

THE RJC MONITOR

THE QUARTERLY NEWS FROM THE RESPONSIBLE JEWELLERY COUNCIL

JUNE 2009

RJC Membership Tops 100

The RJC is delighted to announce that its membership now exceeds 100 companies and trade associations throughout the diamond and gold jewellery supply chain.

The RJC appreciates the continued commitment and support of its current Members through this very financially challenging time. Notwithstanding the need for consistent ethical, social and environmental standards, the RJC recognizes that companies in every sector and at every level, of the diamond and gold supply chain face difficult, competing demands on limited resources. It is very pleasing that RJC membership has remained a priority through this period.

The Council welcomes our new Members and thanks them for making the commitment to responsible business practices in their business plans for 2009 and beyond.

To our Members that have needed to take the tough decision to not renew their RJC membership, the Council sincerely thanks you for your support, contributions and belief in the RJC's work through its research and development phase. We are most encouraged that so many of you have told us you wish to move to the RJC's Interested Party list to keep informed of our work and we are also thankful that so many of you have said that you will re-join the Council as soon as your financial resources permit.

The RJC did not publish The Monitor in the first quarter of 2009 as a cost saving measure, however, future editions will be published quarterly.

RJC has a new London street address. To all Members and Interested Parties - please note our change of address. In early November 2008, the RJC moved to a permanent office location. We would like to ask all Members and stakeholders to amend their address lists to now read:

First Floor Dudley House, 34 - 38 Southampton Street, London, UK WC2E 7HF - Attention Kelly Greenhalgh. Phone +44 (0) 20 7836 6376 Fax: +44 (0)20 7240 5150

New RJC Members Website **Accurist Watches Limited** www.accurist.co.uk Aspeco N.V. Beaverbrooks the Jewellers www.beaverbrooks.co.uk Camea Fine Jewelry www.camea.be De Toledo Diamonds www.roughit.net D. Goldi BVBA Emarno (2007) Ltd www.emarno.ie www.fredmeyerjewelers.com Fred Meyer Jewelers Garavelli Aldo S.r.l. www.garavellialdo.it Gecko Trading Limited www.geckojewellery.com Gemological Institute of America, Inc www.gia.edu Goldlake IP S.p.A. www.goldlakeIP.com Hope Belgium N.V. Horizon Diamonds BVBA www.horizondiamonds.com IGC Brand Services LLC www.igcgroup.com/brandservices Joyeria Torres www.joyeriatorres.cl Just J Jewels www.justjjewels.com Krikawa Jewelry Designs Inc www.krikawa.com Kuperman Brothers Diamonds Ltd www.kupermanbros.com Marjan Diamonds N.V. www.marjandiamonds.com Mishal N.V. www.mishal.be Munic Gems www.municgems.com Peers Hardy Group www.peershardy.co.uk Star Diamond Group N.V. www.stardiamond.com 5C-Jewelry www.5c-jewelry.com

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Mining Supplement

Development of the RJC Mining Supplement is progressing well. Building on the constructive feedback from Members and stakeholders to the first draft in 2008, and drawing on related standards initiatives, revised standards provisions and associated quidance are being prepared. The most recent Standards Committee meeting on May 12 in London agreed on the general content for each draft and the process to finalise them for public review.

The plan is for these 'round 2' drafts to be made available on the RJC website for a second public comment period, for 3 months starting in June. We would welcome input from all Members and external stakeholders, so as to take into account perspectives across the supply chain and more broadly.

Recent meetings with Stakeholders

In London in December 2008, a meeting was held with Europe-based mining stakeholders. Discussions were very useful around a range of issues, such as artisanal and small scale mining, the prospects for chain of custody systems, labour issues and implementation challenges. A summary of the meeting's discussion is available on the RJC website.

In the same week, the RJC Executive Committee also met with representatives of other mining



standards organisations – the International Council on Mining and Metals (ICMM), the Alliance for Responsible Mining (ARM) and the Diamond Development Initiative (DDI) - to discuss progress on our respective mining initiatives and opportunities for collaboration.

