The Responsible Jewellery Council (RJC)

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

February 2012

The Responsible Jewellery Council (RJC)

The Responsible Jewellery Council was founded in 2005 and its Certification System became operative in December 2009. RJC has more than 350 Members representing 26 countries around the world.

Mission of the RJC: 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.

The Council's focus is on the following standards:

1. **RJC Member Certification System** (compulsory for RJC Members)
2. **RJC Chain of Custody Certification** (voluntary for RJC Members)

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



Source: USAID

A business' reputation is key to its success

Responsible Jewellery Council

•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

Responsible Business Practices and the Role of certification

Certification offers the ability to:

- Define what responsible practices mean, based on a standard; and
- Verify that the standard is being followed.

Key considerations:

- What is in the standard?
- How is it verified, by whom?



The highest level of transparency, credibility, and assurance of compliance is provided through independent verification by accredited auditors.

RJC Standards ….





Code of Practices

- **Responsible business practices**
- **Claim about the Member company – how it runs itself**

- **RJC Member Certification (launched 2009)**

Chain-of-Custody Standard

- Responsible supply chain
- Claim about the **material** – where does it come from, how was it made

- RJC Chain-of-Custody Certification (proposed)

RJC Code of Practices

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

Based on national and international law, established international and industry standards and sound business practices.

Establishes objective and verifiable standards against which RJC Members may be certified.

This is a living document and will undergo content review as applicable.

Scope of the Code of Practices

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

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

www.responsiblejewellery.com

Business Case for RJC Member Certification

- **Common standard** – opportunity to avoid duplication.
- **Credible System** – third party auditing, stakeholder involvement and consultation.
- **Support** – tools and guidance, training.
- **Consumer recognition** – a label of confidence.
- **Cost effective** – one cost of developing the standard and system for all; large competing pool of auditors.



Confidentiality as a priority

The relationship between RJC Members and the RJC Accredited Auditors is strictly between the Member and Auditor. The Member selected from the portfolio of RJC Accredited Auditors is available on the RJC website.

This is a propriety relationship and the results of the Members' audit remain with the Member and Auditor.

The Auditor provides RJC with Summary Report (displayed on RJC's website for each certified member) that outlines; i) member/auditor information ii) certification scope (identified entities) and certification timeline (1 or 3 years).

<u>All other information from the Audit is not shared with RJC.</u>

RJC Verification Costs

• Price of an audit is a matter negotiated between the auditor and client

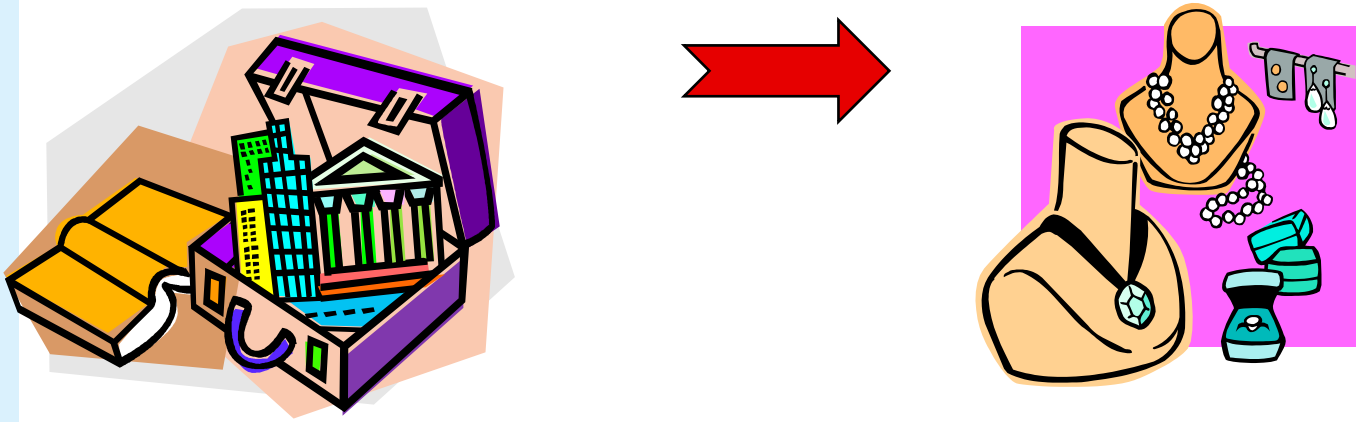
•Approximate Daily Fees:

- As an indicative guide, fees per auditor person-day will range from £500 to over £1000.
- Currencies will vary between audit firms depending on the countries of operation.
- RJC Standards Guidance gives indication of approximate number of days for an audit based on variables such as number of employees, complexity of business etc.

