



RJC India Seminars

**Mumbai and Surat
February 2014**

Agenda

1. Welcome Address
2. RJC and India Engagement
3. RJC Code of Practices 2013
4. “Our experience of RJC certification”
5. Question - Answer Session

Lunch hosted by RJC



RJC and India Engagement

Catherine Sproule
CEO - Interim



Responsible Jewellery Council

- 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 are from across the supply chain, including businesses large and small
- RJC Membership in India:
 - Total Members at 50 = approx 10% of RJC Members
 - 3rd highest geography after Belgium and USA
 - Certified Indian Members are 24, 5 manufacturers, 19 diamond traders/cutters
 - Greatly value the commitment of these leading companies in India

Mission, vision values – re-launched in 2013

RJC Vision

Our vision is a responsible global supply chain that safeguards the prestige and trust embodied 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 .

RJC - Company Officers

RJC is governed by a sector-balanced Board of Directors. Directors are retired and elected at the RJC's AGM.

The Chairman and Executive Committee guide the activities of the organization through a Management Team.

RJC Officers:

Chairman: James Courage – Platinum Guild International

Vice-Chairman: Chikashi Miyamoto – Rosy Blue NV

Honorary Secretary: Mark Jenkins – Signet Jewelers Limited

Honorary Treasurer: Ferial Zerouki – De Beers Group

RJC – India engagement

RJC's working committees are also sector-balanced encompassing - Standards, Accreditation, Membership, Communications, Finance and Legal

In keeping with this balance RJC's Board has identified India as the **top priority** region pilot a regional 'Working Group' model through 2014

Builds and extends the successful engagement initiated with the RJC Code of Practices Review – India Committee during 2012-2013

India Working Group – Terms of Reference

Key Objectives from ToR include -

Enhance communication and collaboration between the RJC, Members and key stakeholders in India

Provide a formal platform for feedback with the RJC Board and key Committees (eg Executive Committee, Standards Committee)

Work with RJC on high-level planning for outreach, events, training and local support

India Working Group – Terms of Reference – cont'd

Proposed Participant Structure

Range of perspectives is essential while striking a balance with a manageable sized group (proposed 12-15 for the steering group) to manage the voices for the wider Working Group

Initial participants proposed are members of the COP review Committee, but can extend beyond that sphere.

RJC would seek expressions of interest to ensure a broad range of viewpoints.

RJC India Working Group – cont'd

Initial Areas of Focus

Awareness raising and communication on RJC and how best to support this – including local representation in Q3-4 2014

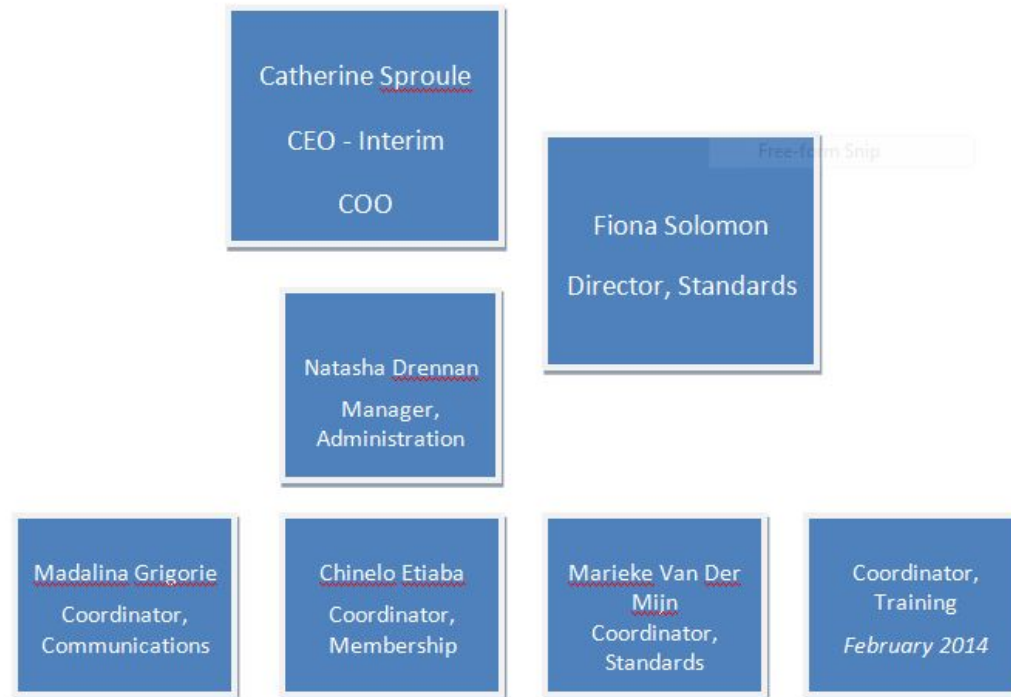
Member and Auditor Training for 2013 COPs and RJC/BPP harmonization

Explore how the Provenance Claims provision contained in the 2013 COP can address serious risks like synthetics

Start discussion of the Provenance Claim provision as a viable mechanism instead of a chain of custody for diamonds.