"We were pleased that the participants agreed that the meeting was very constructive and identified areas of mutual interest and opportunities to continue building relationships between our institutions", says Mick Roche, Co-Chair, RJC Standards Committee

Plans for Consultative Panel

Building on feedback from the October and December stakeholder meetings on the Mining Supplement, the RJC plans to form a consultative panel of key external stakeholders to enable a higher level of engagement with the Standards Development process. The timing of the panel's activities will coincide with the public comment period, followed by subsequent review of input received. The RJC plans to host the consultative panel via a 'wiki' site, as was trialled with the Member review of draft material. This internet technology enables participants to access regularly updated versions, share thoughts, and upload their own proposed revisions – in other words, creating a shared workspace online.

If you would like to receive draft materials, or have any questions or comments about the Mining Supplement, please contact Dr. Fiona Solomon, Director - Standards Development at fiona.solomon@ responsiblejewellery.com

Accreditation of auditors imminent

An RJC Accreditation and Training Committee has been formed under the Chairmanship of Gérard Satre, Director of Internal Audit at Chanel. An inaugural meeting was held in Melbourne in December 2008 where the Committee's terms of reference were endorsed. Competency criteria for auditors were reviewed and strategies for auditing and Member training were discussed.

It was agreed that auditor training will build on existing auditor competence and accreditations, and will include competency assessments. The Committee recognises the challenges of implementing a new system and are developing processes for support and feedback. Additional guidance for auditors on particular parts of the supply chain and/or geographies will be developed where necessary.

Members are encouraged to advise those management systems auditors they may like to use for RJC certification of the opportunity for RJC accreditation. Interested auditing organisations can register their interest with an email to accreditation@responsiblejewellery.com.

An auditor 'Application Pack' is currently being finalised. The RJC anticipates announcing a formal call for applications for auditor accreditation in June 2009.

Mick Roche, Co-Chair, RJC Standards Committee

Insights: Implementing The Self Assessment Phase of the RJC System, Rosy Blue

'Insights' will be an ongoing section in The Monitor that encourages RJC Members to share their approaches and learning in implementing the RJC System.

In the first of the series, representatives from the Diamond Trading Cutting/Polishing and, Jewellery Manufacturing/Wholesale sectors outline their plans for Self Assessments of their organizations and how they are finding the process, by answering the following questions.

- What is your action plan for carrying out the **RJC Self Assessment?**
- Who in your organisation will be involved in the process?
- What will be some of the key challenges and how are you trying to address them?
- When are you aiming to be ready for a Verification Assessment?
- What do you anticipate will be some of the benefits of implementing the RJC System?
- What advice do you have for other Members at this stage?

Rosy Blue Group

What is your action plan for carrying out the RJC Self Assessment? When are you aiming to be ready for a Verification Assessment?

Since 2007, the Rosy Blue Group has implemented its own internal CSR model. To facilitate the reporting on a global basis, a CSR extranet was developed. The global corporate affairs department in Antwerp manages all the reporting globally through this platform to ensure that all entities carry out their duties in accordance with laws, regulations and the global compliance standards. Each country has access to this online system. Every entity manages its reporting locally and uploads other relevant information on this extranet.

Local officers responsible for compliance in each entity have the authority to issue instructions concerning compliance to their respective entity and by cooperating with other local CSR-AML compliance officers throughout the group, are

working to establish and maintain a comprehensive global compliance structure.

Random checks are done on a regular basis on the reports of the local entities and follow up instructions are given if needed. Much attention is given to standard compliance documents but also local legislation, training material, communication toolkits, policies and procedures, updated information on evolving CSR issues.

We have added to our system the RJC standards. This week the updated site will go live with all the relevant RJC training manuals and RJC supporting documents for all the local CSR-AML compliance officers. The training of the principles and code of practices is starting end of March. A strict timeline has been agreed to start implementing this process. Our objective is to be ready with all the relevant documentation and training for the Group by July 15th.

Since we have a very strict internal audit system, the RJC standards do add extra criteria to focus on, but in general most areas have been covered with our internal system. We will have our first Self assessments ready by August 1st 2009 and we will do pilot projects in external auditing by November 2009.

