

# COMMERCIAL MEMBERSHIP

**Application Guidance** 

JUJIY 2019

# PART 1: APPLICATION GUIDANCE

The Responsible Jewellery Council is a global membership and standards setting organisation, which helps companies of all sizes, throughout the jewellery supply chain, meet the rising ethical demands of peers, consumers, financial institutions and civil society. It does so by providing a clear set of standards – the RJC 'Code of Practices' - which is verified through a third party, independent, auditing process.

By adopting and adhering to the RJC's Code of Practices, companies achieve RJC certification and access a pathway to address sustainability best practices which align with the 17 United Nations Sustainable Development Goals (SDGs).

The current material scope for RJC membership and certification is diamonds, coloured gemstones (rubies, sapphires and emeralds), gold, silver and platinum group metals (rhodium, palladium and platinum).

#### WHY JOIN?

RJC membership gives you access to our unique certification programme, which is a gateway for sustainable growth for businesses. Membership differentiates your company, delivers value and advances your business interests by helping you:

- ✓ Gain a competitive edge with opportunities to build stronger commercial relationships and gain access to preferred customers and suppliers.
- ✓ Demonstrate due diligence and protect your reputation With an increasing number of consumers globally now buying and boycotting brands based on belief, RJC certification acts as a demonstration of due diligence to suppliers, partners, investors and shop-floor customers.
- Access complimentary training and support to improve your business practices and internal management systems to ensure a sustainable future for your company.

- ✓ Get noticed with an exclusive profile page on our website, a unique certified member logo and a certificate for use on your company's media (online and offline), you can raise your profile as a responsible business.
- ✓ Make an impact through supporting a global vision for a more responsible world-wide supply chain that promotes trust in the global fine jewellery and watch industry; participating in RJC governance and joining other like-minded professionals as we influence and drive positive change globally.

#### MEMBERSHIP ELIGIBILITY REQUIREMENTS

#### To be eligible for RJC commercial membership, you must:

- 1. be actively involved for commercial reasons in the diamond, coloured gemstones (rubies, sapphires and emeralds) gold, silver and/or platinum group metals jewellery and watch supply chain; and
- 2. be exempt from the role of consultant, advisor, third party auditor or any other similar entity; and
- 3. agree to allow the RJC to place your company name on the RJC's website, accompanied by the date of joining and your applicable certification status; and
- 4. submit to the RJC's head office in London, UK:
  - a. parts 2 and 3 of the application form completely signed and dated.
  - b. evidence that your company is actively involved for commercial reasons in the diamond, coloured gemstones (rubies, sapphires and emeralds), gold, silver and/or platinum group metals jewellery and watch supply chain; and
  - c. an official group structure chart
- 5. Make payment of the annual membership fee within 30 days of receiving the invoice.

Please note that only RJC members in good standing, with paid fees are eligible for RJC certification and eligible to vote at Annual General Meetings.

All our documentation is in the process of being rebranded.
We appreciate your patience and understanding during this time.

#### COMMERCIAL MEMBERS OF THE RJC COMMIT TO:

- a. achieve certification against the RJC's Code of Practices (COP) within the first two years of joining the membership;
- b. comply with the antitrust policy and rules adopted by the RJC in its dealings with the RJC and other RJC members;
- c. comply with the rules adopted by the RJC for the use of its logo and intellectual property;
- d. implement continuous improvement processes to achieve increased performance and higher standards for responsible business practices;
- e. support the RJC mission and vision of a responsible world-wide supply chain that promotes trust in the global fine jewellery and watch industry.

#### **HOW TO JOIN:**

Apply: complete the commercial membership application form (part 2) and the membership agreement (part 3) and send them back to applications@responsiblejewellery.com along with evidence that your company is actively involved for commercial reasons in the diamond, coloured gemstones (rubies, sapphires and emeralds), gold, silver and/or platinum group metals jewellery and watch supply chain.

Evidence may include websites, annual reports, incorporation documents, business licences, invoices, trade references, etc



Application review: once your application is received, we will contact you as part of our due diligence on your application. Invoice: If your application is approved, you will be sent an annual membership fee invoice based on the information supplied in the application form.

