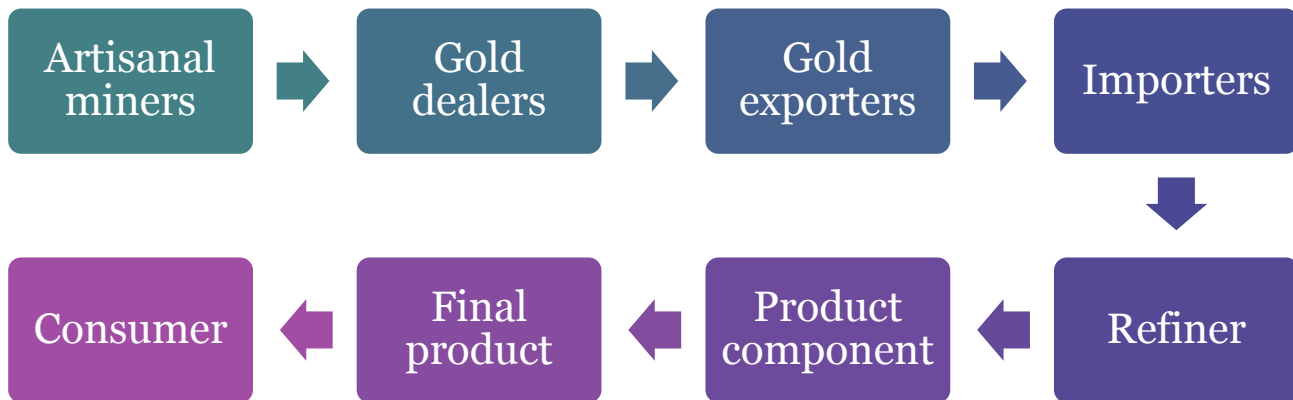




# Why does ASM matter?

## ASM matters to the market today ... and in the future

- 10% of all mineral output
- ASM mine \$12 billion gold per annum
- 8% silver
- 12% gold (300 tonnes / annum)
- 20% of all diamonds
- 70-100% of coloured gems
- ASM increasing share of diamond production
- ASM can work marginal deposits:
  - Less accessible
  - Less payable
- Some countries' mining sector is 100% ASM



# How do ASM and Human Rights Fit Together?

- UNGP compliance means you must take measures to **limit harms** in your supply chains
- A rights-based approach is seeking to empower the marginalised or deprived
- Framework of rights holders & duty bearers
- Rights-based framework for considering ASM as your suppliers
  - What harms do ASM cause?
  - How do they prevent harms?
  - How are they subjected to harm?
  - What can you do as buyers to empower them?



*Aids orphan, supporting his siblings through mining in  
Mashonga, Uganda  
Photo © Estelle Levin, 2007*

# The humans: miners



# Who does ASM?

## Case study: Ivory Coast 2010

### Immigrants

- **Professional miners** from other sites
- **Internally Displaced People** who fled the war and have no land to farm locally
- Mechanics, drivers, and other **professionals** seeking work with the corporate mine

### Residents

- **Indebted cacao traders** or their wives
- **Students** who need to pay their tuition fees.
- **Unemployed youths** who cannot find work elsewhere and cannot or do not want to work in family plantations.
- **Agricultural contract labourers**
- **Female heads of households**, e.g. widows, single mothers
- **Housewives** whose husbands can no longer support the whole family
- **Uneducated girls**
- **Market traders** who can earn more panning gold.



Artisanal gold miner (caillou hunter), Ivory Coast  
Photo © Estelle Levin, 2010



# The Rights: responsible sourcing concerns



*Tanzanian ASM stakeholders  
in Chunya  
© Estelle Levin, 2007*

# ASM as duty-bearers:

## How do ASM create harms?

- Labour rights violations, e.g.
  - Poor health & safety measures, inc. mercury, cyanide, dynamite
  - Child & forced labour
  - Discrimination
- Property rights violations, e.g.
  - Land / resource conflicts (LSM, farmers)
  - Informal / illegal → violence
- Environmental damage
- Conflict financing, money laundering, bribery, corruption
- 'Wild west' communities & social depravity



# ASM as duty-bearers: how do ASM prevent harms?

- Poverty alleviation!
- Job creation - 1:160 jobs for 4 kilo-bars Au per year
- Generates local economic growth
- Greater % mineral value retained locally
- Income for rural communities
- Slows urban migration
- Can be peace-building!



*Women selling gold pans in Antanimbary, Madagascar  
Photo © Estelle Levin, 2008*

