



Responsible Sourcing: How the new RJC Code of Practices and key industry initiatives support a responsible supply chain

**JCK Las Vegas
30 May 2014**

Agenda



Introduction by

- Yancy Weinrich, Vice President for Luxury by JCK and JCK shows

Welcome by

- James Courage, RJC Chairman and PGI Chief Executive Officer

Introduction and panel moderation

- Catherine Sproule, RJC Chief Executive Officer, Interim

Speakers

- Fiona Solomon, RJC Director – Standards Development
- Larry Drummond, President, Corporate Area VP Americas, Metalor Technologies USA Corporation
- Mark Hanna, Chief Marketing Officer, Richline Group, Inc.
- David Bouffard, Vice President, Corporate Affairs, Signet Jewelers Ltd
- Marcelle Shoop, Principal Adviser, External Relations, Rio Tinto Diamonds
- Jerry Ehrenwald, President and CEO, International Gemological Institute

Q&A Session



Responsible Sourcing: How the new RJC Code of Practices and key industry initiatives support a responsible supply chain

**Catherine Sproule
RJC Chief Executive Officer, Interim**



Mission, vision values – re-launched in 2013

RJC Vision

Our vision is a responsible world-wide supply chain that promotes trust in the global fine jewellery and watch industry.

RJC Mission

We strive to be the recognized standards and certification organization for supply chain integrity and sustainability in the global fine jewellery and watch industry.

RJC Values

We are respectful and fair. We practice honesty, integrity and accountability. We engage in open collaboration.

... and growing

Membership:

- 490 Members
- US\$47+ billion in annual relevant sales

Accredited Auditor firms:

- 13 firms

Certification:

- 350 Certified Members – growing daily

From mine to retail

- Mine to retail initiative for the jewellery supply chain, covering diamonds, gold and platinum group metals
 - Averaging 20% pa growth in total Membership over the last 5 years
 - Members from across the supply chain, including businesses large and small
- RJC Membership in the USA:
 - Total Members 78 companies = approx 22% of RJC Certified Members
 - Facilities covered by RJC Certification in USA: 2,902
 - Greatly value the commitment of these leading companies in the USA

Benefits of Joining the RJC



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

- 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
- Benefits include complimentary training to Members
- Contributes to consumer confidence, globally

