

# CRJP Newsletter



Reinforcing confidence in the diamond and gold supply chain

Issue 1

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## Welcome Note

This occasional newsletter is our way of keeping members, prospective members and other stakeholders "in the loupe" on the ongoing activities of the Council for Responsible Jewellery Practices (CRJP). Please send us your feedback at [info@responsiblejewellery.com](mailto:info@responsiblejewellery.com).

## Employee Introduction

CRJP welcomed its first two full-time employees in February. Michael L. Rae is the new Chief Executive Officer of the Council, and Santiago Porto is its first Programme Director.

As CEO, Rae is working to expand membership in the CRJP, communicate with various stakeholders and supervise the development of the Council's Responsible Business Framework.

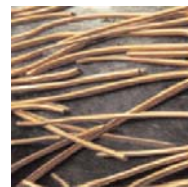
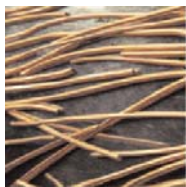
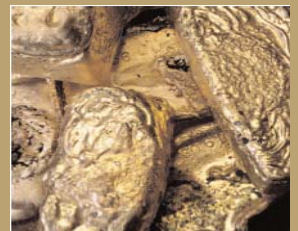
The Australia-based executive has already made several "round the world" trips. On March trip, for example, Rae stopped in Canada to speak about CRJP at a mining conference and then continued on to New York in the United States, where he met with a number of prospective members. He also stopped by the offices of Council members Jewelers of America (JA) and Tiffany & Co. Rae then went on to London, England, where he was thoroughly briefed on both the diamond and gold markets by executives at De Beers' Diamond Trading Company and the World Gold Council, both Council members.

While in England, he also met with other Council stakeholders. Rae has also visited Antwerp, Belgium, to learn more about that diamond trading centre and meet with prospective and current members.

He'll be visiting the IIJS Show in India in May to meet with members there. Then at the JCK Show in June, Rae will deliver a speech to American retailers.

Santiago Porto, based in London, has been working on the finalization of the CRJP Principles and the introduction of the CRJP Draft Code of Practices. The new programme director has also been busy learning more about the diamond and gold jewellery industries, as well as speaking with many existing and prospective members. Porto has also crossed an ocean already in his work for the Council, visiting the U.S. to make a presentation about CRJP to a large prospective member. He will join Michael Rae on his trip to India in May.

Both men bring the Council a wide range of relevant experience from their previous jobs.



### Mission Statement

"Our objective is to promote responsible ethical, social and environmental practices throughout the diamond and gold jewellery supply chain, from mine to retail."



Reinforcing confidence in the diamond and gold supply chain

Council Members (as at 27<sup>th</sup> April 2006)

- ABN-AMRO
- American Gem Society
- AMC Diamonds
- AngloGold Ashanti
- AR & AR Jewellery Inc.
- Argor-Heraeus SA
- Ben Bridge Jeweler
- BHP Billiton
- Bonas & Co. Ltd
- British Jewellers' Association
- Cartier
- Dalumi Diamonds
- Diamond Trading Company
- Diarough N.V.
- Dimexon Diamonds
- I.Hennig & Co. Ltd
- Jewelers of America
- Leo Schachter Diamonds LLC
- Kristall Inc.
- Metalor Technologies SA
- Möet Hennessy – Louis
- Vuitton
- National Mining Association
- Newmont Mining Corporation
- Overseas Diamonds NV/Isee2
- PAMP SA
- Piaget
- Placer Dome
- PX Precinox SA
- Rio Tinto
- Roberto Coin
- Rosy Blue N.V.
- Rothschild Diamonds Ltd
- Signet Group plc.
- Suashish Diamonds
- The National Association of Goldsmiths
- Tiffany & Co.
- Van Cleef & Arpels
- World Gold Council
- Zale Corporation

## Member Interview: Ruth Batson

Ruth is Executive Director and Chief Executive Officer of the American Gem Society (AGS), a U.S.-based retail jeweller group that is dedicated to protecting public trust in the jewellery industry through a commitment to ethical practices and education. AGS joined CRJP in the fall of 2005.

### 1. What attracted you to CRJP membership?

"I am impressed with the group at CRJP and its commitment to building consumer confidence through making a measurable difference on the issues of ethical, social and environmental practice through the supply chain. The Council also is managing relationships with non-governmental organizations (NGOs), which I believe is a huge service to our industry."

