



BUILDING RESPONSIBLE JEWELLERY SUPPLY CHAINS

*RJC Impacts Report
June 2014*



Responsible
Jewellery
Council

VISION

Our vision is a responsible world-wide supply chain that promotes trust in the global fine jewellery and watch industry.

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.

VALUES

These values guide our decisions and actions:

- *We are respectful and fair*
- *We practice honesty, integrity and accountability*
- *We engage in open collaboration*

The front cover shows Julia Navinta Montalvo and Naty Chuquillanqui Durand, two *pallaqueras*, women who collect low-grade ore from tailings discarded by other miners and sell it to Minera Yanaquihua, an RJC Member, for processing. These women are often widows or single mothers and have no other option to earn a living. Minera Yanaquihua supports them by buying their ore, providing boots, gloves and helmets, and other forms of technical support in order for this tight-knit community of women to increase their production and earn a safe and sustainable livelihood alongside the male miners on the concession.



ABOUT THIS REPORT

Welcome to RJC's first Impacts Report! In these pages, we aim to review the first four years of RJC's Certification programs during 2010 to 2013. Drawing on audit data, collaboration reports and independent studies, we provide a snapshot of RJC's mine to retail activities in the jewellery supply chain. We examine progress to date and also review the challenges still ahead.



***Dr Fiona Solomon, Director
– Standards Development***

Certification is one tool within broader efforts to improve practices and create more responsible supply chains. It can provide a common language and platform between business partners, incentivise uptake of better practices through an independent third party process, and in standards development, create a forum for multi-stakeholder dialogue on what should be required of supply chains.

However certification alone is not the end goal. RJC's Theory of Change highlights that standards and certification tools also need to be complemented by broader capacity building efforts, and collaboration and harmonisation with other supply chain initiatives in order to create mutually beneficial outcomes. RJC is working hard to grow these essential programs with our many partners so as to extend our collective reach and impact.

Since RJC covers so many sectors, this first report has opted to focus in on three highly topical areas: the gold mining sector, with case studies in Latin America; the diamond cutting and polishing sector in India, where 11 out of 12 of the world's diamonds are cut and polished; and small-to-medium enterprises (SMEs) with annual turnover of US\$50 million or less, which make up around 60% of RJC's membership. These three types of Members are reviewed through the lens of RJC's Code of Practices with a view to understanding issues and impact. The fourth area highlighted is the broader focus on responsible supply chains, and the role of RJC's Chain-of-Custody standard in supporting supply chain due diligence.

We sincerely thank all who have contributed to this report directly and indirectly – Members who have joined RJC and committed to responsible practices, Accredited Auditors through their facility assessments and audit reports, and partners and researchers who have provided independent perspectives on these efforts. We welcome feedback on the analysis and look forward to further expanding our Monitoring and Evaluation program, enabling us to provide deeper insight into progress and impacts in coming years.

What is an impacts report?

An impacts report aims to answer the question of ‘what difference does this program make?’ Drawing on data, case studies and evidence, it aims to evaluate what a program is achieving for relevant stakeholders. It enhances transparency and can foster a better public understanding of an initiative.

Why is RJC reporting?

As a full member of the ISEAL Alliance, RJC commits to follow the ISEAL Impacts Code and report annually on its Monitoring and Evaluation program. This process provides RJC with valuable feedback on the effectiveness of its strategies and programs, prompting improvements. We welcome your feedback and questions.

RJC Certification currently focuses on business dealings with diamonds, gold and / or platinum group metals.

What are the key findings of this report?

As the first report on RJC’s Certification programs, this report sets out a baseline for future evaluations. Overall, it shows that RJC appears to be an effective catalyst for change, helping companies meet compliance needs and build a better business.