RJC has Certification documents available in 7 languages



RJC Code of Practices 2013: Provenance claims and human rights due diligence

**Fiona Solomon
Director – Standards Development**

COP 2013: New structure

RJC CODE OF PRACTICES



GENERAL
REQUIREMENTS



RESPONSIBLE
SUPPLY CHAINS
& HUMAN RIGHTS



LABOUR RIGHTS
& WORKING CONDITIONS



HEALTH, SAFETY
& ENVIRONMENT



DIAMONDS, GOLD
& PLATINUM GROUP
METAL PRODUCTS



RESPONSIBLE
MINING SECTOR



COP 2013: Major new requirements

All Members

- Human Rights
- Reporting

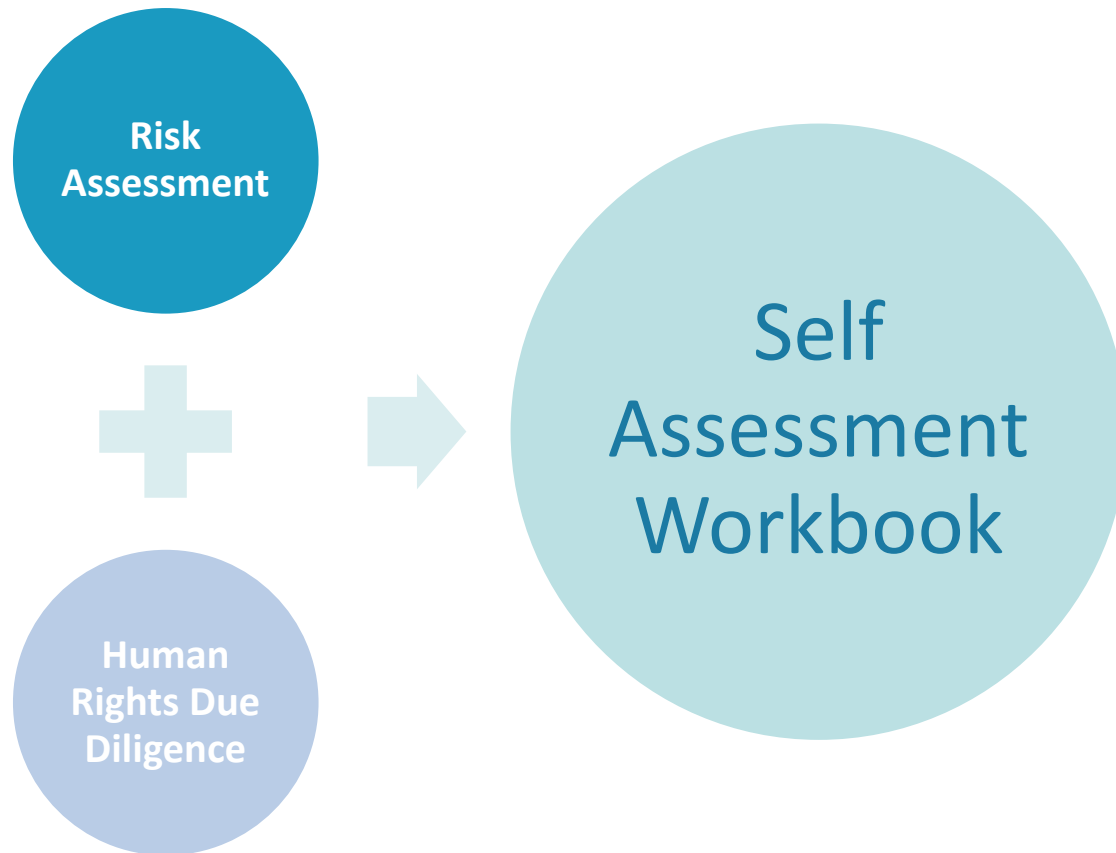
If Applicable

- Sourcing from Conflict-Affected Areas
- Sourcing from Artisanal Mining
- Provenance Claims
- Grading and Appraisal

Mining Sector

- Free Prior and Informed Consent
- Mercury

New and Updated Excel Toolkits



Member Support Framework

New Training
Modules

Regular Topic
Webinars

COP 2013

Workshops and
Working Groups

Help Desk



RESPONSIBLE
SUPPLY CHAINS
& HUMAN RIGHTS



Responsible
Jewellery
Council

RJC Code of Practices 2013

Provenance Claims

Training Module - Extracts

Key Elements

Objective

- Claims made about provenance are backed up with evidence

Scope

- Required for all Members who make Provenance Claims

Types of Claims

- Must be about origin, source or practices

Implementation

- Flexible - Member sets own criteria and process

Audit

- Auditor verifies systems are in place and compatible with the claim

Reporting

- Applicability of the provision noted by the RJC in the Certification Information

Provenance Claims – COP requirements

If making Provenance Claims, Members need systems that include:

- Documented criteria or requirements that are compatible with claim/s
- Procedures for record-keeping and verification that these are met
- Controls to maintain material integrity, where applicable
- Training for relevant employees to ensure claim/s can be explained accurately
- Complaints or grievance mechanism, to manage any concerns/questions raised

Working to support harmonisation

- Flexibility of this COP provision has been designed to provide opportunity for harmonisation/support for other programs, including:
 - Due diligence programs eg OECD DDG, EU law
 - Compliance programs eg Signet Responsible Sourcing Protocol (SRSP), Dodd Frank
 - Country of origin programs
 - ASM programs and initiatives
 - Supply chain practices eg ISO/SA8000 standards
- This provides additional benefit from RJC Certification and reduce multiple audit burden, especially where there are multiple customers/users of this assurance