Who in your organization will be involved in the process?

Rosy Blue established a global corporate affairs department in Antwerp, in charge of overall management on compliance activities across the Rosy Blue Group. This corporate structure in Antwerp combined with local CSR-AML compliance officers in each entity was founded to reinforce the Group's commitment to accountability and integrity and to assure that resources are available for all CSR-AML compliance officers to raise concerns or seek guidance about compliance standards.

What will be some of the key challenges and how are you trying to address them?

In general, the biggest challenges are communication and training. No matter how many corporate procedures and systems are in place, ultimately the RJC principles will be effective only if each and every person working within the Rosy Blue Group understands these standards and works according to them. Our internal CSR extranet is a very user-friendly and supportive tool to assist all our compliance officers to the implementation of these standards; but conference calls, onsite visits, play a key role in getting the system into place.

What do you anticipate will be some of the benefits of implementing the RJC System?

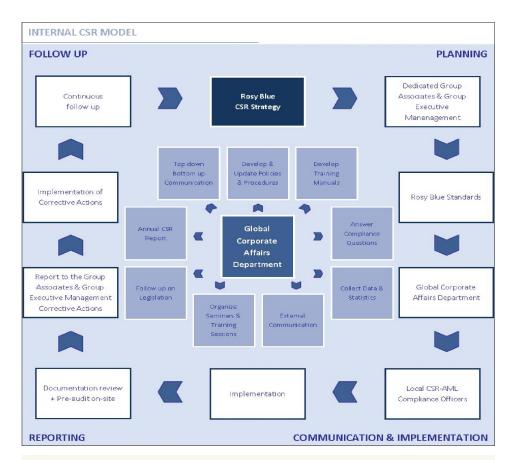
The RJC system is relevant from mining to the end consumer, including the gold chain. All areas, from business ethics (such as AML, anti-bribery, Kimberley, Product Integrity...), human rights and social performance, health & safety, are covered thoroughly within the complete supply chain. In general, it can only strengthen our compliance model. The implementation of the system enables us to avoid duplication brought on by other proprietary compliance systems.

What advice do you have for other Members at this stage?

In spite of the uncertain economic climate, the Directors of the Rosy Blue group have continued to invest resources in the Group's compliance model. Strong support is essential. We believe that corporate social responsibility helps to build trust and adds value to our business, both being vital commodities in the current market conditions.

We are quardians of the reputation of our diamonds. Consumers, more than ever, care about how and under which circumstances a product is made. We have responsibilities towards all our customers. Even though buying a diamond is often an emotional purchase, consumers are critical and they need to have confidence to make the decision. All players in the supply chain play a key role in building this trust and credibility.

Continued next page





Our business at a glance

The Rosy Blue Group was founded in 1960 by Mr. Arun Mehta and Mr. Bhanuchandra Bhansali. The company started as a small Mumbai workshop, but soon became a network of specialist businesses, each able to successfully fulfil client needs. This eventually formed the platform for a global company, over 10,000employees.

Our close relationship with the major mining companies DTC, BHP, Rio Tinto Diamonds and Alrosa - empowers us to source and distribute both volume and variety of diamonds. Through its ever-active team of global buyers and manufacturing centers, Rosy Blue is able to procure goods off the global markets, in large quantities/qualities and fulfill its customers' demands on a very consistent base. With a \$1.8Bn business, its economies of scale allow it to offer unparalleled value. On May 4th 2009, The Rosy Blue Group published its first Corporate Social Responsibility Report. You can download the report from our website:

http://www.rosyblue.com/html/csr_report.html. Member of the UN Global Compact www.unglobalcompact.org

Iris Van der Veken

In 2002, Iris Van der Veken joined Rosy Blue in Antwerp as HR Manager. After two years she expanded her scope to include projects in India, USA and South Africa.

Since 2007 she is Global Manager Corporate Affairs and is Responsible for overall compliance in the following fields:

- Business responsibilities
- Social responsibilities
- Environmental responsibilities
- Product integrity

Together with Mr. Chikashi Miyamoto, personal advisor to the CEO, she is also actively involved in the Responsible Jewellery Council where Rosy Blue is a founding member. Her heart goes out to the athletes of Special Olympics Belgium, which she actively supports for over 10 years.