Payment and Confirmation: When this payment is received, we will contact you to confirm your membership. You will be sent a new member welcome pack by email and your details will be added to our membership list on our website to evidence your membership of the RJC.



We will endeavour to process your application within 30 working days

#### CHOOSING YOUR MEMBERSHIP FORUM

To enable fair representation of the membership at all levels of RJC's decision making, all commercial members are grouped into categories based on their activities within the supply chain. These categories are called "Membership forums".

Each membership forum represents the different sectors of the fine jewellery and watch supply chain from mine to retail. They also determine voting rights within the RJC governance system, and the applicable annual membership fee rate.

#### The six RJC commercial membership forums are:



Diamonds, coloured gemstones and precious metals miner



Precious metals trader, refiner and/or hedger



Diamonds and coloured gemstones trader, cutter and/or polisher



Jewellery and watch manufacturer and/or wholesaler



Jewellery and watch retailer



Service Industry

Each commercial member is entitled to join the **one** membership forum, which most closely represents the predominant nature of its business.

In cases where a member's business activities cut across multiple sectors of the jewellery and watch supply chain, the member must choose the **one** forum (sector) from which it derives the most significant portion of its Annual Relevant Sales (ARS).

For example, if you are engaged in both manufacturing and retail activities but you derive more income from your manufacturing activities than from your retail activities, then you should select 'jewellery manufacturer' as your membership category.

Please note that membership fee calculations will still be based on the total annual relevant sales for the member.

If the nature of a member's business changes, they are entitled to be moved to an alternative membership forum after informing the RJC of the change in their business activity.

Members are not entitled to change their forum more than once in a calendar year.

	Membership forum	Description of business activity
Ÿ	Diamonds, coloured gemstones and precious metals miner	Mining companies only (including small scale mines)
	Precious metals trader, refiner and/or hedger	Refining companies, trading and hedging companies for example, banks, bullion merchants, etc
	Diamonds and coloured gemstones trader, cutter and/or polisher	Loose gemstone companies involved in the treatment, manufacturing and trading of rough and/or polished diamonds and coloured gemstones including supply, auctions, online trading, brokerage etc
₩	Jewellery and watch manufacturer and/or wholesaler	Jewellery and watch manufacturing companies including those that supply watch dials and services including polish, surface treatment, jewellery repair, stone setting, jewellery fabrication etc
<b>S</b>	Jewellery and watch retailer	Jewellery and watch retail stores including department stores with jewellery and watch retail concessions, online retail etc
O,	Service Industry	Gem labs, assay offices, secure transport and logistic companies

#### **DEFINING YOUR MEMBERSHIP SCOPE**

The RJC membership scope refers to all the business entities and/or facilities (including retail stores, trading offices, manufacturing sites, etc) that are owned by, or are under the control of the applicant and which actively contribute to the diamond, coloured gemstones (rubies, sapphires and emeralds) gold, silver and/or platinum group metals jewellery and watch supply chain.

If the applicant has ownership and/or control (as defined below) of any entity/facility, such an entity/facility must be included in the scope table in section three of the membership application form (Part 2).

"Control" means having the beneficial ownership of 50% or more of the issued share capital of a company or the power to direct or cause the direction of the management of the company (including by setting workplace standards and enforcing their application).

Application for, and continuing membership of the RJC is conditional upon your disclosure of all eligible entities you own and control at all times. Failure to list all eligible entities that are owned and/or controlled by the applicant company may result in the cancellation of your application or termination of your membership of the RJC, without prejudice to any other right or remedy of the RJC.

The membership scope becomes your certification scope following your RJC certification audit.

In all cases, a member's certification scope is reviewed by auditors, documented in the audit report and checked by the RJC. Each member's certification scope is then published on the RJC website. Further information on membership and certification scope can be found in the RJC assessment manual.