### 2. Why join now?

"In my opinion, if the AGS is to continue its leadership as the champion of ethics and the builder of public

trust in our industry in North America, it should have a leadership role in the Council's efforts. Joining so early in the process gives us the chance to be at the table while the Council develops its basic documents."

### 3. How does CRJP membership benefit your members?

"Every AGS jeweller must have access to the tools necessary to appropriately and successfully answer consumers' concerns about diamond and gold jewellery supply chain issues. Through our membership in the Council, we get that access."



## Member Interview: Marzin R. Shroff

Marzin is the President of Suashish Diamonds, Ltd., a Diamond Trading Company sightholder and diamond jewellery manufacturer based in India, with offices around the world. Suashish joined CRJP in the fall of 2005.

### 1. Why did Suashish join CRJP?

"We operate in an industry where the intrinsic value of the product is entirely based on an emotional idea. The consumer believes that diamonds are the ultimate symbol of love. If the industry does not come together to protect the diamond dream, the long-term results could be catastrophic. Already the consumer does not entirely trust the diamond industry, due to the actions of a few unscrupulous traders in the past. CRJP is working to regain the public trust through working proactively on a variety of issues concerning diamonds and gold.

### 2. Wasn't your company already protected by best practices standards through your business relationships with De Beers' Diamond Trading Company and Rio Tinto Diamonds?

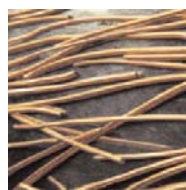
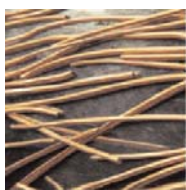
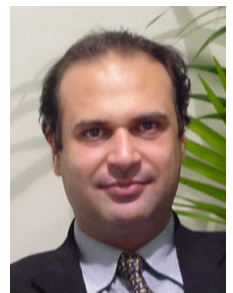
It's true that several proactive companies have started creating their own business practice standards for their clients – at both the mining and the retailing ends of the

supply chain. But companies in the middle of the pipeline, like Suashish, have to comply with all these different standards. While the compliance itself is not an issue, the paperwork is. Miners and retailers all have their own unique paperwork. This has become a time consuming and expensive

process for those of us in the middle. The industry sorely needs one universal standard that is accepted by everyone involved in the entire supply chain.

### 3. How do you feel about the third-party monitoring process that the Council plans for its Responsible Practices Framework?

The industry is attracting the attention of many government bodies and NGO's. It is wise for the industry to come together and form a system that can then be monitored by objective third parties. It's the only way to have a completely credible process.





Reinforcing confidence in the diamond and gold supply chain

## Feedback from stakeholders

CRJP consulted with stakeholders in industry, government and civil society on its Draft Principles before finalising these documents in early May. Nearly 250 stakeholders completed the Interactive Dialogue that the Council set up at its website.

Among some interesting statistics from the consultation are:

- Nearly half the responses to the survey came from members of the trade; the rest are from the other stakeholders in the process.
- 97.7% respondents agree on the need for a coordinated system to promote good standards of ethical, social and environmental performance.
- 97.6% agreed that there was a need for the industry to prevent duplication in the development of standards; 97.0% agreed on the need for monitoring systems.
- 86.6% felt that ethical, social and environmental performance currently influence consumer decisions to some extent; 34.2% felt there would be "great influence" in the future.
- 87.2% expressed strong or quite strong support for the mission statement and Council activities.
- The majority of respondees felt that the Council's draft Principles were a credible basis for promoting responsible jewellery practices in the diamond and gold industry, and were achievable within three years.
- There was a desire to see health and safety and environmental principles strengthened.

To add your voice to the conversation on the Council's highly important Code of Practices, go to [www.responsiblejewellery.com](http://www.responsiblejewellery.com) and click on the box entitled: "Join the consultation on draft Code of Practices." The draft code is now available to download and your comments are welcome until 3 July 2006.

## Council Principles

Consultation on the Council's Principles is now complete and the final version appears below.