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Regal Imports Ltd

Mel Moss, President, Regal Imports Ltd., and his team are now involved in the self assessment process to fully comply with the RJC System. They will be ready for the verification assessment after an ultimate check of all details with the Regal Imports operation and await accredited auditors to become available.

This is familiar territory for Regal Imports, through its ongoing feedback to the Canadian Diamond Code of Conduct Committee and its prior role as Chair of the Diamond Committee with the Canadian trade association. Regal Imports adheres to strict compliance standards and holds the same standards for its suppliers. Regal Imports Ltd always espoused best business practices aiming to take a founding position to be a proactive industry

Asking about what advice does Regal Imports Ltd have for other Members at this stage, Mel said: "There is no reason not to put a company forward as a Member of the RJC, especially at my level where the process is far from onerous. The auditing process is about complying with ethical practices and audits are not concerned with profit and loss statements unless it relates to money laundering. I see this as the natural extension of any company going forward in an honest and responsible manner. In the future, I hope to see this program

as an advantage to all Members as consumers begin to realize the blanket protection that it provides them, not only in relation to labour and environmental practices, but, most important, to fair marketing practices at the retail level".

Regal Imports Ltd is a wholesale diamond supplier; the first diamond company in Canada to document strict grading standards on every invoice issued, established in 1978 and specializes in finer quality diamonds. Mel has served as a director with the Canadian trade association and is a regular contributor to the Canadian Diamond Code of Conduct. His online industry broadcasts available through the Regal Imports website reach over 800 Canadian retailers and are seen by industry members in the U.S., Antwerp, India and the UK.

For more information:

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We would like to thank these Members for their perspective from their place in the diamond and gold jewellery supply chain. If you have comments, or would like to share your organization's approach and learning, please contact mila.bonini@ responsiblejewellery.com



Mel Moss, President Regal Imports.



Catherine Sproule (left) is introduced by Patricia Syvrud, Director, Industrial Relations, Jewelers Mutual Insurance Company at AGS Conclave.

RJC outlines its system at AGS Conclave

On Friday April 3rd, Catherine Sproule, Chief Operating Officer, RJC, represented the Council at the annual American Gem Society (AGS) Conclave and delivered a presentation on the RJC System.

Held this year in Chicago for its 75th anniversary, this was the first North American retail trade event where the RJC outlined the full elements of its Certification system to leading members from the retail and supplier sectors. Bev Hori, Ben Bridge Jewelers and RJC member, attended the

presentation and outlined the benefits of joining RJC for the attendees. "I am so grateful that there is an organization in the industry that works to enhance consumer confidence in these challenging times. It shares the same core values as AGS members and will help us all to deal with these complex industry issues we face," says Hori.

The AGS was established in 1934 by a select group of independent jewellers and Robert M. Shipley, founder of the prestigious school of gemmology, the Gemological Institute of America (GIA).

It was their vision to create an association dedicated to setting and maintaining the highest possible standards of business ethics and professionalism in the jewellery industry. Today, AGS members continue their dedication to ethics, knowledge and consumer protection. "AGS members hold ethical business practices as a key component of doing business," says Sproule.

Some of the AGS members that belong to RJC are: Ben Bridge, Brown Goldsmiths & Co. Inc., Hamilton Jewelers, Leber Jeweler Inc., Lux Bond & Green and Tiffany & Co.

How to initiate the Self Assessment – useful suggestions to our Members

Self assessing your business will help you to:

- Understand what parts of your business are covered by the Code of Practices.
- Make sure you have your 'house in order' and you are ready for an audit.
- Pull together the information an auditor may want to look at.

The RJC has developed guides and toolkits to help you. These are available on the website www. responsiblejewellery.com - they can be found on the 'Certification' page, or follow the link to 'Core System Documents'.

Wondering how to get started?