#### ANNUAL RELEVANT SALES - MEMBERSHIP FEE CALCULATION

A key principle of the RJC is to be inclusive, encouraging organisations of all sizes to contribute to the overall aim of promoting responsible business practices throughout the diamond, coloured gemstones, gold, silver and platinum group metals jewellery and watch supply chain. To achieve this, annual membership fees for commercial members are calculated as a percentage of their annual relevant sales, as defined below:



Annual Relevant Sales (ARS) are defined as the total sales derived from those parts of the applicant's business that are directly involved in the diamond, coloured gemstones (rubies, sapphires and emeralds), gold, silver and/or platinum group metals jewellery and watch supply chain, for the financial year immediately preceding the date of the application or renewal date.



For members in the precious metals, refiner, trader and hedger forum, the ARS is defined as the total net income received from the refining of precious metals i.e. the refining/handling fees charged for the refining of precious metals that are sold and directly involved in the diamond, coloured gemstones, gold, silver and/or platinum group metals jewellery supply chain.



**Jewellery** includes, but is not limited to, bracelets, rings, earrings, brooches, necklaces and watches that contain diamonds, coloured gemstones (rubies, sapphires and emeralds), gold, silver and platinum group metals. Gold, silver and platinum metals that are by-products of mining activity must be included. Sales derived from non-diamond, non-gold, non-silver and non-platinum group metals jewellery products may be excluded.

The RJC reserves the right to request additional information about an applicant's declared ARS figure to ensure consistency of fee payments across the RJC's membership.

#### **CURRENT MEMBERSHIP FEE RATES**

Membership forum	Annual membership fee rates			
• Diamonds, coloured gemstones and precious metals miner; or	0.006% of annual relevant sales			
Jewellery and watch retailer;	Minimum and maximum fees apply			
Precious metals trader, refiner and/or hedger;				
• Diamonds and coloured gemstones trader, cutter and/or polisher;	0.004% of annual relevant sales			
<ul> <li>Jewellery and watch manufacturer and/or wholesaler;</li> </ul>	Minimum and maximum fees apply			
Service industry e.g. gem laboratories, logistic companies.				

Minimum fee: £500 GBP or \$790 USD

Maximum fee: £63,750 GBP or \$102,000 USD

Membership starts in the month of payment and subscriptions run for 12 months on a rolling year

In the case of applicants who have been in business for less than a year, with no ARS figures, the minimum fee applies. Registration details to confirm the start date of the business must be submitted along with the application.



## In addition to the preceding information, the RJC's membership fees terms ("Fees Terms") which will apply to membership are as follows:

- 1. Membership fees must be paid in full in accordance with the payment terms on invoices we issue, without any deduction or set off of any kind.
- 2. Membership fees, once paid to the RJC, are non-refundable in all circumstances.
- 3. Without prejudice to any other right or remedy of the RJC, if a member fails to make any payment of membership fees by the due date for payment, the RJC may in its sole discretion opt to suspend their membership, including removing their website listing until the overdue membership fee is paid.
- 4. If any member fails to pay its subscription membership fee on the due date for payment for three calendar months, the RJC may (without prejudice to any other right or remedy of the RJC) opt in its sole discretion at any time to terminate such member's membership and remove the member from RJC's membership lists.

#### REJOINING THE RJC AFTER TERMINATION

RJC recognises that there may be legitimate reasons for a termination and/or failure to meet the applicable certification deadline. The conditions for re-joining the RJC are documented on our website and summarized in the table below.

	Applicable stand-down period	Conditions for re-joining within the stand-down period with certification audit	Conditions for re-joining after the stand-down period without certification audit
Rejoining the RJC following termination for any reason	2 years	<ul> <li>Complete RJC COP certification audit with an RJC accredited auditor</li> <li>Audit firm must submit complete audit report to RJC before the business can re-apply for RJC membership</li> <li>RJC will only reinstate the membership and process the audit report when the membership fee invoice is paid.</li> <li>RJC will issue certification (if achieved)</li> </ul>	<ul> <li>Wait two years</li> <li>Apply for RJC membership</li> <li>Achieve RJC certification within six months of joining or forfeit membership.</li> </ul>

# OVERVIEW OF THE COMPULSORY CODE OF PRACTICES (COP) CERTIFICATION.



RJC commercial members commit to achieving RJC Code of Practices (COP) Certification within the first two years of joining. Failure to achieve this certification within the specified timeframe will result in the immediate termination of the membership even if membership fee payments are up to date.