RJC Management Team – Feb 2014

www.responsiblejewellery.com





RJC Code of Practices 2013

Fiona Solomon

Director – Standards Development

RJC Code of Practices 2013

Mandatory standard for RJC Members:

Requirement for all RJC Members to ...

- Become Certified within two years of joining; and
- Re-certify to maintain RJC Membership

What the RJC COP offers:

- A *comprehensive* standard for corporate social responsibility and sustainability issues
- A *common* standard for the jewellery supply chain, mine to retail
- A *credible* standard that can provide assurance to customers and stakeholders



Code of Practices Review

■ Why?

- Review 3 years of implementation
- Benchmark against evolving standards, international instruments and new legislation
- Improve guidance and tools

■ How?

- ISEAL Code of Good Practice – Standards Setting
- RJC multi-stakeholder Standards Committee
- Stakeholder consultation via webinars, meetings, website
- Allowed more than 18 months for full process



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

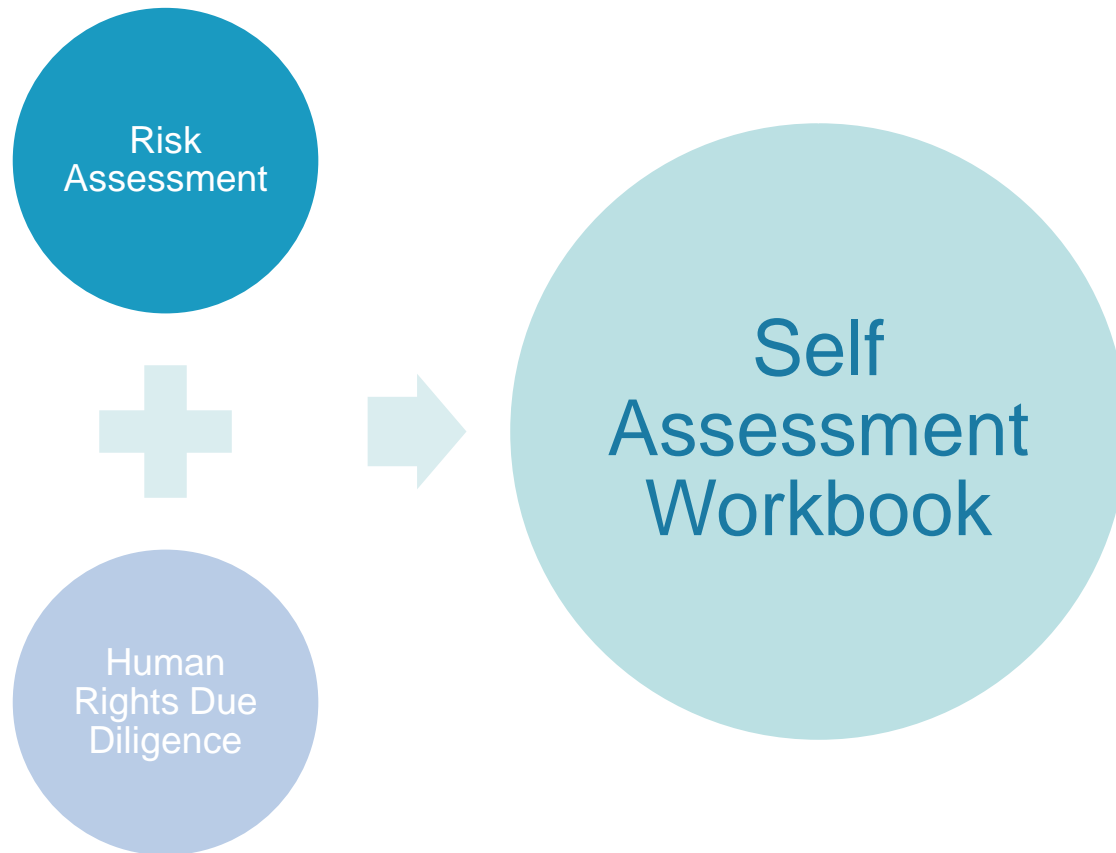
Mining Sector

- Free Prior and Informed Consent
- Mercury

What else has changed?