Consider the following:

- a. Start by having a look at:
- The Code of Practices: a good place to start familiarising yourself with the RJC's standard.
- The Certification Handbook: section 6 summarises the Self Assessment process.
- The Assessment Workbook: is a useful tool for Self Assessment, with questions and prompts that can be printed out and used to record your answers.
- The Assessment Questions: instead of the Workbook, use these questions to set up your own electronic record of the Self Assessment.
- The Assessment Manual: takes you through the assessment process in detail.
- The Standards Guidance: a reference if you need help to understand an issue in the Code of Practices or improve your performance.

b. Decide who will lead the Self Assessment within your business: let the RJC know who the main contact should be. You should involve those who are responsible for key areas in the Code of Practices, such as:

- Human resources
- Accounting / finance
- Legal
- Purchasing / sales
- Environment / sustainability
- Public affairs / community
- Health and safety

• Risk management / systems

In a small business, the principal and/or a small management team may be responsible for all of these areas, perhaps with external support. In a larger organisation, these are likely to be separate departments potentially across a range of sites, which may need to be engaged in the self assessment process.

c. Existing audit or reporting processes will streamline your ability to answer the questions in the Self Assessment. Draw on existing information, records and review processes wherever possible. The Workbook will be useful to you if you have not carried out an internal audit before, or want to be sure how to approach the RJC assessment. It asks a series of questions, and suggests a format for answering them. When finished, the Workbook can be simply handed over to the auditor, who will use it to make their audit more efficient. While the Workbook looks very lengthy, it provides lots of information to help you through the process. The Assessment Manual provides additional guidance if you have any questions. If a Code of Practice provision doesn't apply to you, you simply tick 'Not applicable' and explain why.

If you need helping with the assessment process, consider:

- Participating in RJC discussion/support forums with similar companies who are going through the process. These are being established - let the RJC know if you are interested.
- Seeking external assistance, for example, a consultant who has experience with management systems audits.

MJSA Expo New York features a Presentation from RJC

From state-of-the-art product selection to expert advice on the latest technologies, this year's MJSA Expo New York delivered what jewellery designers and manufacturers need to overcome the current downturn in the economy.

The fair ran from March 8-10 at the Jacob K. Javits Convention Center, and each day featured free seminar sessions targeted to the manufacturing sector. These sessions included how to capitalize on emerging fashion trends to coping and overcoming the challenging times.

Rob Headley, Chief Operating Officer, Jewelers of America, addressed exhibitors and attendees at the MJSA Expo on March 9th offering an overview of the RJC System and how it applies to the jewellery manufacturer. "I felt the audience was most receptive to the RJC System and interested in how certification will work. Soon we will be past these tough economic times and those manufacturers that include responsible business practices as part of their business plans will emerge stronger in retailers' eyes," says Headley.



Rob Headley, Chief Operating Officer, Jewelers of America.

The Responsible Jewellery Council joins the U.N. Global Compact

On January 15th, 2009 The Responsible Jewellery Council (RJC) formally joined as Participant in the United Nations Global Compact - Civil Society. As a Participant, RJC makes a commitment to set in motion changes to business operations so that the Global Compact and its ten principles become part of strategy, culture and day-to-day operations; to publicly advocate the Global Compact and its principles via available communications channels; and to communicate annually and publicly on progress made in implementing the Global Compact principles amongst its Members.

The UN Global Compact seeks to strengthen and widen engagement with committed civil society organizations that have an understanding of the ten principles and related expertise — particularly in terms of helping companies translate the principles into action. The Global Compact calls for the realization of ten principles in the business community which are:

Human rights:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour standards: Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment: Principle 7: Businesses should support a precautionary approach to environmental challenges; **Principle 8:** undertake initiatives to promote greater environmental responsibility; and **Principle 9:** encourage the

development and diffusion of environmentally friendly technologies.

Anti-corruption: Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

On February 12th, RJC CEO Michael Rae and, RJC Vice Chairman John Hall, met Georg Kell, Global Compact Executive Director and Olajobi Makinwa, Global Compact Civil Society Coordinator at the United Nations Headquarters in New York City to discuss corporate social responsibility and RJC's pivotal role in advancing high ethical standards in the jewellery industry.