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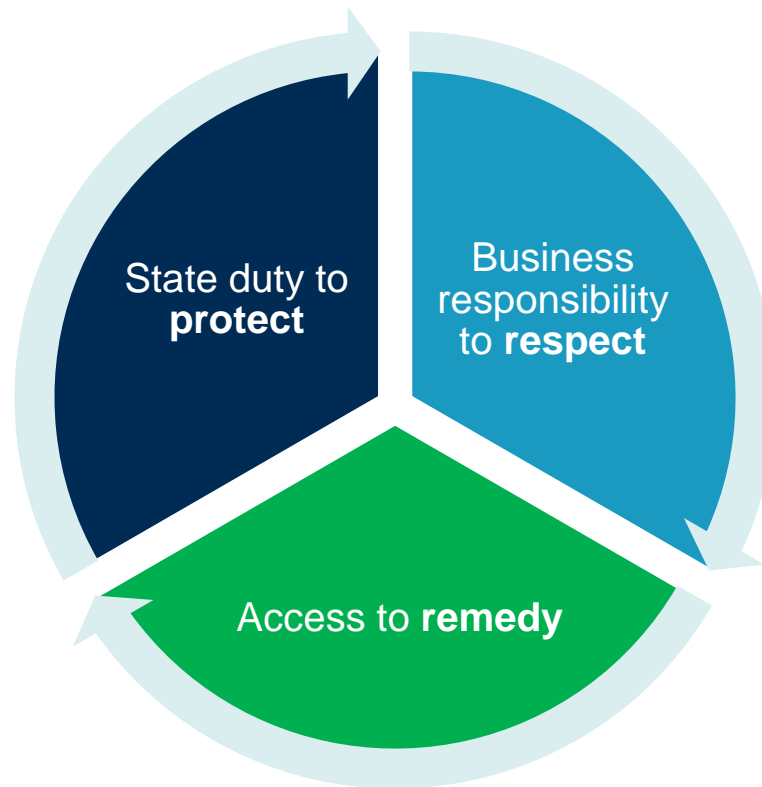
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RJC Code of Practices 2013

Human Rights

Training Module - Extracts

UN Guiding Principles on Business and Human Rights (2011)



RJC Code of Practices 2013

- COP revision incorporates business responsibility to **respect** from UN Guiding Principles on Business and Human Rights.
 - Written policy on human rights (COP 6.1a)
 - Human Rights Due Diligence Process (COP 6.1b)
 - Remediation process, where this identifies human rights impacts (COP 6.1c)

Which Human Rights? RJC HRDD Toolkit

Labour Rights and Working Conditions <i>•use the toolkit to confirm implementation of these core human rights-related COP requirements</i>	Responsible Supply Chains and Human Rights <i>•use the toolkit to review human rights risks with business partners and challenging situations</i>	General Requirements <i>•consider how well human rights considerations have been integrated in business systems</i>
General Employment Terms (COP 13)	Business Partners (COP 5)	Legal Compliance (COP 1)
Child Labour (COP 17)	Conflict-Affected Areas (COP 6.2)	Policy and Implementation (COP 2)
Forced Labour (COP 18)	Sourcing from Artisanal and Small-Scale Mining (COP 7)	Reporting (COP 3)
Freedom of Association and Collective Bargaining (COP 19)	Security (COP 11)	
Non-Discrimination (COP 20)	Other supply-chain specific risks	
Other business-specific risks		

Key Messages

- The new and improved RJC COP provides the structure, tools and guidance for comprehensively addressing CSR in the jewellery supply chain
- New requirements on Provenance Claims will help provide rigour to B2B and consumer claims and reduce audit duplication for some
- New Human Rights requirements will help Members understand and address some of the more complex issues in their supply chain
- For those companies that are RJC Members – thank you for your commitment, and for those considering joining this initiative – there is no better time!

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

JCK Show, Las Vegas, May 30, 2014



Signet: #1 Specialty Jeweler in the U.S. & U.K.

SIGNET
JEWELERS

Total Sales \$4.209 Billion

84% U.S. / 16% U.K.