Key findings include:

- Uptake of RJC Certification continues to grow year on year, and in relevant sectors. Around the world, there are now more than 270,000 employees working at more than 5,900 Facilities covered by RJC Certification.
- While the mining sector still has low uptake within RJC, two case studies show that RJC standards are having a positive impact in setting new benchmarks for good practice.
- Uptake of RJC Certification in India is positive, and further growth is anticipated. An independent evaluation finds that RJC’s standards can help the Indian industry manage key risks.
- Small-to-medium enterprises (SMEs) already represent more than half of RJC’s Membership. Certification can be successfully achieved by SMEs, but more can be done to raise awareness and support uptake.
- Working in partnership with key stakeholders is crucial to support implementation of, and demand for, responsible practices in jewellery supply chains. RJC’s standards harmonisation efforts have contributed greatly to the increasing focus on gold supply chain due diligence.



CONTENTS

<i>PAGE</i>	<i>SECTIONS</i>
1.	<p>RJC Theory of Change</p> <p>RJC's Theory of Change shows the breadth of supply chain participants and issues covered by RJC standards, and maps strategies, direct outputs, desired outcomes and desired impacts. How can these work to effect change?</p>
2.	<p>Progress towards Desired Outcomes</p> <p>RJC aims to build critical mass in key regions and sectors; support effective implementation of standards and continuous improvement; and increase demand for RJC Certified Members. How are we tracking?</p>
3.	<p>Impact Evaluations in Three Sectors</p> <p>While RJC covers mine to retail, the 2014 Impacts Report has a special focus on three themes in particular – mining, India and small-to-medium enterprises (SMEs).</p>
3.1	<p>Artisanal and Formal Gold Mining in Honduras and Peru</p> <p>Mining activities range from industrial to artisanal – and some mine sites feature both. Two case studies highlight efforts of RJC Members to create working alliances between artisanal and formal mining, with the support of downstream and civil society partners.</p>
3.2	<p>Diamond Trading, Cutting and Polishing in India</p> <p>India is a major player in the diamond pipeline, and uptake of RJC Certification is still young but positive. An independent impact assessment highlights that RJC's standards are strongly aligned to key risks, and is helping to instil and highlight best practices.</p>
3.3	<p>Small and Medium-scale Enterprises</p> <p>Small-to-medium enterprises are a big part of RJC. An independent research study points to some of the challenges and opportunities for CSR efforts by SMEs in the jewellery sector, and RJC analyses find that SMEs share the same non-conformance profile on average as all Members.</p>
4.	<p>Responsible Supply Chains</p> <p>RJC Certification provides most impact in the context of broader supply chain efforts. Find out more about the relevant initiatives and frameworks that Certification supports, RJC's standards harmonisation efforts and other implementing programs.</p>
	<p>Appendices</p> <p>Where to find more detail on all non-conformance trends and a list of reports and articles that reference RJC.</p>
	<p>References</p>

I. RJC THEORY OF CHANGE

*What are the desired impacts of RJC's efforts? How can these be achieved?
What is RJC's role in creating change, alongside that of other stakeholders?
These and other questions are addressed in RJC's Theory of Change.*

RJC's Theory of Change, overleaf, is presented as a visual map tying together what RJC, Members and stakeholders bring to achieving the organisation's vision. It highlights what RJC enables and contributes to via its certification programs. It also defines RJC's strategies, intended outputs, and desired outcomes and impacts.

Four key assumptions underpin RJC's approach and RJC's Theory of Change has been framed in the context of these points:

Responsible practices include a broad set of issues and risks: The RJC Code of Practices (COP) has always covered a very wide range of sustainability and CSR issues in the jewellery supply chain. The 2013 revision has placed these in a new structure to highlight the six key areas of the Code of Practices. Most of the standard applies to all Members, though there are some tailored provisions that apply to specific activities, such as mining.

RJC's standards are supply chain wide: While many voluntary standards focus mainly on production, RJC's Certification is aimed at every sector in the diamonds, gold and platinum group metals jewellery supply chain from mine to retail. This recognises the important role that every supply chain actor can play in improving practices and also creates B2B incentives for uptake of better practices.

