



Performance | Accountability | Confidence



The Responsible Jewellery Council (RJC)

Building a responsible diamond, gold and platinum metals supply chain, from mine to customer

Responsible Jewellery Council (RJC) - Overview



The Responsible Jewellery Council was founded in 2005 and its Certification System became operative in December 2009.

Mission : To advance responsible ethical, social and environmental practices, which respect human rights, throughout the diamond, gold and platinum metals jewellery supply chain, from mine to retail.

Membership: Uniquely covers **all** parts of the jewellery supply chain: producers, refiners, traders, cutters and polishers, manufacturers, wholesalers, retailers.

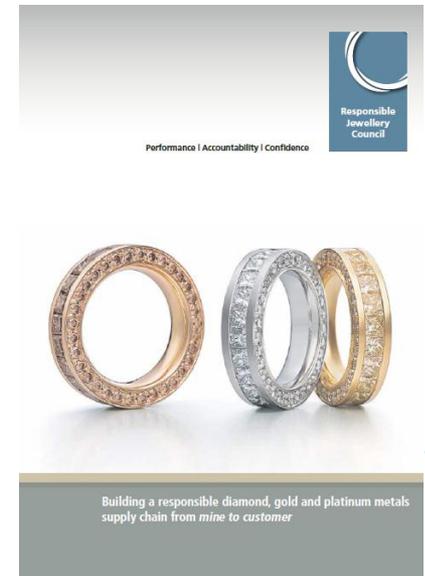
- 400+ Members representing 31 countries around the world: grown 4.5% per month since July 2005.
- US\$45+ billion in annual relevant sales

Auditor Accreditation:

- 230+ RJC Accredited Auditors across 8 firms

Certification:

- 200+ Certified Members – growing daily



Current issues deeply affecting the industry

- ‘Conflict diamonds’ and human rights issues
 - Criticisms of the Kimberley Process
 - Zimbabwe situation
- ‘Conflict gold’
 - Armed groups in eastern DRC
 - Dodd-Frank Act
- Large-scale mining practices
 - ‘no dirty gold’ campaign
- Worker conditions in jewellery pipeline
 - Artisanal mining
 - Manufacturing



Photo Courtesy: A group of boys working at Tabakoto mine, in Kéniéba circle. Young boys frequently dig holes or pull up the ore with buckets.
© 2011 Human Rights Watch

A business' reputation is key to its success

- Crisis management: multinational corporations have experienced a decline in their share value during a hit to their reputation.

How to create and preserve a strong reputation – in order to avoid crises, strengthen your brand and increase your business?

- Understand the importance of stakeholders to maintain reputation and bring awareness of the broader political picture and emerging reputation issues.
- Building a platform of responsible business practices: for long-term resilience, to enhance corporate reputation and support consumer confidence.



RESPONSIBLE BUSINESS PRACTICES

RJC Standards



RJC Code of Practices

- ✓ Launched in 2009
- ✓ Assurance for Member's business practices
- ✓ Compulsory for RJC Members

Chain-of-Custody Standard

- ✓ Launched March 2012 for precious metals (gold, platinum, palladium, rhodium)
- ✓ Assurance that metals are from responsible sources
- ✓ Voluntary for RJC Members

RJC Code of Practices = Member Certification System



Defines responsible ethical, human rights, social, and environmental practices for businesses in the diamond and gold jewellery supply chain.

Business Ethics: - upholding ethical business practices.

Human Rights and Social Performance: - upholding fundamental human rights, treating workers fairly and with respect, encouraging a diverse workforce, and provision of a safe working environment.

Environmental Performance: - promoting efficient use of resources and energy, and reducing and preventing Pollution.

Management Systems: - compliance with Applicable Law, establishing policy, and managing business Risks including Contractors, Suppliers and Partners.