# ASM as Rights Holders: How are ASM subjected to harm?

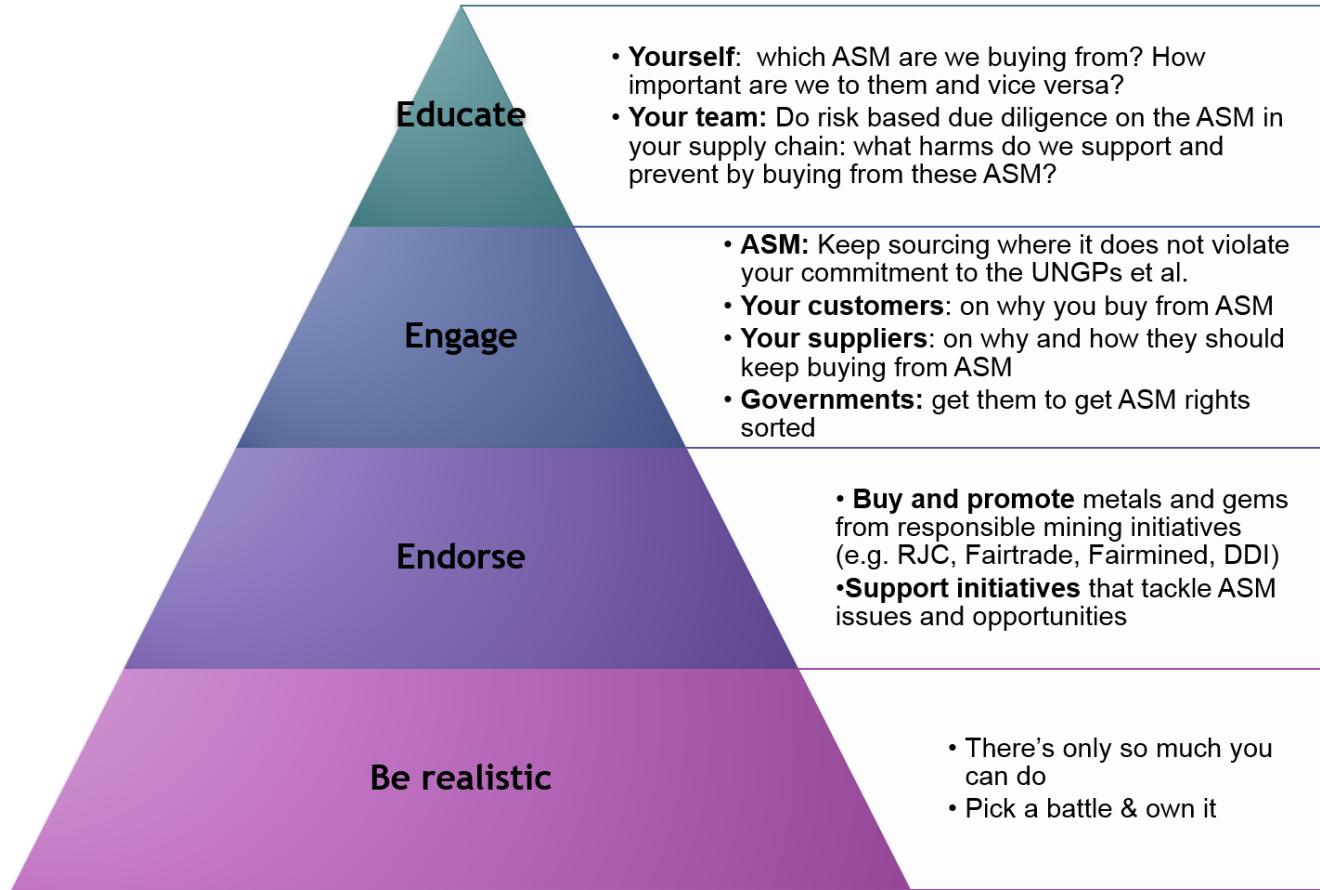
- ASM is common as a coping strategy during / after **calamity**
  - Failed states, conflict-affected and post-conflict states, etc.
  - Human rights abuses more likely in this context (hence OECD DDG)
- ASM rights are denied or ignored by **unsupportive governments**
  - Poor governance & regulatory environment → predation, corruption, exclusion
  - Marginalisation and persecution is the result
  - Poor property rights / legal enforcement
- ASM rights are inhibited owing **to bad commercial conditions**
  - lack of capital, unregulated / unfair pricing systems
- **LSM can be a positive or negative factor** in the realisation of ASM's rights
  - Displacement & resettlement
  - Engagement & capacity building
- **Poverty** drives people to seek opportunity
  - Lack of education or capacity
  - Lack of welfare & physical infrastructure
  - Size of opportunity
- **Different rights frameworks** → confusion & opportunities for coercion, corruption



# Responsible Sourcing: What can you do?



# What should you do?



# THANK YOU



For more information, please contact me at  
[estelle@estellelevin.com](mailto:estelle@estellelevin.com)

Web: [www.estellelevin.com](http://www.estellelevin.com);

Twitter: @EstelleLevinLtd

*Women miners with their  
children in Ivory Coast  
Photo © Estelle Levin, 2010*



# ASM matters to a lot of people

- ASM is in > 80 countries
- 20-30m people do ASM as a primary or supplementary livelihood
  - 90% of global mining workforce
  - 15 million DIRECT jobs for ASM of GOLD only
- > 100 million people dependent on it at household level
- Millions more depend on the economic opportunities in related sectors



*Workshop with gold miners and their stakeholders in Uganda,  
© Estelle Levin, 2007*

# Why do ASM?

## *ASM IS THE SOLUTION!*

- Money
  - Cash
  - Higher income
  - Quick income
  - Dowry
- A way up:
  - Unskilled
  - Uneducated
  - Unconnected
  - Hope & dignity
- A way out
  - Emergency
  - Recession
  - Emancipation / resistance



# ASM as rights holders: a government's attitude makes all the difference

## OBSTRUCTIVE

ASM is **primitive**, an **embarrassment**, and/or should be industrialised away ASAP!

- Post-conflict nations, e.g. Liberia
- Highly indebted nations focused on FDI, e.g. Afghanistan
- Modernising nations, e.g. Indonesia, Brazil, China

## TOLERANT

ASM is a **threat** to stability and must be managed/controlled

- DRC
- Sierra Leone
- Colombia

## ENABLING

ASM is an **opportunity** to be harnessed and unleashed

- Tanzania
- Peru

*What's ASM?*

# ELL: Responsible Mining & Sourcing



Boutique consultancy serving global clients

Founded in 2010

HQ in Cambridge, UK, global associates

***ELL unlocks the power of minerals to deliver resilient futures***

***We do this by fostering mutual understanding and benefit along supply chains, across stakeholders***

***Our core offering is Research, Advisory, Training & Assurance to deliver Solutions you can Depend on in Responsible Mining & Sourcing***



# HUMAN RIGHTS DUE DILIGENCE

- Why and not least how in just 10 minutes...