- **Improved wording of most provisions:**
 - Make clearer exactly **what** Members need to do
 - Restructure at provision level to break down concepts
 - Plain English - easier to translate!
- **Standards Guidance**
 - More detailed guidance on **implementation**
 - Tied directly to provision wording
 - Break-out examples and discussions of issues
 - ‘Check that you have ... ’ summaries for each provision
- **Assessment Manual**
 - Combined manual for COP and Chain-of-Custody
 - Additional guidance on process and reporting

New and Updated Excel Toolkits



Mid-Term Reviews

- Being introduced for Members on a **risk-basis**
 - Options: not required, desktop or site visit
- **Auditor** recommends to RJC whether Mid-Term Review required to check ongoing conformance during Certification Period
 - Criteria documented in Assessment Manual – takes account of numbers of non-conformances, audits under other programs, existing internal controls
 - Included in RJC audit report
- **Members can request** Mid-Term Reviews to update Certification Scope, or conduct annual assessments of particular issues (eg Provenance Claims) to meet supply chain requests



2014 is a Transition Period for the COP

| If this applies to you | Then |
|---|---|
| Your Certification or Re-Certification is due in 2014 | Choose whether to use COP 2009 or 2013 – RJC will accept both during the transition |
| Your Certification or Re-Certification is due in 2015 or later | You must use COP 2013 |
| You join the RJC from January 2014 or later (<i>except * below</i>) | You must use COP 2013 |
| * <i>You opt-in to an RJC-BPP combined audit in 2014</i> | <i>Use COP 2009 as this is the current harmonisation model</i> |



Member Training and Support

Aims:

- Access recorded sessions online anywhere, anytime!
- More 'bite-sized' modules: 10-20 minute sessions
- More peer learning opportunities: Member panels
- Respond to Member needs: track questions and non-conformance areas



Member Service Framework





RESPONSIBLE
SUPPLY CHAINS
& HUMAN RIGHTS



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

Product Disclosure / Provenance Claims in the COP

Product Disclosure

- Applies to factual information about the product that should be known by the seller
- Eg precious metal fineness, diamond quality – normally set out in Applicable Law

Provenance Claims

- May include information established through supplier claims and/or due diligence by the seller
- Requirement only if Members choose to make **documented** provenance claims

Provenance Claims and Due Diligence

A Provenance Claim may involve the absence of certain attributes or conditions in the supply chain, such as:

- Conflict-Free Gold
- Synthetic-Free Diamonds

Verification of such claims will require supply chain Due Diligence

The Provenance Claims provision reduces the risks to the Member of making these types of claims by requiring the due diligence systems to be documented and audited

How to use for Claims about Natural vs Synthetic Diamonds

- Increasing threats / concerns in the trade about Synthetic Diamonds being passed off as natural Diamonds
- Natural Diamonds are not considered a Provenance Claim under the Code of Practices, however...
- **The option is available for Members to make a “Synthetics-Free” claim and request that it be included in their Certification Scope**
- The nature of the Provenance Claim will be included in the Member’s Certification information on the RJC website
- Statement could be added to invoices that the claim conforms with the Provenance Claims provision of the RJC Code of Practices

Synthetic-Free Claims, Implementation of Systems

Documented Criteria

- Define the verifiable requirements used to ensure the Diamonds are free of Synthetics

Procedures

- Conduct risk-based due diligence of relevant suppliers
- Document how the verifications are carried out and by whom, and what happens if there are non-conformances
- Records of results to be available for RJC auditor

Controls

- Document how the covered Diamonds are tracked while in inventory
- Formal procedures required if handled by contractors

Other

- Document training materials and maintain a register
- Establish a mechanism for parties to voice concerns about the claim and how complaints are investigated



Provenance Claims - Implementation Suggestions

- Establish an **integrated approach** to managing Provenance Claims and the required supporting systems
- Prepare 'one-stop', **comprehensive documentation** covering all aspects of the program
- Establish **coordinated procedures** for verification, record-keeping, monitoring etc.
- Ensure the systems needed to operate the program have **adequate financial resources**
- **Formalize instructions** for how the Provenance Claim is to be expressed, explained and qualified, where necessary
- Ensure there is a **effective coordination** between those responsible for marketing and promotion of the Provenance Claim and those responsible for the systems required to ensure it is valid

Joint industry efforts

Provenance Claims is an example of a constructive area to work that the India Working Group could collaborate on during 2014.

RJC welcomes ideas on key issues and priorities, and interest in participating in the Working Group.

RJC places enormous value on collaboration and harmonisation with all stakeholders.

Questions and discussion

Thank you for your participation today – RJC welcomes questions and comments.