•Cost of RJC Verification Assessment will depend on a range of variables, including:

- the timing of the audit, the complexity of the task, the size and nature of the Member's operations and the physical location of the Member's facilities.

RJC Standards ….



Code of Practices

- Responsible business practices
- Claim about the Member **company** – how it runs itself

- *RJC Member Certification* (launched 2009)

Chain-of-Custody Standard

- **Responsible supply chain**
- **Claim about the material – where does it come from, how was it made**

- ***RJC Chain-of-Custody Certification* (proposed)**

RJC Chain-of-Custody Certification

In 2010, RJC commenced discussions to develop Chain-of-Custody (CoC) Certification.

Aim to provide a common, mutually recognised, supply chain-wide, voluntary standard.

Design criteria:

- Able to address a wide variety of systems and technologies, and support different types of claims.
- Compliant with anti-trust laws – no restraint on competition.
- Reasonable cost of implementation.
- Auditable.
- Clear and transparent standards and verification system.








Key Points of RJC Chain of Custody Certification

- ✓ RJC is developing CoC Certification to support businesses who are interested in assurance for responsible supply chains.
- ✓ CoC Certification will be voluntary, unlike the Code of Practices which is compulsory.
- ✓ CoC Standard will control for conflict sources, and help support Dodd Frank implementation.
- ✓ RJC is working closely with other related initiatives to align and harmonise standards wherever possible.
- ✓ Final period of public comment and stakeholder engagement on draft CoC Standard closed in August 2011.
- ✓ Aim to finalise and publish RJC CoC Standard for gold and platinum group metals in Q1, 2012.
- ✓ A sub-committee is continuing to review the standard for diamonds.

More information available at:
http://www.responsiblejewellery.com/standards-development/chain-of-custody/

Why would a business use CoC Certification?

Depending on the business, CoC Certification may be of interest to:

- Support responsible mining practices
- Source legitimate recycled materials
- Identify the specific provenance of jewellery materials
- Avoid ‘conflict’ resources implicated in human rights abuses, illegal or criminal practices
- Enhance reputation through responsible sourcing
- Carry out due diligence of your supply chain
- Respond to the requests of your customers.



Addition of other jewellery materials

During 2012, RJC will formally add platinum metals to the Certification system, as part of the planned system review.

From 2013, RJC will review possible addition of other jewellery materials to the scope for RJC Certification.

May include coloured gemstones, pearls, and silver.



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.

•Offers a communications and engagement platform, supporting Members in communicating with media, NGOs, consumers and external stakeholders.

•Opportunity to participate in the work of an industry standard that covers all parts of the jewellery supply chain.

•Actively Contribute to Sustainable Development.



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. RJC philosophy has always been to reach out to small companies. The RJC Member Certification System is also adoptable by small businesses.

Coverage - all parts of the jewellery supply chain featuring a wide range of size, location and types of business. 350+ Members that has grown 50% from Q3 201, representing over $46 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



Member Participation and Support

RJC is governed by its Members and serves to assist them to achieve certification.

Resources on RJC website:

i. Download system documents

Free RJC training delivered by online webinars and Member workshops at main Trade Fairs:

i. How to carry out Self Assessments

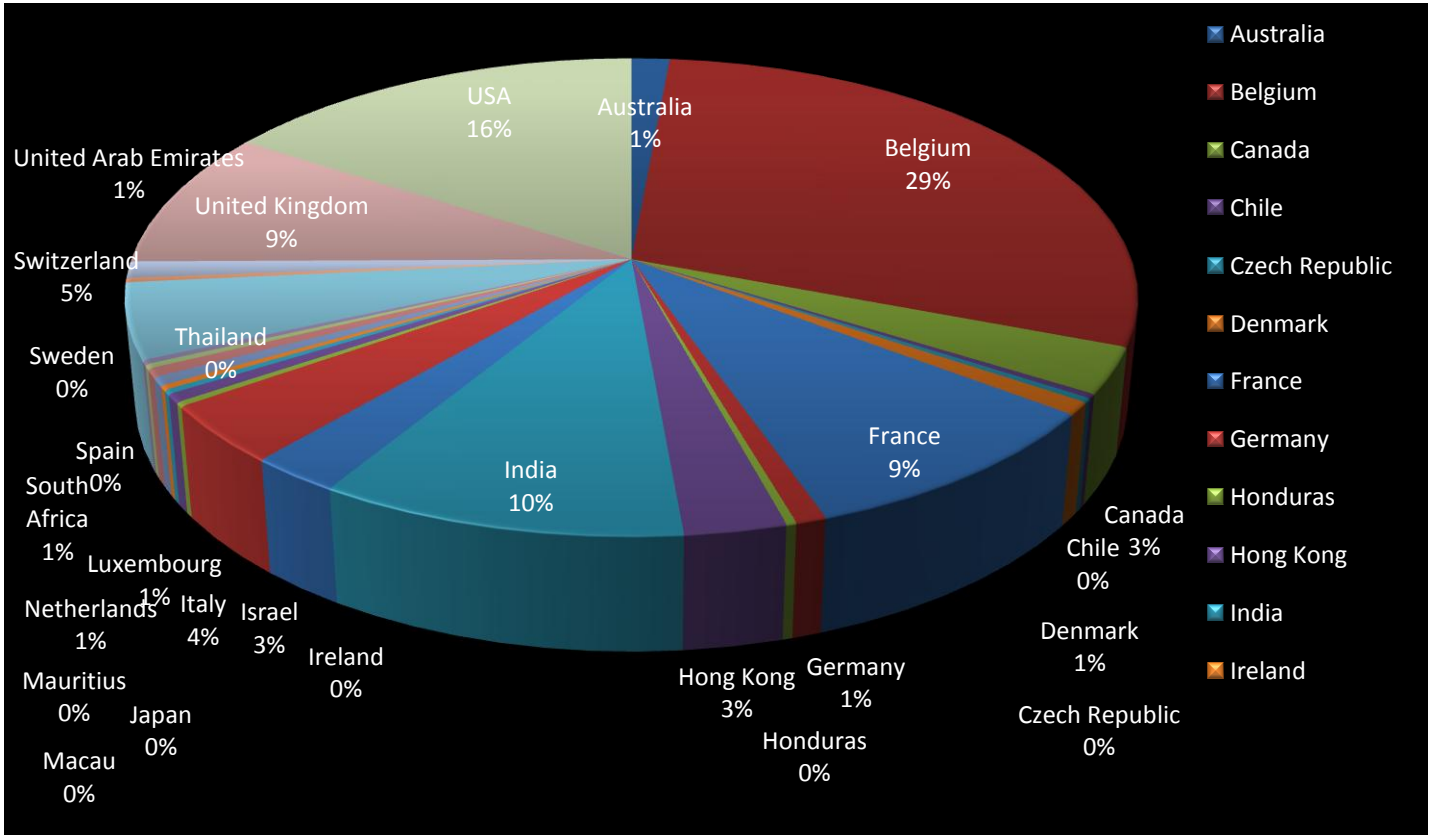
ii. How to identify key risks in your sector

iii. Preparing for Audits

Participation by Members can be seen is all levels of RJC Committee work, Standards, Communications and Accreditation/Certification.