RESPONSIBLE JEWELLERY COUNCIL

- INAUGURAL CSR CONFERENCE MAY 15 2014

Claus Teilmann Petersen, VP Group CSR



**PANDORA**  
UNFORGETTABLE MOMENTS



# WHY TAKE HUMAN RIGHTS SERIOUSLY?

## Values & Commitments

- Vision, Mission & Core Values
- United Nations Global Compact
- The Responsible Jewellery Council



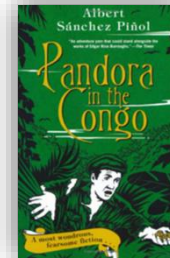
## Compliance

- International diamond trade regulation
- US Dodd Frank Act on gold
- DK Transparency Act/Government commitments
- Business partner requirements



## Protect & support PANDORA's brand vision

- Consumers
- Staff
- Media
- Civil Society (NGO)
- Investors



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# DEFINING ASPIRATIONS

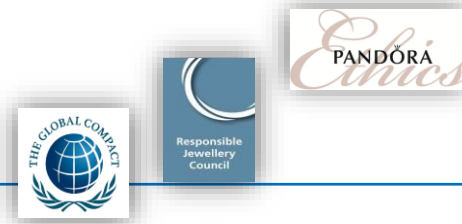
## 4. Leadership - transforming the industry

- Wins truly global application
- Successful advocacy
- Industry game changer

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## 3. Proactive - best practice

- High profile projects
- External partners
- Integrated into all business processes



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## 2. Compliance with industry standards

- Group policies developed/implemented
- Communicated to all/key staff trained
- Advisory/monitoring/whistleblower functions

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## 1. Reactive compliance with law

- Case by case management
- Low priority
- No/low staff involvement

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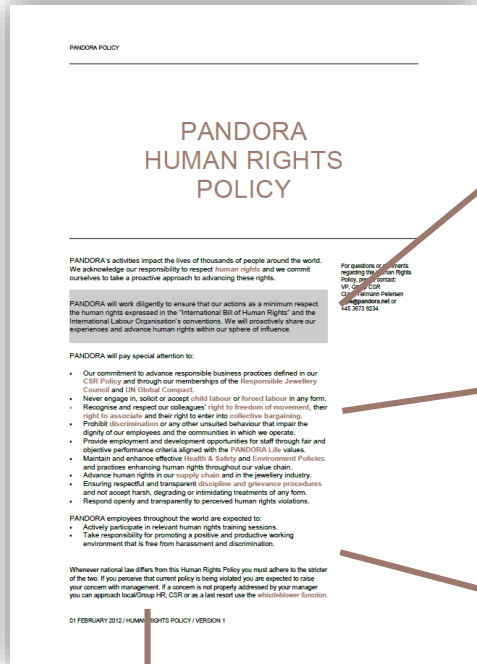
# PANDORA ETHICS

- PANDORA'S CSR & COMPLIANCE PROGRAMME



*“PANDORA is committed to advancing responsible business practices from the sourcing of gemstones, precious metals and other materials to the crafting and marketing of our jewellery”.*

# HUMAN RIGHTS POLICY



## Policy commitment

PANDORA will work diligently to ensure that our actions as a minimum respect the human rights expressed in the "International Bill of Human Rights" and the International Labour Organisation's conventions. We will proactively share our experiences and advance human rights within our sphere of influence.

## Focus areas

- Never engage in, solicit or accept **child labour or forced labour** in any form.
- Recognise and respect our colleagues' **right to freedom of movement, their right to associate** and their right to enter into **collective bargaining**.
- Prohibit **discrimination** or any other unsuited behaviour that impair the

## Expected staff behavior

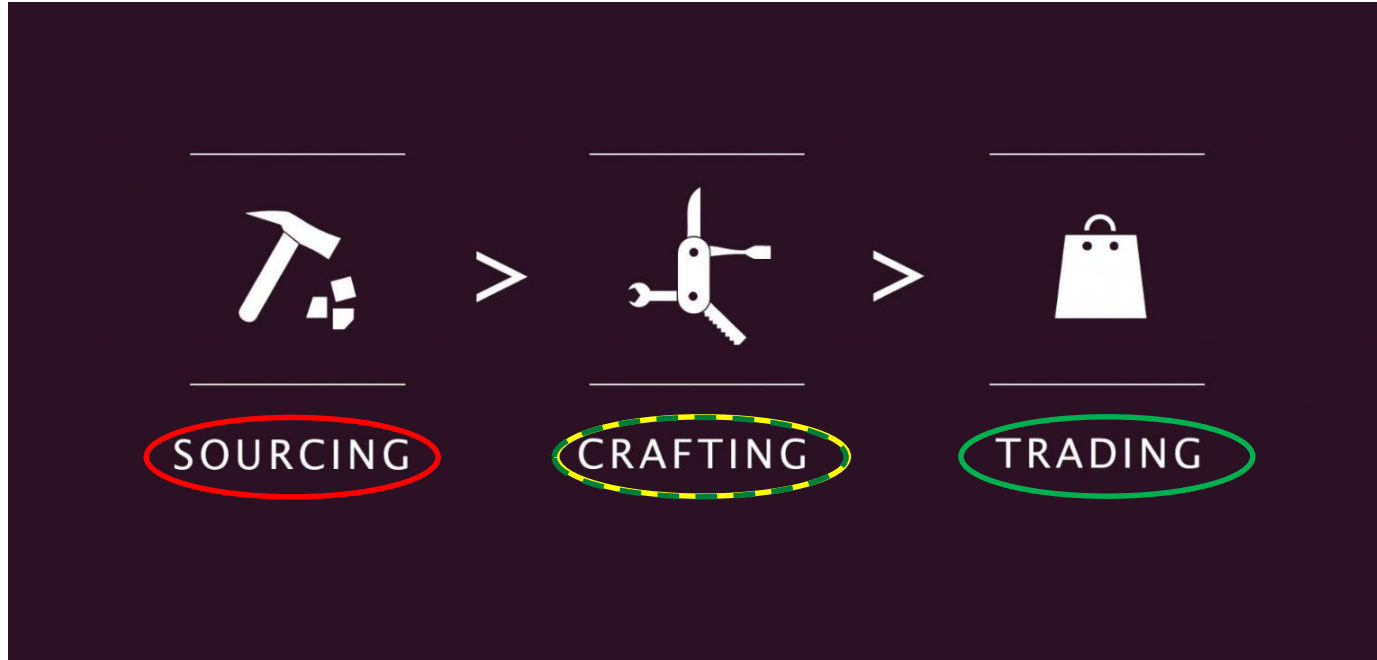
- PANDORA employees throughout the world are expected to:
- **Actively participate in relevant human rights training sessions.**
  - **Take responsibility for promoting a positive and productive working environment that is free from harassment and discrimination.**