As Members of the Council for Responsible Jewellery Practices, we seek economic, social and environmental benefits from our business activities so that we contribute to Sustainable Development.<sup>1</sup>

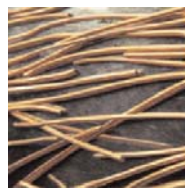
### Business Ethics

- We are committed to conducting our businesses to a high ethical standard, and to ensuring integrity, transparency and conformance with applicable law.
- We will not engage in bribery and/or corruption
- We will not tolerate money laundering and/or financing of terrorism.
- We will adhere to the Kimberley Process Certification System and the World Diamond Council voluntary system of warranties
- We will fully and accurately disclose the material characteristics of the products that we sell.
- We will take reasonable measures to ensure the physical integrity and security of product shipments.
- We will respect commercial confidentiality and data privacy.

### Social Performance

- We believe in and will respect the fundamental human rights and the dignity of the individual, according to the United Nations Declaration of Human Rights.
- We will not tolerate the use of child labour.
- We will not use any forced, bonded, indentured or prison labour, nor restrict the freedom of movement of employees and dependents.
- We are committed to high standards of health and safety in our operations.
- We will not prevent workers from associating freely. Where laws prohibit these freedoms, we will support parallel means of dialogue

<sup>1</sup> The Council bases its understanding of Sustainable Development on the 1987 World Commission on Environment and Development (the Brundtland Commission) definition: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."





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## Council Principles (continued)

### Social Performance (continued)

- We will not discriminate based on race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital status, physical appearance, age, or any other applicable prohibited basis in the workplace, such that all individuals who are "fit for work" are accorded equal opportunities and are not discriminated against on the basis of factors unrelated to their ability to perform their job.
- We will not use corporal punishment under any circumstances and will prohibit the use of degrading treatment, harassment, abuse, coercion or intimidation in any form.
- We will adhere to working hours and remuneration legislation, or, where no such legal requirements have been established by law, the prevailing local industry standards.
- We will support the development of communities where we operate, contributing to their social and economic welfare.
- We will recognise and respect the rights of indigenous peoples and the value of their traditional, cultural and social heritage.

### Environmental Performance

- We will conduct our businesses in an environmentally responsible manner.
- We will manage our environmental footprint by eliminating or minimising negative environmental impacts.
- We will ensure the efficiency of our business operations by managing our waste and our use of water and energy.

## Upcoming Events



4-8 May – INDIA INTERNATIONAL  
JEWELLERY SHOW, Mumbai, India

Please visit CRJP member Suashish Diamonds Ltd., to inquire about CRJP membership. CRJP CEO Michael Rae and CRJP Programme Director Santiago Porto will attend this event.

7 May – FIRST RETAIL JEWELLER CONGRESS, Mumbai, India  
CRJP CEO Michael Rae will present an overview of CRJP at this first time event.

3-7 June – JCK INTERNATIONAL JEWELRY SHOW, Las Vegas,  
Nevada, USA

CRJP CEO Michael Rae will speak at the show's conference program on 2 June; he also will be scheduling appointments to meet prospective members. Michael's base will be Jewelers of America's booth at the show. Email Michael for appointments at [michael.rae@responsiblejewellery.com](mailto:michael.rae@responsiblejewellery.com). Prospective members also can pick up membership materials at the JA booth.

5 June – "Blood Diamond" Seminar, JCK INTERNATIONAL  
JEWELRY SHOW, Las Vegas, Nevada, USA.

CRJP is a joint sponsor of this important seminar, which will update U.S. retail jewellers concerning the upcoming "Blood Diamond" film, starring Leonardo DiCaprio and Jennifer Connelly. Jewellers will learn how to proactively answer both consumer and press questions. This seminar will be repeated at other trade events as well.

## CRJP In the News

CRJP has been contacted by many members of the world press, as well as the jewellery industry trade press, on its founding documents and issues such as conflict diamonds and responsible gold mining practices.

- In November 2005, The Financial Times of London published an article entitled "Industry fights to polish a flawed image," concerning the formation of the CRJP in May 2005, as well as the issues it faces in the diamond and gold jewellery sector.
- In January and March, 2006, all the major jewelry industry websites reported on the appointment of CRJP's Secretariat, as well as its Draft Code of Practices release.
- In April 2006, The New York Times published an article entitled "With This Ethical Ring, I Thee Wed," in which CRJP CEO Michael Rae was quoted in relation to ethical mining practices.

## Contact us at

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