Kay Jewelers
#1 Jewelry store in U.S.
Sales: ~\$2.1 billion
Stores: 1,055 in 50 states

Jared The Galleria Of Jewelry
#1 U.S. Off-Mall Specialty Jeweler
Sales: ~\$1.0 billion
Stores: 203 in 39 states



H.Samuel
#1 in U.K.
Sales: ~\$0.4 billion
Stores: 304

Ernest Jones
#2 in U.K.
Sales: ~\$0.3 billion
Stores: 189



Note: Sales and store numbers for Fiscal 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 by mitigating risk factors through standards
- Enhances your company reputation
- Ensures you operate to international best practices, especially from a financial perspective
- 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 ref 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. **IIJS 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 Signet's suppliers regarding RJC membership will go live in early June at www.signetrjcproject.com
- Access is through a secure log-on (username/password) provided by dedicated email, info@signetrjcproject.com Suppliers will receive log-on details by email in early June.
- Key benefits of the portal are:
 - Central point of communication to and from suppliers
 - Resource for suppliers, with Signet and RJC reference documents, links to RJC website, membership application details, FAQs etc.
 - Online survey so suppliers can update Signet on progress

Online Portal, Screenshot

BROWSE PAGE

SIGNET-SP-PORTA\sp_user15

SIGNET Jewellers
Signet RJC Portal
Print

Home
Supplier Survey
RJC Documents
Signet Documents
Webinar
RJC Website
Contact Us/Help

Responsible Jewellery Council

Welcome to the Signet Jewelers Ltd. Site for Membership of the Responsible Jewellery Council.

This site provides support for Signet's Merchandise Partners as part of a multi-year initiative assisting direct suppliers and other participants in Signet's supply chain to become RJC Members. We hope content on this site will be useful, and we welcome your feedback. As a Founding and Certified Member of the Responsible Jewellery Council ("RJC"), Signet Jewelers Ltd. supports the goals of the RJC of ensuring a responsible supply chain and implementing responsible business practices throughout our industry. Signet firmly believes that the broadest possible degree of RJC industry membership, certification and participation over the long-term is vital towards ensuring consumer confidence in the products you produce and we sell, and we thank you for your support in this important project.

To determine the progress toward our supply chain goals, we invite you to complete the Supplier Survey. To do so, please click on the "Supplier Survey" link to the left. On the next page click on "Respond to this Survey." While it is best to complete the survey in one sitting, you can click on "Save and Close" and return to the survey later. Your answers will be saved for your future reference and you can download and/or print a copy for your records. If you have entered an incorrect answer you can also return to the survey and enter the correct information. Once you have answered all of the questions, please click on "Finish." Thank you for your cooperation and support.

We have included information on this site designed to provide you with context and further details of this project as well as the goals of the RJC and Signet. To the left is a list of items we think you will find useful. You can access each one by clicking on the appropriate item.

They are:

- **RJC documents.** These are materials provided by RJC that will explain some of the goals of the RJC and the benefits of membership, including how to apply for membership
- **Signet documents.** These explain the Signet Responsible Sourcing Protocols (SRSP) along with policies regarding our supply chain
- **Webinar.** This will take you to a recent webinar where Signet's project to support the RJC was explained to merchandise partners, which you can also use. The recording lasts around 30 minutes
- **RJC Website.** This is a direct link to the RJC's website

Signet Expectation: RJC Members



For Signet suppliers which are already RJC Members:

- Act as 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

JCK Show, Las Vegas, May 2014

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RioTinto

Rio Tinto Diamonds - India and Responsible Diamond Jewellery Supply Chain

Responsible Jewellery Council Panel – JCK 30 May 2014

Rio Tinto Diamonds Business - India Diamond Jewellery Industry – In Partnership

Diamond Cutting and Polishing in India

25-Year Presence

- ~ Half of Rio Tinto Select Diamantaires
- ~ Two-thirds of Rio Tinto's Diamond production (by value) cut and polished



Nazraana
THE DIAMOND GIFT



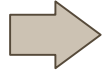
Bunder Diamond Mine Project – Madhya Pradesh