## Raising concerns

Whenever national law differs from this Human Rights Policy you must adhere to the stricter of the two. If you perceive that current policy is being violated you are expected to raise your concern with management. If a concern is not properly addressed by your manager you can approach local/Group HR, CSR or as a last resort use the **whistleblower function**.



## TAILORED IMPLEMENTATION OF HUMAN RIGHTS



# SUPPLY CHAIN DUE DILIGENCE

## Tier 1

- PANDORA Production Thailand (owned & operated)
- Very few OEM producers /subcontractors

## Tier 2

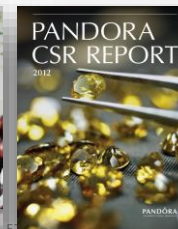
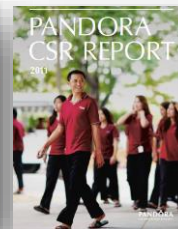
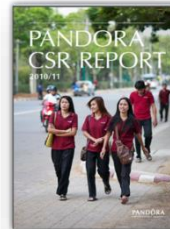
- The production facilities of our suppliers

## Tier 3 to tier X

- Core materials
- Strategic suppliers
- Single source
- Risk Materials



PANDORA Production Thailand	
2005	380
2006	616
2007	986
2008	1,362
2009	2,512
2010	3,596
2011	3,632
2012	4,124
2013 (ultimo)	5,921



# CSR IN SOURCING & PROCUREMENT

## PANDORA Supplier's Code of Conduct

### 4 step Responsible Supplier Programme

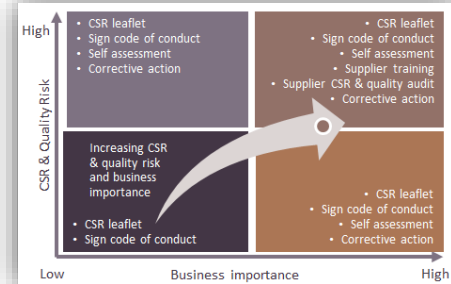
- Screen
- Train
- Audit
- Implement corrective actions

### Special focus on core materials

- Silver
- Gold
- Diamonds
- Stones
- Leather

### Part of Sourcing & Procurement Strategies

- Integrate CSR and quality



# PROCUREMENT STRATEGY

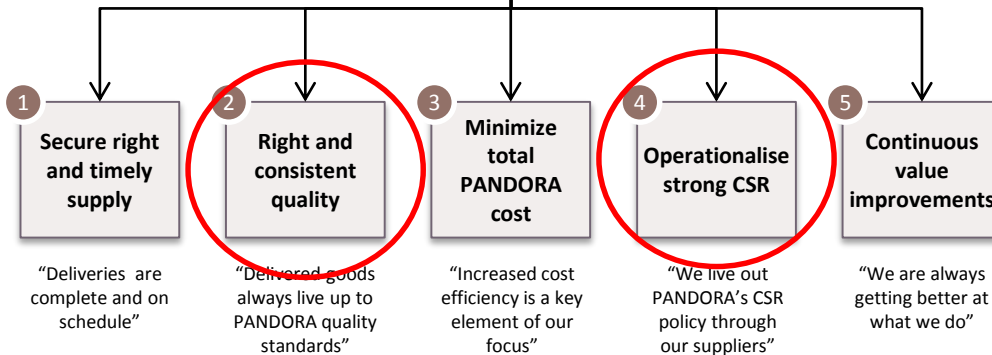
Vision

"Every dollar spent is spent professionally"