Coverage of Provisions of the Code of Practices

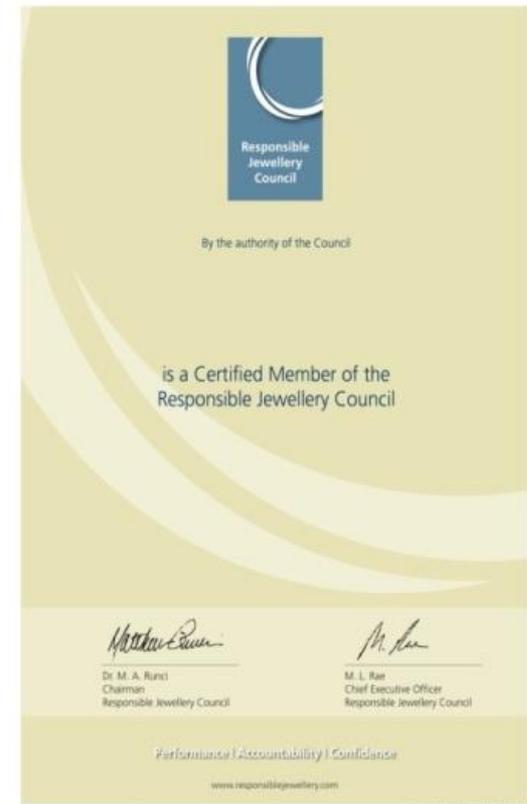
Business Ethics	Human Rights and Social Performance	Environmental Performance	Management Systems
<p>1.1 Bribery and Facilitation Payments</p> <p>1.2 Money Laundering and Finance of Terrorism</p> <p>1.3 Kimberley Process</p> <p>1.4 Product Security</p> <p>1.5 Product Integrity</p> <p>1.6 <i>Extractive Industries Transparency Initiative</i></p>	<p>2.1 Human Rights</p> <p>2.2 Child Labour and Young Persons</p> <p>2.3 Forced Labour</p> <p>2.4 Freedom of Association and Collective Bargaining</p> <p>2.5 Discrimination</p> <p>2.6 Health and Safety</p> <p>2.7 Discipline and Grievance Procedures</p> <p>2.8 Hours of Work</p> <p>2.9 Remuneration</p> <p>2.1 General Employment Terms</p> <p>2.11 Community Engagement and Development</p> <p>2.12 Use of Security Personnel</p> <p>2.13 <i>Indigenous Peoples</i></p> <p>2.14 <i>Artisanal and Small-Scale Mining</i></p>	<p>3.1 Environmental Protection</p> <p>3.2 Hazardous Substances</p> <p>3.3 Waste and Emissions</p> <p>3.4 Use of Energy and Natural Resources</p> <p>3.5 <i>Biodiversity</i></p>	<p>4.1 Legal Compliance</p> <p>4.2 Policy</p> <p>4.3 Business Partners – Contractors, Customers, Suppliers and Partners</p> <p>4.4 <i>Impact Assessment</i></p> <p>4.5 <i>Mine Closure Planning</i></p> <p>4.6 <i>Sustainability Reporting</i></p> <p style="text-align: right;">www.responsiblejewellery.com</p>

RJC Certified Members represent 40 countries in the world



RJC Certified Members

Diamond traders/cutters/polishers
Jewellery retailers
Jewellery manufacturers/wholesalers
Precious metals refiners/hedgers
Service industries



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Release of RJC Chain-of-Custody Standard – March 5



After 2 years of stakeholder consultation and standards development, the RJC has released its CoC Standard, applicable to precious metals.

The RJC thanks all who have contributed to this achievement and looks forward to working with interested companies on implementation.

Photo courtesy: Rio Tinto and BULGARI

www.responsiblejewellery.com



RJC Chain-of-Custody Certification



- Applicable to gold and platinum group metals (platinum, palladium, rhodium). Diamonds under further review.
- Requires independent, third party auditing to achieve Certification, but also available as guide to good practice.
- Certification voluntary and flexible as to which parts of business and which materials.
- Supports responsible, conflict-sensitive sourcing in supply chains.
- Requires RJC Membership to advance responsible business practices through Code of Practices: more than conflict.
- Supports OECD Guidance and Dodd-Frank (1502).