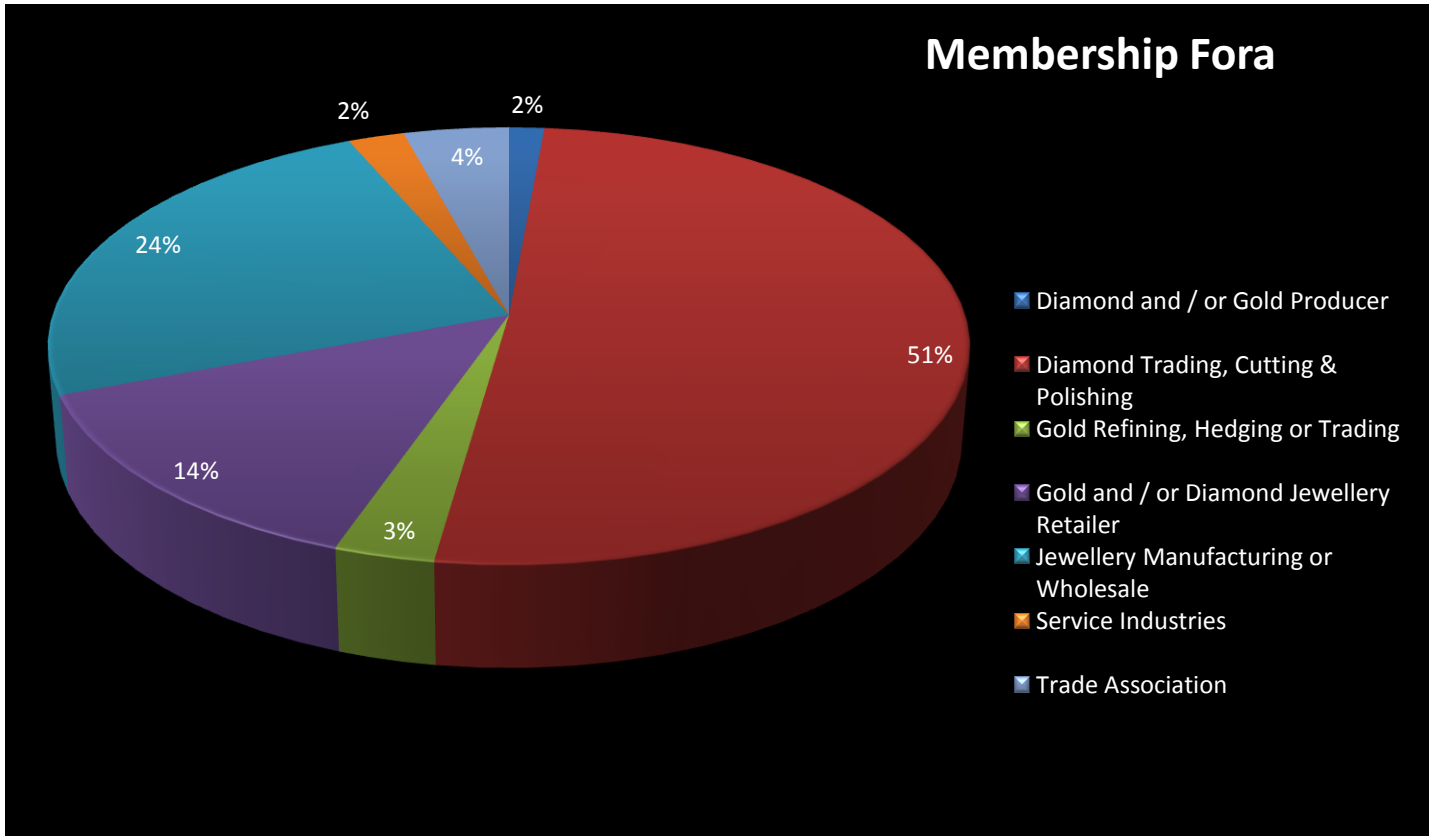
Geographical Location of RJC Members

The list of RJC Members is available at:
http://www.responsiblejewellery.com/members/





RJC Membership - by Fora



15 RJC Trade Association Members

Responsible Jewellery Council

Jewelers of America

MEMBER THE BJA BJA.ORG.UK

NAG National Association of Goldsmiths

World Gold Council

American Gem Society
Consumer Protection Since 1934™

BJOP
Union Française de la Bijouterie, Joaillerie, Orfèvrerie, des Pierres & des Perles

The Danish Jewellers Association

Platinum Guild International

Confindustria Federorafi
Federazione Nazionale Orafi Argentieri Gioiellieri Fabbricanti

Club degli Orafi Italia

Federatie Goud en Zilver

IDMA
International Diamond Manufacturers Association

Saint Eloi
Union du Commerce Horlogerie Bijouterie

AWDC
Antwerp World Diamond Centre

assogemme
associazione italiana pietre preziose e affini
Confindustria

10 RJC Supporters

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















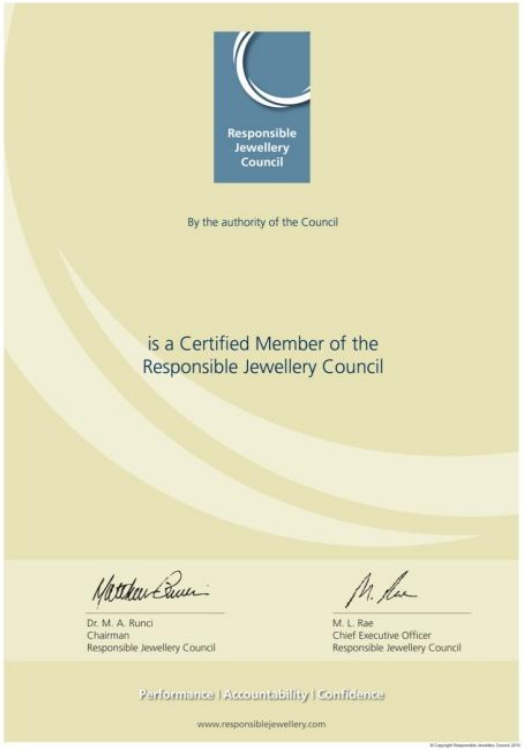






RJC Certified Members

The list of RJC Certified Members is available at:
http://www.responsiblejewellery.com/members/certified-members/



RJC Partnership

Responsible Jewellery Council

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



RJC is Associate 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.