The RJC draws on the Global Compact in its Code of Practices and links to Global Compact resources in its Standards Guidance for Members.



Our Members State their commitment to the UN Global Compact

UNITED NATIONS GLOBAL COMPACT – ROSY BLUE CEO STATEMENT

"On the occasion of the 60th anniversary of the Universal Declaration of Human Rights, Dilip Ramniklal Metha, CEO, Rosy Blue and Amit Bhanuchandra Bhansali, COO, Rosy Blue with all business leaders from all corners of the world, call on governments to implement fully their human rights obligations. They also reiterate their own commitment to respect and support human rights within their sphere of influence. Human rights are universal and are an important business concern all over the globe".



From left, John Hall and Georg Kell.

RJC at Baselworld 2009

On March 25th the Responsible Jewellery Council successfully held its first press conference at Baselworld, led by John Hall, Vice Chairman of the Council, joined by Pamela Caillens, Chair of the Membership Committee. Mr. Hall and Ms. Caillens represent Rio Tinto and Cartier respectively, with both companies being Founding Members of the Council. The press conference underscored the paramount importance of the RJC Certification system, unique in its ability to offer independent, third party verification of RJC Member's conformance with business ethics, human rights, social and environmental standards.

During the press conference, Mr. Hall and Ms. Caillens emphasized the fact that the RJC is open to all commercial ventures in the gold and/or diamond watch and jewellery supply chain that are willing to adhere to the RJC's Code of Practices (COP) and submit to third party auditing. They noted that RJC also welcomes trade association



Members wishing to support the advancement of responsible business practices within their membership.

It was also underlined that the RJC certification process aims to provide to its members a credible "seal of good practice" that will be understood and recognized by consumers worldwide. As Member companies become certified and are joined by others, the RJC Certification system will lead to an overall improvement in the performance and reputation of the gold and diamond supply chain, consolidating the market appeal of jewellery and watches in a difficult, competitive environment.

RJC Members that exhibited at the Baselworld Show this year included: Harry Winston, Chanel Horlogerie/Joaillerie, Bulgari S.p.A., Boucheron, Roberto Coin Inc, Carrera y Carrera, Cristofol Paris,



Rosy Blue Group, Christian Bernard Diffusion SA, Dimexon Diamonds Ltd., Just J Jewels, 5C- Jewelry, Colormasters Gem Corp, Richold SA and Möet Hennessy - Louis Vuitton.

Above: John Hall, Pamela Caillens. Below: From the left: Pamela Caillens and John Hall addressing at the RJC press conference.



RJC Annual General Meeting, 14 May, 2009

The 2009 AGM was successfully held at Arundel House, London on May 14th, 2009.

Approximately 30 Member representatives and invited guests attended the AGM and the subsequent Member Forum.

The AGM unanimously received and adopted the Directors' Report and Financial Statements for the Year Ended 31 December 2008.

James Suzman was unanimously elected as Honorary Treasurer. James Suzman is Director Corporate Citizenship of De Beers Group Services in London.

The following people were elected to the RJC Board representing the following Member Fora: Vicki Cunningham, for the Retail Forum; Philip Olden for the Trade Associations Forum; Rajiv Mehta for the Diamond Trading, Cutting and Polishing Forum; Nawal Ait-Hocine for the Gold Refining, Hedging or Trading Forum; and, Yedwa Simelane for the Diamond and/or Gold Producer Forum. The Council gratefully welcomes their generous offers of service.

By acclamation the AGM passed a vote of thanks to James Evans Lombe for his services to the Council as a past Chair of the Standards Committee and Honorary Treasurer.







From the left: John Hall, Matthew Runci, Michael Rae addressing at the AGM.

over the past few months was also gratefully acknowledged by acclamation.

The Member Forum, which followed the AGM, was well received by those present. The presentation, very ably made by RJC Vice Chairman, John Hall, and RJC Standards Committee Co-Chair, Mick Roche, outlined the contents of the RJC System and the timetable for implementation.

The presentation is available for download at http://responsiblejewellery.com/library





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