Chain-of-Custody and Diamonds



- A sub-committee of the RJC Standards Committee has been formed to consult further with the diamond sector.
- Comments from other stakeholders also welcomed by RJC during this time.
- RJC expects to finalise the CoC Standard for diamonds once the sub-committee has completed its consultations and made recommendations to the RJC Standards Committee.

This has not affected the launch of the CoC Standard for gold and platinum group metals.

CoC Certification Elements

- ✓ Auditable Standard
- ✓ Accredited auditors (ISO 17021)
- ✓ Certification Handbook, Standards Guidance
- ✓ Assessment toolkit – audit protocol
- ✓ Training (workshops and webinars)
- ✓ Entitlement to on-product use of the RJC CoC certified logo
- ✓ Complaints mechanism



Structure of the CoC Standard



Provisions 1 – 3.

Management system requirements, Internal material controls to ensure segregation, Outsourcing contractors

Provisions 4 – 6

Controls for the sourcing of Eligible Materials (Mined, Recycled, Grandfathered)

Provisions 7 – 9

Documentation and Consumer Claims

Provision 10

Conflict-sensitive sourcing

Eligible Precious Metals for RJC Chain-of-Custody



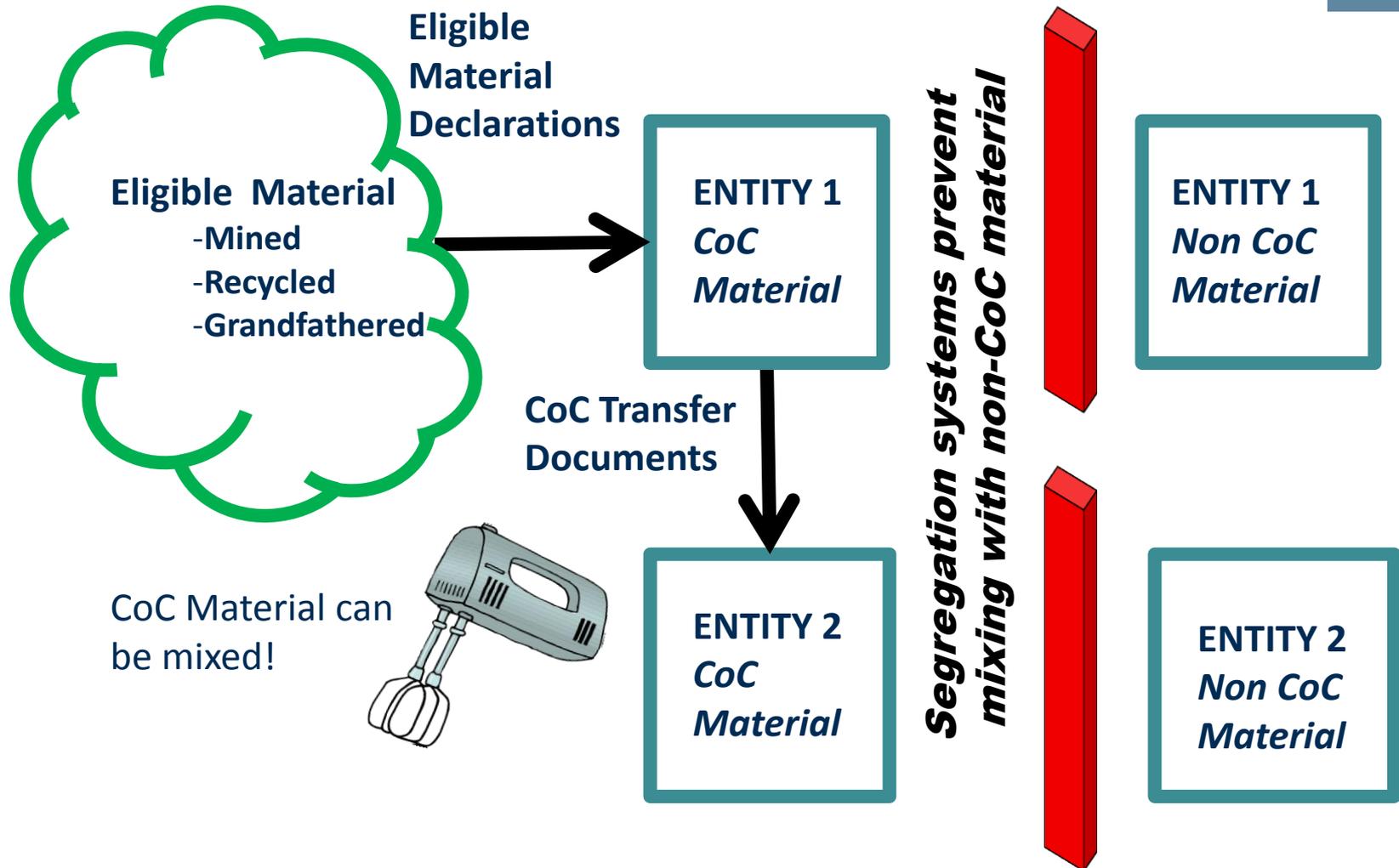
Eligible Materials are:

- Conflict-free **Mined Material** produced by a CoC Certified Entity, by ASM on its concessions, or under a Recognised Responsible Mining Standard, or Mining Byproduct declared by a Refiner (Provision 4); and/or
- **Recycled Material** sourced from Eligible Recyclable sources (Provision 5); and/or
- **Grandfathered Materials** in existence in their current form prior 1 January 2012 (Provision 6); or
- A mix of the above, each meeting above eligibility criteria.

Where does a Chain-of-Custody start for each type of Material?

Type of Material	Type of Entity that may issue the Eligible Material Declaration
Mined Material	Mine
Mining Byproduct	Refiner (However a known mine source may also be CoC Certified and/or RJC Member)
Recyclable Material	Refiner Manufacturer or other entity with on-site recycling/refining capabilities
Grandfathered Material	Any Entity that can source Eligible Grandfathered Material

Key controls for CoC Material



Flexibility of CoC Certification

Certification Scope:

- All of a business / group; or
- An entity / facility within a larger group.
- Selection of Materials (gold, platinum, palladium, rhodium), which may be used in all, some or occasional manufacturing / product lines.
- *Segregation systems for CoC needs to be in place to support any claims made. Claims made at discretion of business.*
- *Decisions on CoC volumes and/or sourcing approach are up to the business and can vary according to customer demand.*

Refiners:

- Can request a Certification Scope to cover Conflict-Sensitive Sourcing practices only. In this case, not able to declare CoC Material.
- If later decide to respond to customer demand for CoC Material, an audit for expanded Cert Scope would be triggered.

Building bridges with Artisanal and Small Scale Mining (ASM)

Enhanced focus on due diligence in gold supply chains is raising concerns for possible consequences for ASM producers.

The RJC CoC Standard aims to build bridges with legitimate ASM production. Included in the CoC Standard are:

- Scope for the RJC to formally recognise comparable mining standards.
- Sourcing from ASM operating on the mining concessions of CoC Certified Entities, as part of an initiative to support professionalisation and formalisation of ASM.

RJC has signed MOU's with the Alliance for Responsible Mining (Fairtrade/Fairmined Gold) and Diamond Development Initiative.

CoC and Mining Companies

CoC Certification should be relatively straightforward for most mining companies. Main requirements:

- Meeting RJC Code of Practices re responsible mining;
- Carrying out detailed due diligence in conflict-affected areas.

CoC avoids retrospective inquiries otherwise required by OECD and Dodd Frank, by:

- Identifying and tracking gold starting with the mine of origin;
- Requiring conflict-free due diligence to be conducted by the miner.