- Most important diamond discovery in India in 40 years
- Employs ~350 people / ~80% from Madhya Pradesh
- Joint development programs with communities, governments and NGOs, such as UNICEF,

Commitment to Responsible Supply Chain

Trust in our goods and services / Build better practices

2003 Bus. Excellence Model (BEM)



2009 RJC COP



2010 Argyle Mfg. Model (AMM)



AMM - Engage Diamond Manufacturing

- Safe, clean, healthy working conditions
- Efficient manufacturing practices
- Worker motivation → stable work force

Training ~100 units /
~15,000 workers



EMPOWERING WOMEN



RJC - JCK Panel



Prominence of India - Diamond - Jewellery Supply Chain

- Estimated - 11 out of every 12 diamonds set in jewellery worldwide are processed in India
 - 92% of the world's supply in terms of pieces¹
 - 85% in terms of volume
 - 60% in terms of value
- Sector consists of formal, as well as many informal units, and is affected by seasonal and market variations
- Workforce estimates in diamond cutting and polishing vary greatly
 - >125,000 registered workers in 532 units compared to ~413,000 / 710,000 Workers in - 2230 / 6,547 units³
 - Estimated 3.4 million employed in broader Gem & Jewellery Sector¹

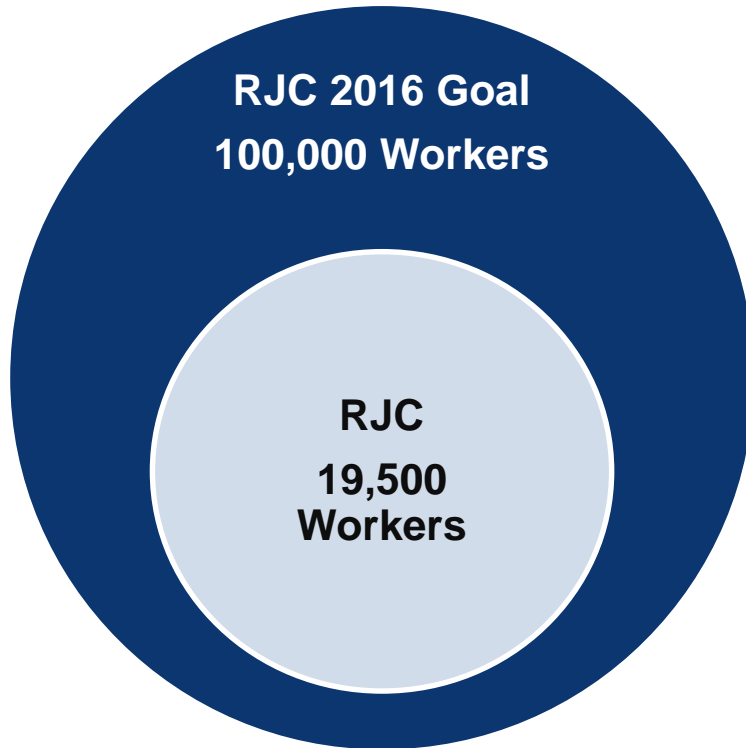


India Consumer Demand

- Traditionally, a large gold consumer for jewellery and investment
- Growing consumer of diamonds²

References: 1) India Ministry of Commerce & Industry [2013 Diamond Sector Task Force](#); 2) Bain – AWDC 2013 Global Diamond Report, Journey through the Value Chain; 3) UNDP, 2009 http://www.in.undp.org/content/dam/india/docs/diamond_final.pdf and Reserve Bank of India Task Force Feb 26, 2009

Opportunities and Challenges - Fostering Responsible Supply Chain Practices



RJC Increased Engagement in India, e.g.,

- India relevant guidance - COP 2013
- India Engagement Forum
 - Draw on local knowledge; build support for collaborative approach
- Member and Auditor Training
- Increasing India Presence
 - RJC Manager – Surat / Mumbai
- Relationship building with key partners
- Efforts to harmonize various initiatives