Key  
strategic  
question

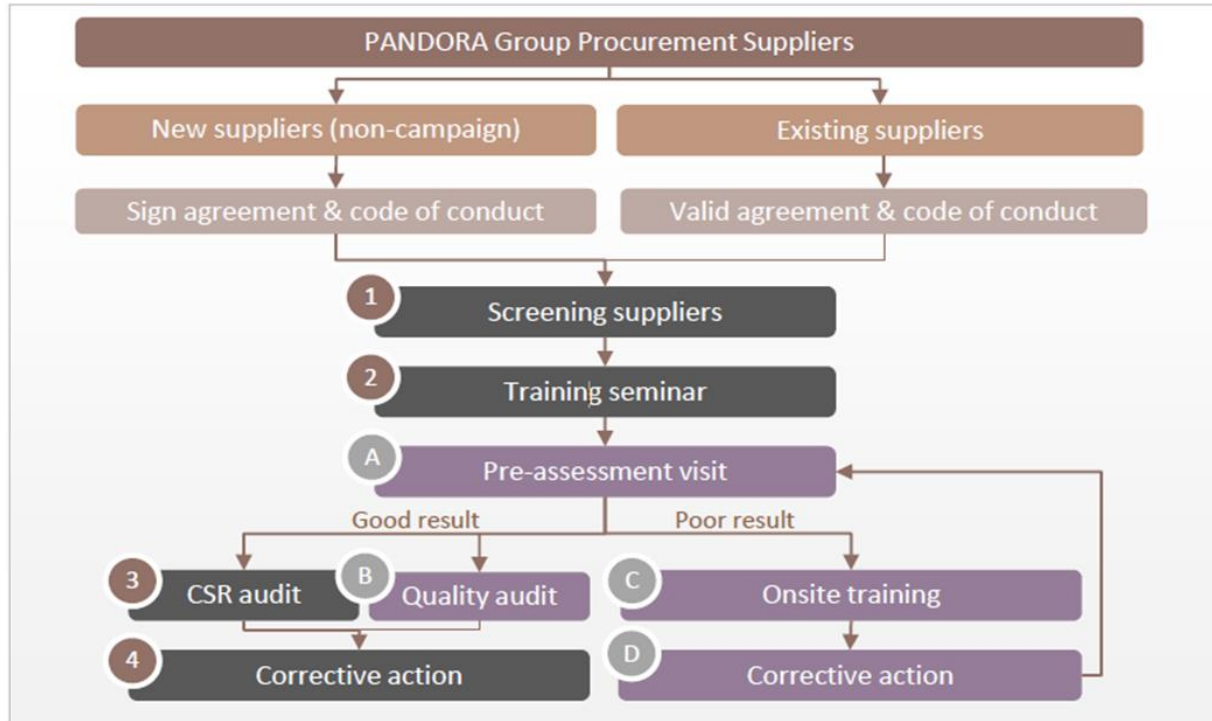
What do we mean by  
professionally?

5 Strategic  
objectives





## 4 STEP PROGRAMME IN ACTION...



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# FUTURE: A PREFERRED SUPPLIER PROGRAMME?



## Requirements

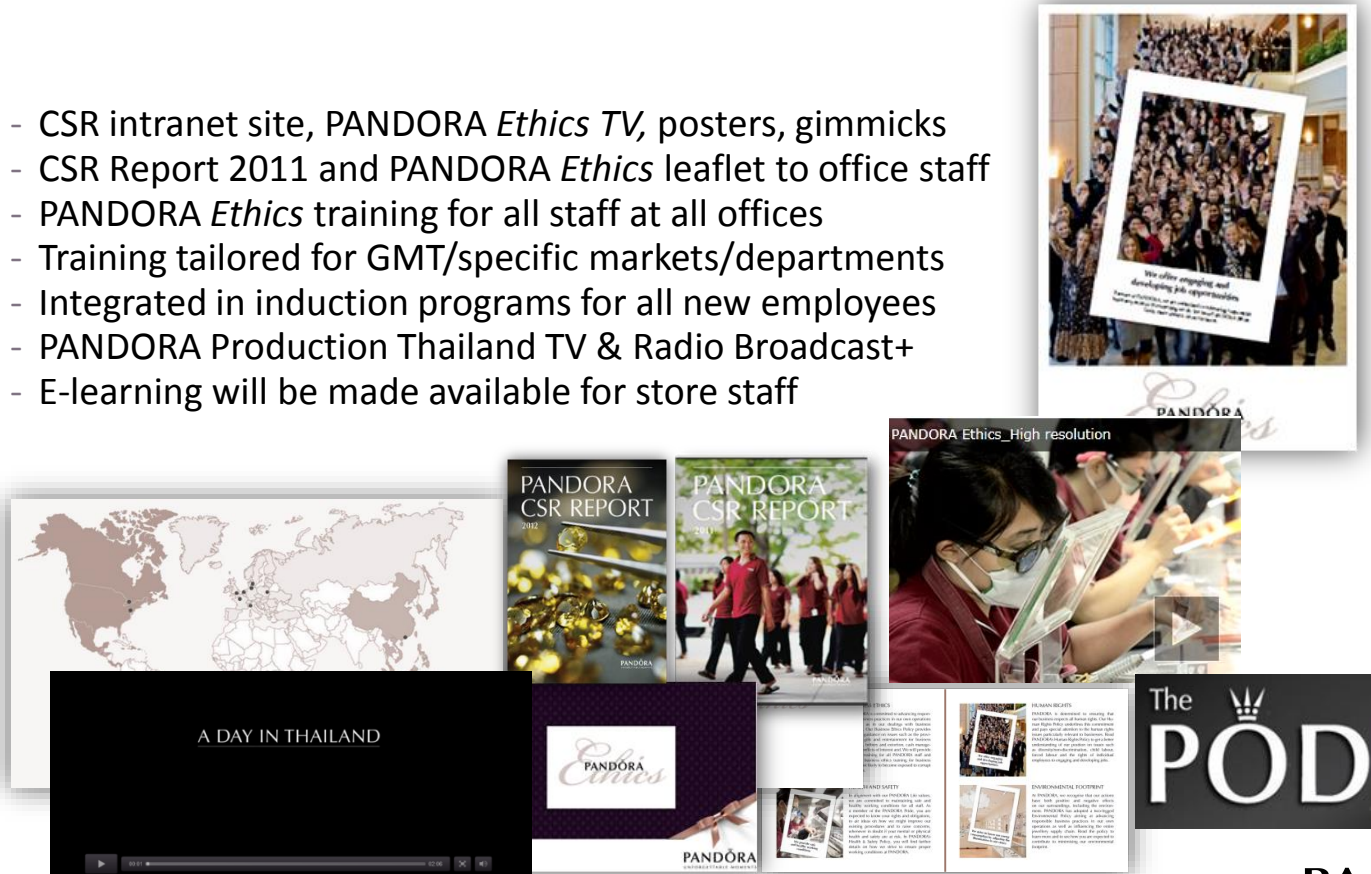
- Must meet all Procurement Strategy provisions (Quality, CSR, Delivery, Price)