Photo courtesy: Rio Tinto

CoC and Precious Metals Refiners

RJC currently has 9 Refiner Members – all headquartered in Europe but many have additional facilities in other countries.

Main CoC requirements:

- conflict-sensitive practices for all sources.
- does not prevent sourcing from non-RJC mining entities, but any non-CoC gold must be kept segregated.

Supports :

- claims for responsibly mined gold, recycled gold or grandfathered gold, or mix.
- OECD Due Diligence Guidance and Dodd Frank compliance via auditable standard for refinery audits.
- Dodd Frank reporting via CoC Transfer Document records.



Photo courtesy: Rio Tinto

CoC and Jewellery Manufacturers and Retailers

Key to CoC compliance will be segregation of CoC from non-CoC material. Many manufacturers may have the basic systems already in place.

Range of options for sourcing CoC gold, including from CoC refineries, and grandfathered supplies.



Photo courtesy: Cambour

CoC Certification will support:

- Identification of CoC sources as part of a responsible sourcing program.
- Identification of CoC Certified refiners – which have independently audited and verified due diligence practices (OECD).
- CoC gold that is conflict-free (Dodd Frank).
- Claims to consumers (if desired).

RJC CoC Summary



- Voluntary and designed to support due diligence and chain-of-custody efforts in the jewellery supply chain.
- Controls for conflict-sensitive sourcing AND for responsible business practices in the supply chain.
- Supports chain-of-custody for mined, recycled and 'grandfathered' and/or a mix for gold and platinum group metals.
- CoC Certification for Refiners provides independent audit of their due diligence practices.
- Strong focus on harmonisation with relevant standards and initiatives.
- CoC for precious metals launched in March 2012.

RJC Partnership

Strong cooperation with other standard setting and consultancy organisations, NGOs, chain of custody associations, stakeholders.



RJC is Full Member of ISEAL, the global association for social and environmental standards.



- On June 30th 2011, RJC was approved for Associate Membership of the ISEAL Alliance and on 29th May 2012, RJC has been accepted as Full Member of the ISEAL Alliance at their Board meeting in Bonn, Germany .
- As an Associate Member, RJC commits to ISEAL's mission and Code of Ethics.



RJC has agreed Memorandum of Understanding with SAI, ARM & DDII to advance their shared objectives which include:



- Joint promotion of responsible business practices to the jewellery supply chain.
- Training for companies seeking more detailed guidance on establishing systems and procedures for social compliance, featuring SAI's Social Fingerprint™ Program and auditor training courses.
- Initial comparative review of SA8000® and RJC COP identified significant overlap and opportunities to enhance alignment. The parties will work together in the context of RJC's 2012 standards review.