Opportunities / Challenges

- Importance of self-determined business case
- Leadership from businesses that find value in certification
- Workable approaches for multiple layers of supply chain - informal and seasonal nature of units
 - Risk-based approach – focus on major risks
- Strategic partnerships

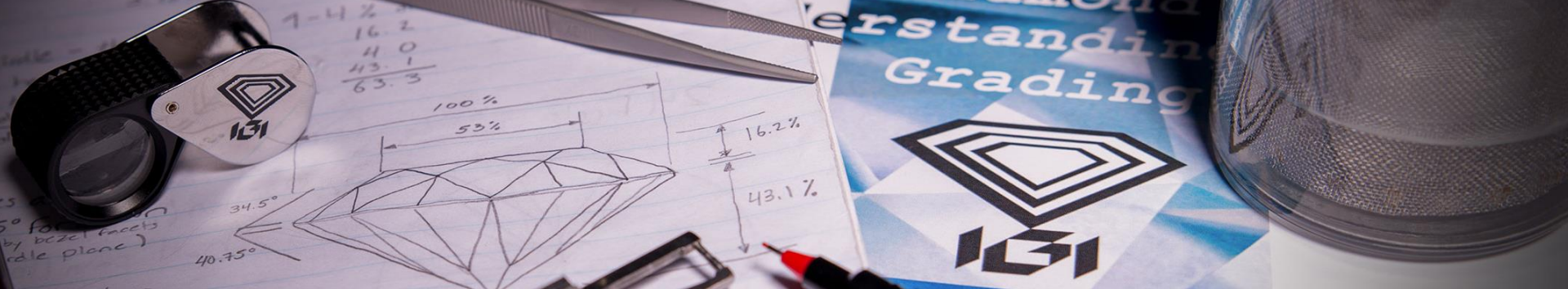
Thank you



INTERNATIONAL GEMOLOGICAL INSTITUTE

Spotlighting Synthetic Identification

IGI President & CEO Jerry Ehrenwald, G.G., A.S.A., A.A.A., N.A.J.A



IGI emphasizes:

- Education
- Imparting knowledge
- Greater transparency
- Consumer confidence





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SCIENTIFIC LABORATORY FOR THE IDENTIFICATION AND GRADING OF DIAMOND AND COLORED STONES

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E-mail: info@igworldwide.com
www.igworldwide.com

DIAMOND REPORT

This report is a statement of the diamond's identity and grade including all relevant information.

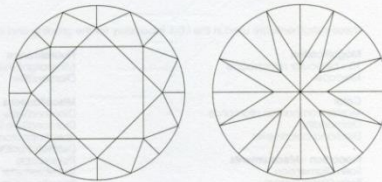
F4F12345

ANTWERP, February 8th 2007

LABORATORY REPORT (ORIGINAL)

TO WHOM IT MAY CONCERN.

DESCRIPTION	NATURAL DIAMOND
SHAPE AND CUT	ROUND BRILLIANT
CARAT WEIGHT	1.10 CARAT
COLOR GRADE	G
CLARITY GRADE	VVS 1
CUT GRADE	EXCELLENT
POLISH	VERY GOOD
SYMMETRY	VERY GOOD
Measurements	6.67 – 6.70 x 4.02
Table	61.5%
Crown Height - Angle	13.5% - 35°
Pavilion Depth - Angle	43.5% - 41.0°
Girdle Thickness	MEDIUM (FACETED)
Culet	POINTED
Total Depth	60%
FLUORESCENCE	NONE



The symbols do not usually reflect the size of the characteristics.

Red symbols indicate internal characteristics.
Green symbols indicate external characteristics.

Insignificant external details, visible under high magnification only, are not shown.



Security features included in this document are hologram, watermarked paper and additional features not listed, that, as a composite, exceed industry security standards.