## Benefits

- Better lead times
- Access to PANDORA know-how
- Favorable terms of payment
- Guaranteed part of bidding processes
- Permission to labeling themselves as PANDORA certified responsible partners
- ...

# PANDORA ETHICS CAMPAIGN

- CSR intranet site, PANDORA *Ethics TV*, posters, gimmicks
- CSR Report 2011 and PANDORA *Ethics* leaflet to office staff
- PANDORA *Ethics* training for all staff at all offices
- Training tailored for GMT/specific markets/departments
- Integrated in induction programs for all new employees
- PANDORA Production Thailand TV & Radio Broadcast+
- E-learning will be made available for store staff



## Session 3

### Agenda – Creating value

#### Moderator

- Catherine Sproule, Chief Executive Officer – Interim

#### Speakers

- Ferial Zerouki, Manager, Best Practice Principles, De Beers Group
- David Bouffard, Vice President Corporate Affairs, Signet Jewelers Ltd
- Jennifer Horning, Senior Program Manager, Gold, Solidaridad

#### Q&A Session



Responsible  
Jewellery  
Council

# Sustainability A Producer's Perspective

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May 2014

DE BEERS  
GROUP OF COMPANIES

# The world's leading Diamond Company with a Global Footprint

## A global business



# Our Purpose Vision and Values

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- A commitment to Corporate Social Responsibility from earlier days:

*"The aim of De Beers is, and will remain, to make profits, but to do it in such a way as to make a real and lasting contribution to the communities in which we operate."*

- 1954 Sir Ernest Oppenheimer -

- Our purpose:

*'To turn diamond dreams into lasting reality'*

- Our Vision:

*'To unlock the full economic value of our leadership position across the diamond pipeline'*

# Our Guiding Principles

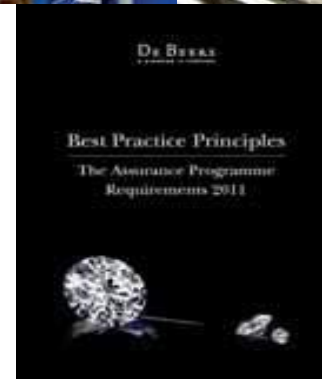
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**Sustainable development through partnership**

**Diamond dreams and development in Africa**

**Accountability and ‘living up to diamonds’**

- The **Best Practice Principles** assurance programme translates our principles into practice, our willingness to open up our performance to third party scrutiny, will ensure that our stakeholders are able to rely on high standards and know we are ‘living up to diamonds’