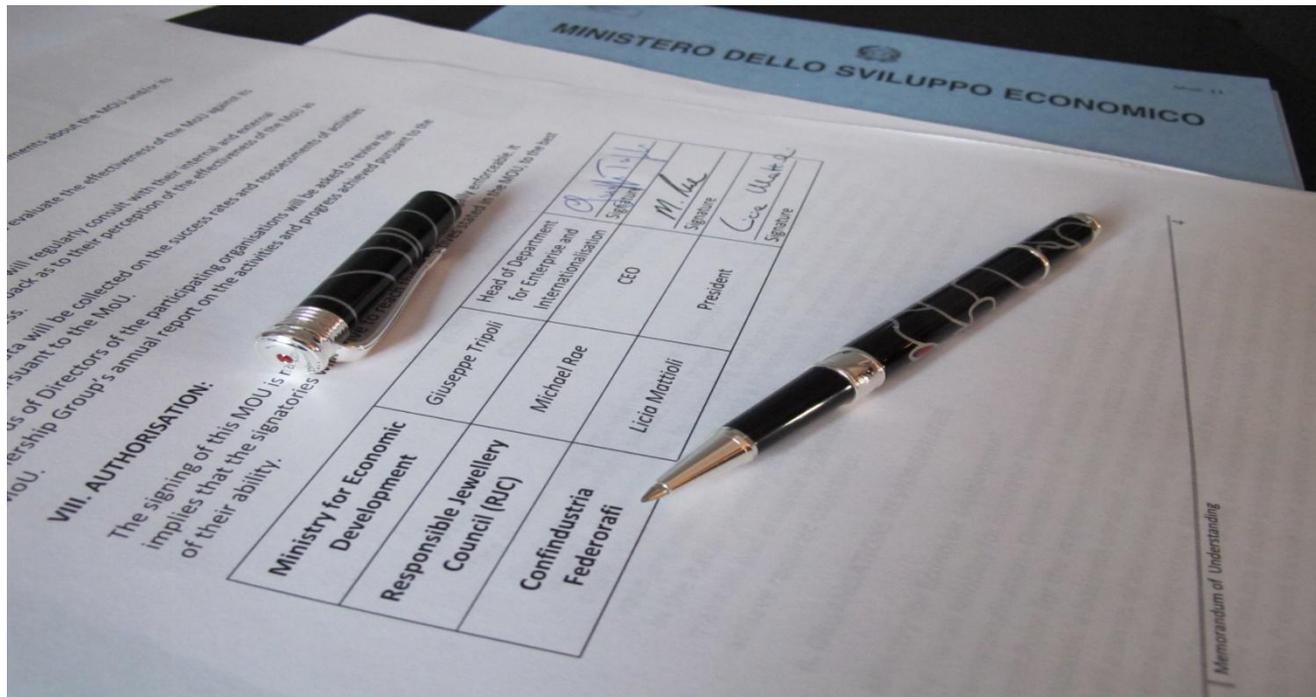
- Improving social, environmental and labour practices in artisanal and small-scale mining (ASM);
- Facilitating constructive dialogue and where appropriate, collaboration between large-scale mining operations and ASM to create sustainable and fair local opportunities for communities in mineral rich regions;
- Increasing market access for jewellery raw materials produced by ASM communities.



- Improving social, environmental, labour practices and good governance in the artisanal diamond mining sector;
- Enhanced relationships between large-scale and artisanal diamond mining;
- Increasing market access for jewellery raw materials produced by artisanal diamond mining communities.

RJC has agreed a Memorandum of Understanding with the Italian Ministry of Economic Development and Confindustria Federorafi

The organisations will work cooperatively to improve social, environmental and labour practices and good governance in the Italian jewellery sector.



RJC and Solidaridad collaborate on Solidaridad's Pilot Project for better practices at Industrial Gold Mines

Both organizations will collaborate on activities that support their shared goal of ensuring better, more transparent and accountable practices throughout the gold supply chain. This includes joining forces to encourage broader participation in RJC by companies in the Global South. A key focus will be Solidaridad's new pilot project that uses RJC's Code of Practices and Chain-of-Custody standard as tools for improving practices at industrial gold mines. In addition, the collaboration aims to develop case studies, stakeholder presentations and evaluations that can strengthen uptake and impact of the RJC standards.

Jennifer Horning, International Coordinator for Solidaridad's Gold Programme, said, "Solidaridad believes that the RJC system, including the Code of Practices and Chain-of-Custody Standard, offers strong potential as an effective tool for safeguarding communities and the environment and for encouraging meaningful development in regions that host industrial mining companies. We are excited about our new pilot project and look forward to working together with RJC and the companies that take part, including front-runner Minera Yanaquihua, to put the system to work and share the lessons learned with others."



Photo courtesy: Solidaridad

RJC announces Cross-Recognition of Gold Refiner Audits with Conflict Free Smelter Program (CFS) and the London Bullion Market Association (LBMA)



LBMA



Reducing duplication for refiners and supporting broader supply chain efforts to implement Section 1502 of the Dodd-Frank Act for Conflict Minerals.