CLARITY GRADE: Internally Flawless VVS₁ VVS₂ VS₁ VS₂ SI₁ SI₂ I₁ I₂ I₃

COLOR GRADE: D E F G H I J K L M N O P Q R S-Z FANCY COLOR

PROPORTIONS - MARGIN: ± 1%
MEASUREMENTS - MARGIN: ± 0.02mm

Identification

Carat

Color

Clarity

Cut



Properties: Synthetic vs. Natural Diamond

Characteristic	Hardness	Specific Gravity	Refractive Index	Dispersion
Synthetic Diamond	10	3.52	2.42	0.044
Natural Diamond	10	3.52	2.42	0.044
Moissanite	9.25	3.21	2.60 – 2.70	0.104
Cubic Zirconia	8.50	5.65	2.15	0.060

Synthetic production methods:

- High Pressure High Temperature (HPHT)
- Chemical Vapor Deposition (CVD)
- Nano-Polycrystalline Diamond (NPD)





Laboratory Procedures





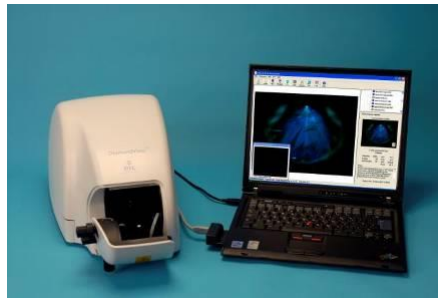
DTC Verification Instruments



DiamondSure

absorption

refers all synthetics for further tests
refers type II and type lab diamonds



DiamondView

surface fluorescence
identification of synthetics



DiamondPlus

photoluminescence
screening of type IIa diamonds for
HPHT treatment





Infra Red (I.R.) Spectrometer






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www.igiweb.com

LABORATORY GROWN DIAMOND REPORT
 This report is a statement of the laboratory's own diamonds identify and grade including all relevant information.

NUMBER **LG_F5C13758** ANTWERP, August 25, 2008

LABORATORY REPORT (ORIGINAL) TO WHOM IT MAY CONCERN

DESCRIPTION SHAPE AND CUT WEIGHT Measurements CLARITY GRADE COLOR GRADE Fluorescence FINISH Polish and Symmetry Proportions Table Diameter Crown Height Pavilion Depth COMMENTS	LABORATORY GROWN DIAMOND SQUARE EMERALD CUT 1.18 Carat 5.91 x 5.86 x 3.83 mm VVS VIVID ORANGY YELLOW NONE VERY GOOD VERY GOOD 63.5% 11.5% 50.5% Laserscribe on Girdle: LABORATORY GROWN GEMESIS 138619	<p style="text-align: center;">Diagram First Approximate Representation of the Stone Girdle Proportions may vary slightly.</p>  
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CLARITY GRADE	WEIGHT	SHAPE AND CUT	FINISH	FLUORESCENCE	INCLUDED
COLOR GRADE	MEASUREMENTS	TABLE DIAMETER	POLISH AND SYMMETRY	PROPORTIONS	REVISIONS

In laboratory grown diamonds described in this Report has been graded, tested, enclosed, examined and/or included by International Gemological Institute (IGI). A laboratory grown diamond (LGD) Synthetic Diamond (also called CVD Synthetic Diamond) is one that has been made in a lab. Chemical, physical and optical properties of natural diamonds, with the exception of being grown in a lab, are identical (or almost identical) to natural diamonds and equipment currently available to IGI including infrared, Raman, fluorescence, "DiamondView™", "MicroScribe™", FTIR spectrometry, UV-VIS Ramanometry, EDXRF spectrometry, IR, Raman spectrometry.
 This report includes additional security features. A duly accredited gemologist or scientist can verify you with regard to the importance of and interrelationship between cut, color, clarity and carat weight.
THIS REPORT IS NEITHER A GUARANTEE, VALUATION NOR APPRAISAL OF THE LABORATORY GROWN DIAMOND DESCRIBED HEREIN.
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Going forward:

- Commitment to promoting responsible, ethical industry practices
- Synthetic identification and disclosure
- Continuing education
- Reinforcing consumer confidence





Questions?

Thank You



Questions and discussion



Thank you for your participation today

RJC welcomes questions and comments