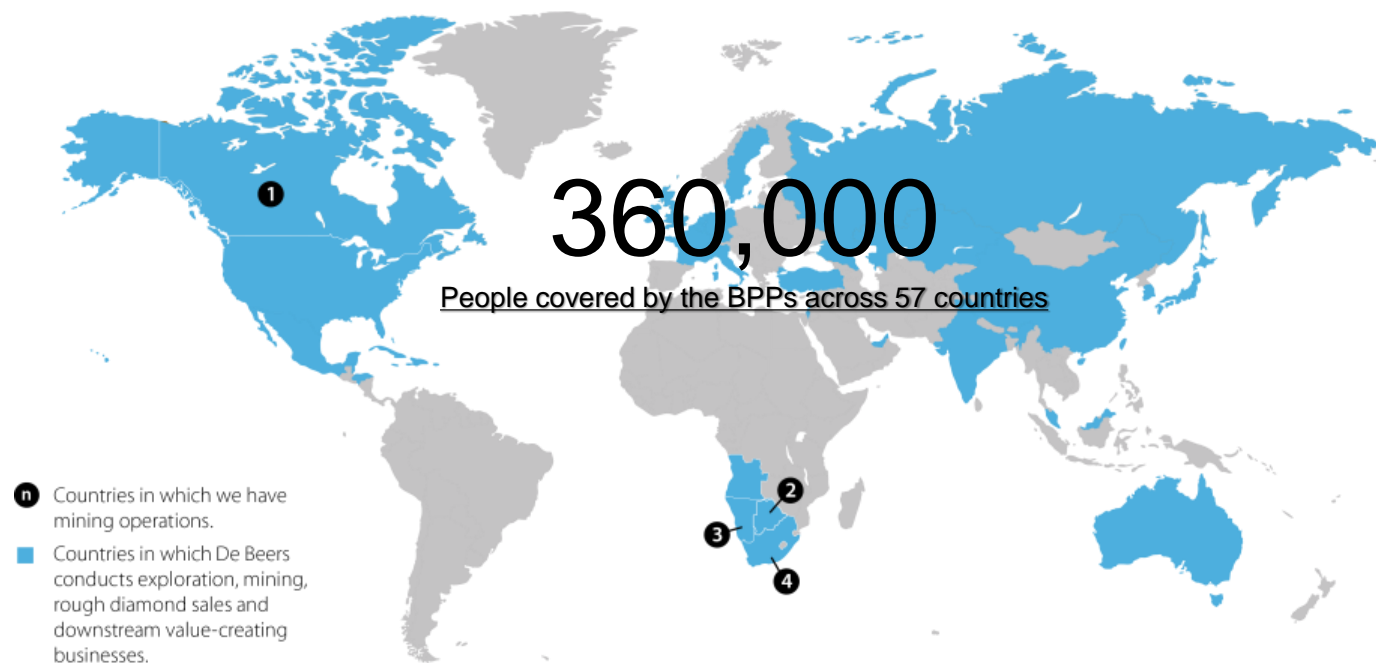




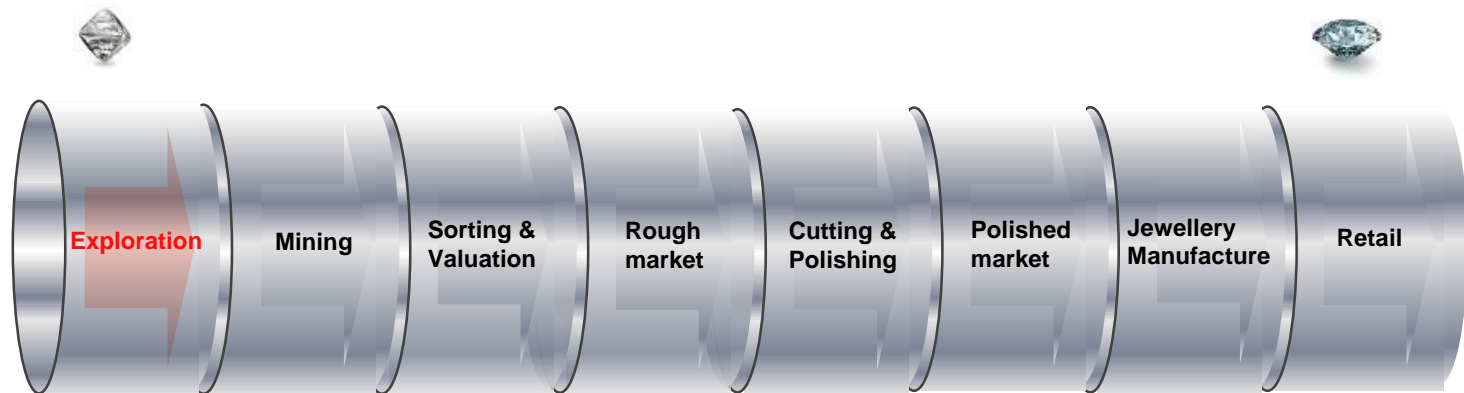
# Global reach of BPPs -2014

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*A global business*



# The Diamond Pipeline; BPP coverage



De Beers Exploration, Mining  
and Sales of Rough Diamonds

Sightholder (Client) Operations and their  
Substantial Contractors' Operations

DE BEERS  
FOREVERMARK  
◇

**100%**  
of De Beers Exploration teams conform  
to environmental standard ISO 14001

**100%**  
of De Beers production comes from its  
own well managed mines and is  
100% conflict free.

**100%**  
of De Beers' customers: Sightholders'  
agree to be bound by the Best Practice  
Principles (BPPs).

**75%**  
of jewellery manufacturers agree  
to be bound by BPPs.

**100%**  
of Forevermark diamonds come from  
well managed mines and are  
conflict free

# Positive Sustainable Impact on the Industry

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## Positive impact at De Beers

Maintains diamond equity

Direct link between the value our business is able to generate commercially and the value it is able to create in the communities and countries in which we operate.

BPPs embedded in our culture and used as a health check for the global company

- Strong safety record
- Recognised mechanism to roll out new legislation requirements across multiple disciplines globally

# Positive Sustainable Impact on the Industry

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Responsible  
Jewellery  
Council



## Positive Impact on our Sightholders

- The Sightholder Signature
- Lower employee turnover
- Sightholders organised work with the communities they operate in
- Facilitated certification to other external bodies
- Third party evidence of operational compliance for commercial contracts



# Thank you





# **Signet Jewelers Ltd. Commitment to Responsible Sourcing and the Responsible Jewellery Council**

**RJC Inaugural CSR Conference,  
May 2014**



# Signet's Commitment to Responsible Sourcing

- Signet believes that a responsible supply chain is fundamental to the reputation of the jewelry industry and its future.
- Conflict-free gold has been a first step in a broader initiative of responsible sourcing.
- Signet has been active in the development of harmonized industry guidance and standards (e.g., OECD, RJC, LBMA, EICC, DMCC, etc.).
- Signet has produced global guidance for all suppliers of gold, called the Signet Responsible Sourcing Protocol ("SRSP"), which is aligned with these guidance and standards, and identifies compliance criteria to ensure Signet's supply chain is conflict-free.
- Signet is also developing a SRSP for diamonds.
- Signet now has an expectation of RJC Membership within its supply chain.

# Signet's Commitment to RJC

- Signet is a proud Founding and Certified RJC Member.
- Signet is active in RJC committees, such as its Legal, Standards and Communications Committees, as well as, serving as Honorary Secretary.
- Signet has aligned its SRSP for gold with the RJC's new "Provenance Claim" provision – a first step in Signet's further commitment to RJC.
- Signet has also aligned its social/factory audits, if suppliers include these factories in their RJC certification scope.
- Signet's SRSP and factory/social audit costs may be waived if RJC audits coincide.
- Signet expects its suppliers to support that commitment:
  1. Signet suppliers which are existing RJC members
  2. SRSP compliant suppliers which should join RJC by the end of 2014
  3. Increase knowledge of RJC with all other suppliers



# RJC Benefits

*Join a unique and global jewellery industry initiative that assures your customers that your products have been produced responsibly, and also:*