What it means for RJC Members:

- CoC Certified Gold Refiners will also be added to the **EICC** Conflict-Free Refiner list.
- LBMA will accept RJC CoC Certification as demonstrating conformance with the **LBMA** Responsible Gold Guidance.
- The **additional** benefit of **RJC CoC Certification** for refiners and their customers is how it can be used to differentiate types of gold sources (mined, recycled, grandfathered). The SEC rule for Dodd Frank has different supply chain inquiries and disclosure requirements for these different types of sources.

For general information on what the Dodd-Frank Act means for the jewellery supply chain, see the RJC Fact Sheet at: <http://www.responsiblejewellery.com/files/RJC-Fact-Sheet-Section-1502-Dodd-Frank-Act-030912.pdf>

RJC Standards Committee in 2012



Comprises 14 elected representatives, 2 from each of the 7 Member Forums, and 12 external stakeholders appointed by the RJC Board.

RJC Members:

Ryan Taylor, The Fair Trade Jewellery Co, and
Co-Chair, RJC Standards Committee
Charles Chaussepied, Piaget, and
Co-Chair, RJC Standards Committee
Didier Backaert, Bonas & Co
Laurence Drummond, Metalor Technologies
Stéphane Fischler, International Diamond
Manufacturers Association (IDMA)
Mark Gershburg, Gemological Science International
Rob Headley, Jewelers of America
Stanley Lurie, Oroafrica
Chikashi Miyamoto, Rosy Blue NV
Andrew Parsons, Anglo Gold Ashanti Australia Ltd
Jon Phillips, Corona
Marcelle Shoop, Rio Tinto

Standards Organisations:

Felix Hruschka, Alliance for Responsible Mining
Ngomesia Mayer-Kechom, Diamond Development
Initiative
Steven Oates, Social Accountability International
(SAI) – SA8000
Cecilia Gardner, Jewelers Vigilance Committee
Gemma Cartwright, Fairtrade UK

Non-Government Organisations (NGOs):

Jennifer Horning, Solidaridad
Assheton Stewart Carter, Equitable Origin
Patrick Laine, WWF UK
Juliane Kippenburg, Human Rights Watch
Alan Martin, Partnership Africa Canada

Experts:

Michele Bruelhart, UL Responsible Sourcing
Estelle Levin, Estelle Levin Ltd



WE SUPPORT

RJC commitment to the United Nations Global Compact



The Responsible Jewellery Council was officially registered as Participant to the United Nations Global Compact on January 15th, 2009.

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.

The RJC Communications on Progress Report are available at:

<http://www.unglobalcompact.org/participants/detail/7979-Responsible-Jewellery-Council>

RJC releases 2012 Annual Progress Report in April



RJC released its 2012 Annual Progress Report in April, profiling the first year of achievements of its comprehensive member certification system. It highlights the Council's multi-stakeholder dialogue processes and its partnerships with important organisations.

The 16-page report provides summaries of the accomplishments made and the experiences of RJC Members in pursuit of their goal of promoting responsible ethical, human rights, social and environmental practices throughout the industry, from mine to retail.

The e-version of the 2012 RJC Progress Report is available on the RJC website.



Responsible
Jewellery
Council

RJC Membership

RJC's mining, refining, trading, manufacturing, and retail members have demonstrated their commitment to responsible business practices.



Benefits of RJC membership



- Enhance and preserve strong brand reputation – avoiding crisis, strengthening your brand.
- Join a community of confidence with a mine to retail initiative unique to the jewellery and watch industry worldwide.
- Opportunity to participate in the work of an industry standard that covers all parts of the jewellery supply chain and actively contribute to Sustainable Development.
- Offers a communications and engagement platform, supporting Members in communicating with media, NGOs, consumers and external stakeholders.
- Members can be involved in RJC Committee work, e.g. Standards, Communications and Accreditation/ Certification.
- Free RJC training delivered by online webinars and Member workshops at main Trade Fairs.