The certification process involves:

- 1. <u>Self-Assessment</u>: undertaking a self-assessment to review your performance against the COP
- 2. <u>Training</u>: accessing the complimentary tools and liaising as necessary with the RJC help desk and management team
- 3. Audit: booking your audit with an RJC accredited audit firm of your choice from the list available on our website.

For further information on RJC certification please visit www.responsiblejewellery.com

#### YOUR ONGOING INVOLVEMENT WITH THE RJC

Following the achievement of the initial certification, membership is conditional on your continued maintenance of the certification through regular re-certifications as and when due. If your certification lapses, the RJC may in its sole discretion elect to terminate your membership with immediate effect and without liability to you of any kind. For the avoidance of doubt, the RJC shall have no obligation to refund any membership fees which have been paid to the RJC in respect of the period following termination.

### **GLOSSARY**

Applicant	Any body (or person) eligible for membership in accordance with the Articles of Association which (or who) wishes to be considered for membership of the Council.
Antitrust Policy & Rules	RJC makes clear its unequivocal support for the policy of competition served by Antitrust Laws, as well as its uncompromising intent to comply strictly in all respect with those laws. Full details on the RJC's policies including the Articles of Association can be found on the website <a href="https://www.responsiblejewellery.com">www.responsiblejewellery.com</a>
ARS	Annual Relevant Sales (ARS) are defined as the total sales derived from those parts of the applicant's business that are directly involved in the diamond, coloured gemstones (rubies, sapphires and emeralds), gold, silver and/or platinum group metals jewellery and watch supply chain, for the financial year immediately preceding the date of the application or renewal date.
ARS for Refiners	For members in the precious metals, refiner, trader and hedger forum, the ARS is defined as the total net income received from the refining of precious metals i.e. the refining/handling fees charged for the refining of precious metals that are sold and directly involved in the diamond, coloured gemstones, gold, silver and/or platinum group metals jewellery supply chain.
Audit	Assessment carried out by an independent, RJC-accredited, third party to confirm a RJC member's conformance with the RJC COP. Audit types include certification audits, mid-term reviews and recertification audits.
Certification	Confirmation, based on the results of a valid certification audit, that a company conforms with a specific standard. For RJC members, this is conformance with the COP.
Code of Practices	The RJC's set of standards that defines responsible ethical, human rights, social and environmental practices, which are applicable to all RJC members.
Coloured gemstone	A coloured gemstone forms in nature. Each variety has unique chemical, optical and physical properties. All mentions of 'coloured gemstones' throughout the application refer to the defined material scope which includes only rubies, sapphires and emeralds.
Diamond	A diamond is a mineral that has been formed completely by nature without human interference during its formation.
Employee	An employee is an individual who has entered into, or works under, a contract of employment, service or apprenticeship with an RJC member. This includes permanent, temporary, full-time, part-time, casual, homework and seasonal employees at any level.
Entity	A business or similar that operates one or more facilities owned or controlled by an RJC member. A member can be one or more entities.
Facility	A site or premises that is:  under an RJC member's control; and that  actively contributes to the gold, silver, PGM, diamonds, coloured gemstones or jewellery supply chain.
Gold	A rare yellow metallic element with the chemical symbol Au. It is a mineral with specific hardness of 2.5–3 on the Mohs scale of hardness and the atomic number 79.
Jewellery	An adornment containing gold, silver or PGM and/or set with diamonds, coloured gemstones or synthetic stones. Jewellery includes, but is not limited to, bracelets, rings, necklaces, earrings and watches.
Membership Scope	This refers to all the facilities the member owns and/or controls that contribute to the gold, silver, PGM, diamond and coloured gemstone jewellery supply chain.
Platinum group metals	Precious metallic elements with similar physical and chemical properties that tend to occur together in the same mineral deposits. Under the COP, PGM includes rhodium, palladium and platinum.
Silver	A shiny greyish-white metal with the chemical symbol Ag. It is a mineral with specific hardness of 2.5 on the Mohs scale of hardness and the atomic number 47.