- Demonstrates your company as a responsible supplier, able to sell to international markets
- Enhances your company reputation
- Ensures you operate to international best practices
- Ensures your business complies with international legislation
- Builds confidence with your customers
- Engages with global industry leaders
- Provides involvement in a transparent supply chain approach
- Supports commitment to sustainable development
- Ensures harmonization of international guidance and standards
- Benefits from complimentary training to Members and updates on global industry developments
- Contributes to consumer confidence, globally

# RJC Provenance Claims and SRSPs

- The Provenance Claim provision in the new RJC Code of Practices enables Members that make Provenance Claims to have these audited as part of their RJC Code of Practices Certification.
  - This is voluntary; RJC does not require Members to make Provenance Claims.
- Compliance to Signet's gold SRSP is an example of a relevant "Provenance Claim".
- If a Signet supplier which is an RJC Member includes a Provenance Claim referenced in the SRSP in their RJC Certification, the RJC Certification will suffice for Signet audit purposes (i.e., no need to do a subsequent Signet audit).
- The cost saving of not having to do the Signet audit will often cover the annual RJC membership costs.

# Signet RJC Expectation Plan: The Core Elements

## **1: Communications to Suppliers**

Emails, Newsletters, Webinars, online portal, 1:1 follow-up

## **2: Reporting from Suppliers**

Via online portal, email and 1:1 feedback

## **3: Trade Outreach**

Trade Fairs, Trade Media

# Outreach Calendar:

## Trade Shows and Events

1. **Hong Kong:** Supplier 1:1 meetings, RJC seminar Mar '14
2. **Basel:** RJC seminar April '14
3. **JCK:** 1:1 meetings, closed supplier event, RJC seminar May '14
4. **IJS Mumbai:** Supplier 1:1 meetings, RJC seminar July '14
5. **Hong Kong:** Supplier 1:1 meetings, RJC seminar Sep '14
6. **IJL London:** RJC seminar Sep '14
7. **New York:** Supplier 1:1 meetings, RJC seminar Jan '15
8. **Vicenza:** Supplier 1:1 meetings, RJC seminar Jan '15

# Online Portal for Suppliers

- A secure online portal for suppliers will be launched in mid-May.
- Key benefits will be:
  - Central point of communication to and from suppliers
  - Resource for suppliers, with documents, links to RJC, FAQs etc.
  - Online survey so suppliers can update Signet on progress

# Signet Expectation: RJC Members

For Signet suppliers which are already RJC Members:

- Ambassadors for RJC in Signet's supplier base.
- Cascade RJC Membership to your own direct suppliers, where applicable.
- Advise Signet project team of progress through online portal surveys.

# Signet Expectation: SRSP Compliant

- For Signet suppliers which are compliant with the SRSP for gold, but are not RJC Members:
  - Engage with RJC project, through webinars, events, etc.
  - Incorporate SRSP compliance as a RJC Provenance Claim
  - Join RJC by end 2014
  - Advise Signet project team of progress through online portal surveys

# Signet Expectation: Other Suppliers

- For Signet suppliers which are neither RJC Members nor SRSP compliant:
  - Engage with RJC project, through webinars, events etc.
  - Consider RJC Membership
  - Advise Signet project team of progress through online portal surveys



# Signet Jewelers Ltd.

## Commitment to Responsible Sourcing and the Responsible Jewellery Council

### RJC CSR Conference, May 2014

Contact Information:

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Signet Jewelers Ltd.

Signet Vice President

Corporate Affairs

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V/M 330-668-5369

F 330-665-7944

M 330-310-6459

[www.signetjewelers.com](http://www.signetjewelers.com)



# **Solidaridad**



# **SOLIDARIDAD'S GOLD PROGRAMME**

Creating Shared Value in the Gold Supply  
Chain

Jennifer Horning  
International Programme Coordinator and  
Senior Programme Manager, Europe



**GOLD PROGRAMME GOALS**  
**IMPROVING LIVELIHOODS &**  
**TRANSFORMING THE SECTOR FROM MINE TO**  
**MARKET**

**Mines and  
Communities**

- **Train and build capacity**
- **Link miners to a market**
- **Certification as a tool for change, development**

**Local NGOs  
in the Global  
South**

- **Capacity-building and funding**
- **Enable partners to sustain change**

**Jewellers**

- **Enable purchasing from responsible mines**
- **Tell the story of the positive change together**

**Consumers  
and Market**

- **Create awareness**

# **MID-SCALE MINING RJC PILOT PROJECT**

## **Fostering Partnerships for Innovative Development**

- ✓ **First of its kind**
- ✓ **Goal is 3 – 5 mines reach “beyond certification” by 2016**
- ✓ **Promotes creative, win-win cooperation between industrial and ASM miners**



## MINERA YANAQUIHUA



**COMPLIANCE IS NOT  
THE END GOAL**

**CONTINUOUS  
IMPROVEMENT IS**





## Producer support



Funding for producer support:

- Brand & retailer members, donors + 10% project costs covered by farms and “implementing partners”
- Field contributions 2011 : 2,6M private sector with 2,6M public match



Implementing Partners provide training



## Monitoring performance

- 1<sup>st</sup> party – self-assessment + annual progress report
- 2<sup>nd</sup> party – Implementing Partner / Production Unit
- 3<sup>rd</sup> party – verification sampling approach
- system-wide impact: case studies and control groups



# Sustainable Apparel Coalition

# **JENNIFER HORNING**

**JENNIFER.HORNING@SOLIDARIDAD.NL**



solidaridadnetwork.org



/solidaridadnetwork



@solidaridadnetw



/company/solidaridad



Responsible  
Jewellery  
Council

***Thank you***