- As an Associate Member, RJC commits to ISEAL's mission and Code of Ethics.

- RJC will be audited for full compliance with the ISEAL Codes of Good Practice in standards setting and impacts evaluation within 12 months, in order to graduate to a Full Member of ISEAL.



RJC Consultative Panel

RJC has established a Standards Consultative Panel of external stakeholders to engage in ongoing standards development activities with the Council. You will find the major NGOs and stakeholders in the list below:

Standards / supply chain associations

- Alliance for Responsible Mining
- Diamond Development Initiative
- Fairtrade Foundation
- International Colored Gemstone Association
- International Diamond Council
- Jewelers Vigilance Committee
- London Bullion Market Association
- Transfair USA

Non-government organisations

- Conservation International
- Enough Project
- Fauna and Flora International
- Global Witness
- Human Rights Watch
- PACT

Non-government organisations (cont.)

- Partnership Africa Canada
- Solidaridad
- WWF CARPO

Research/consultancy

- Centre for Socially Responsible Mining, University of Queensland
- Estelle Levin, Development Consultant
- Eden Project

Chain of custody systems

- Brinks
- Historic Futures
- OECD – Conflict Minerals – Supply Chain Due Diligence working group
- STR Responsible Sourcing
- Track Record
- Verite USA

RJC cooperates with SAI, ARM & DDII to advance their shared objectives which include:

Responsible Jewellery Council

SAI SOCIAL ACCOUNTABILITY INTERNATIONAL

- 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.

Alliance for Responsible Mining

- 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.

ddi Diamond Development Initiative

- 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 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

Governance of the Council

Officers of the Council

Chairman: Matt Runci: Jewelers of America

Vice-Chairman: John Hall, Rio Tinto

Honorary Secretary: Mark Jenkins, Signet plc

Honorary Treasurer: James Suzman, De Beers Group

Committee Chairs

Executive Committee: Matt Runci, Jewelers of America

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

Communications Committee: John Hall, 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, CEO

Governance of the Council

The Members of the Board of Directors are:

Allchin, Michael – Birmingham Assay Office
Baker, Donna – Gemological Institute of America
Batson, Ruth – American Gem Society
Bonas, Charles – Bonas & Co. Ltd.
Chaudri, Fazal - Exelco International Ltd
Cox , Bruce – Rio Tinto
Cunningham, Vicki – H.Cunningham Fine Jewelry Inc
De Blanchard, Dominique - Cristofol Paris
Fornas, Bernard – Cartier
Hall, John – 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
Mehta, Dilip – Rosy Blue NV
Palmer, Derek - Pluczenik Diamond Company NV
Pinet-Cuoq, Bernadette - Union Française BJOP
Prevel, Patrick Martin - Christian Bernard Group
Runci, Matt – Jewelers of America
Simelane, Yedwa – AngloGold Ashanti Limited
Suzman, James – De Beers Group

Contacts – RJC Management Team

Michael Rae ,Chief Executive Officer
Email: michael.rae@responsiblejewellery.com

Catherine Sproule, Chief Operations Officer
Email: catherine.sproule@responsiblejewellery.cm

Fiona Solomon, Standards Development Director
Email: fiona.solomon@responsiblejewellery.com

Mila Bonini, Communications Manager
Email: mila.bonini@responsiblejewellery.com

Anna Leach, Administrative Manager
Email: anna.leach@responsiblejewellery.com

Helen D'Ambrosio, Administration Coordinator
Email:helen.dambrosio@responsiblejewellery.com

Marieke Van der Mijn, Standards Coordinator
Email: marieke.vandermijn@responsiblejewellery.com

Chinelo Etiaba, Membership Coordinator
Email: chinelo.etiaba@responsiblejewellery.com

Responsible Jewellery Council
First Floor
Dudley House
34-38 Southampton Street
London
UK WC2E 7HF

General Enquiries:
info@responsiblejewellery.com

Tel: +44 (0)20 7836 6376