RJC Membership – Eligibility, Coverage, Commitment



Eligibility - all businesses, **small** , **medium** and **large**, and associations participating in the diamond, gold and platinum group metals jewellery supply chain and / or engaged in activities that have a potential impact on consumer confidence in that supply chain.

Coverage - all parts of the jewellery supply chain featuring a wide range of size, location and types of business. 60+ Members that has grown 50% from Q3 201, representing over \$45 billion in annual relevant sales.

Commitment - Conform to the Code of Practices by submitting to a third party audit against the Code of Practices within two years of joining the Council.

Annual Membership fees:

- Metal and or Diamond Producers and Retailers pay \$45 per million dollars of annual relevant sales
- Companies in the middle of the supply chain pay \$30 per million dollars of annual relevant sales
- The minimum fee for start up companies is of \$170

15 RJC Trade Association Members



RJC Trade Association Members play a pivotal role in building awareness of the value of RJC membership. Through their strong national ties, RJC Trade Associations can also assist their members in offering tailored guidance, advice and support in the steps toward RJC Member Certification.



JEWELERS OF AMERICA



Confindustria Federorafi
Federazione Nazionale Orafi Argentieri
Gioiellieri Fabbricanti

Club degli Orafi
Italia



11 RJC Supporters



Supporters of the Responsible Jewellery Council underline their commitment to corporate responsibility and integrity.



RICHMONT



Jewellery
FOCUS

BRINKS
Global Services



l'Orafo
I T A L I A N O



RJC operates transparently through its website

- A transparent tool where all RJC Members and all documents are open to the public.
- RJC Certified Members are available on the web under the 'Certified Member' page: <http://www.responsiblejewellery.com/members/certified-members/>



Governance of the Council



Officers of the Council

Chairman: Matt Runci: Jewelers of America

Vice-Chairman: Chikashi Miyamoto, Rosy Blue NV

Honorary Secretary: Mark Jenkins, Signet plc

Honorary Treasurer: James Suzman, De Beers Group

Committee Chairs

Executive Committee: Matt Runci, Jewelers of America

Awards Committee: Charles Chaussepied, Piaget + Ryan Taylor, The Fair Trade Jewellery Company

Communications Committee: Vania Grandi, Rio Tinto

Membership Committee: Nawal Ait-Hocine, Cartier

Legal Committee: Mark Jenkins, Signet plc

People Committee: Fazal Chaudri, Exelco

Finance Committee: Ruth Batson, American Gem Society

Accreditation and Training Committee: Gérard Satre, Chanel

RJC Management

Michael Rae, Chief Executive Officer

Governance of the Council



Members of the Board of Directors

Allchin, Michael – Birmingham Assay Office
Baker, Donna – Gemological Institute of America
Batson, Ruth – American Gem Society
Bonas, Charles – Bonas & Co. Ltd.
Brenner, Jeffrey - Jaybee Trading Inc. t/a !Xam Diamonds
Chaudri, Fazal - Exelco International Ltd
Cox , Bruce – Rio Tinto
Cunningham, Vicki – H.Cunningham Fine Jewelry Inc
De Blanchard, Dominique - Cristofol Paris
Fornas, Bernard – Cartier
Grandi, Vania – Rio Tinto
Hoare, Michael – National Association of Goldsmiths
Jenkins, Mark – Signet Jewelers Limited
Leake, Martin - BHP Billiton Diamonds Inc
Leopold-Metzger, Phillipe – Piaget
Lussier, Stephen – De Beers Group
Miyamoto, Chikashi – Rosy Blue NV
Morrison, Scott – Metalor
Palmer, Derek - Pluczenik Diamond Company NV
Pinet-Cuoq, Bernadette - Union Française BJOP
Runci, Matt – Jewelers of America
Simelane, Yedwa – AngloGold Ashanti (Australia)
Suzman, James – De Beers Group



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