RJC helps individual Members catalyse broader supply chain change: With each Member that takes on the RJC standard, new connections to their own supply chains are formed. This is firstly driven from within the Code of Practices, especially in the 'Responsible Supply Chains and Human Rights' requirements. Members can also proactively reach through their individual supply chains to create greater awareness of the importance of good practice.

Collaboration, harmonisation and partnerships are essential: There are many organisations and initiatives working towards change in the jewellery supply chain. RJC is collaborating with a range of partners to harmonise between standards programs, support implementation of international and supply chain initiatives, and build capacity for better practices.

Effecting change is never solely attributable to the interventions of RJC: it depends on the internal commitment of companies, and the many efforts of supporting organisations and initiatives. We appreciate the opportunity to work with the growing numbers that are on this journey.

*What is a Theory of Change?
A Theory of Change sets out all
bring about a long-term goal. Sta
change in program planning and
a commonly understood vision of
will be reached, and what will b
the way.*



*the building blocks required to
akeholders can use theories of
evaluation because they create
the long-term goals, how they
e used to measure progress along*

RJC THEORY OF CHANGE



Capacity Building



Training and peer learning for effective management systems, assessments and continuous improvement

Standards & Certification Tools



Relevant and practical standards with credible and consistent audits

Supply Chain Initiatives



Collaboration and harmonisation across sourcing initiatives, supporting uptake and demand for responsible practices

WHOLE OF SUPPLY CHAIN



MEMBERS AND STAKEHOLDERS BRING:

Commitment to improve and demonstrate responsible practices

Desire to build internal capacity to manage sustainability issues

Diversity of market power, supply chain risks and pre-certification conditions

Connections to their own supply chains, wider stakeholder initiatives and consumers

RJC REQUIRES RESPONSIBLE PRACTICES OF MEMBERS:



DESIRED OUTCOMES

DESIRED IMPACTS



Building critical mass through increased uptake in key regions & sectors



Effective implementation of standards and continuous improvement



Increased demand for RJC Certified Members, B2B and by consumers

The global fine jewellery & watch industry respects human rights, the environment and stakeholder expectations

Supply chains build commitment to and reward responsible practices

Business customers and consumers have confidence and trust in diamond, gold and PGM products

LE

RJC ENABLES RESPONSIBLE SUPPLY CHAINS:

Opportunity for RJC Chain-of-Custody Certification

Harmonisation with related standards and framework

Partnerships with related supply chain initiatives and field implementers



RJC CONTRIBUTES TO:

Supply chain due diligence

Legal compliance

Anti-corruption

Better environmental management and reduction of impacts

Safe & healthy workplace

Rights and benefits for workers and impacted stakeholders

Community engagement & development

Improved market access

Consumer confidence

Monitoring and Evaluation

RJC's Monitoring and Evaluation (M&E) program is where we can evaluate whether our intended changes are happening, and where our strategies need adjusting or additional focus. The objectives of the RJC M&E program are to collect data, analysis and research that can be used to:

- Analyse trends, successes and challenges;
- Reflect on and adjust RJC's broad strategies and priorities;
- Improve the RJC's programs and their effectiveness in achieving the desired impacts;
- Understand and support the roles played by all stakeholders in improving practices;
- Enhance capacity in RJC, Members, Auditors and stakeholders by learning from experience.

Our M&E program has been developed in line with the ISEAL Alliance Impacts Code (2010), and we continue to take steps to expand and mature the program. The analysis in this first Impacts Report draws on available data from the last 3 years, as well as early results from the first pieces of commissioned and collaborative work. We also identify issues and areas where we want to evaluate further or deeper in coming years.

Levels of Analysis

The M&E program looks to collect data and information that enables us to evaluate our progress towards RJC's goals. The ISEAL Impacts Code differentiates between 3 levels of data collection. Level 1 is characterised by data that is collected regularly through existing systems (such as audit reports) and from all certified entities. Level 2 is characterised by more of a sampling approach of selected certified entities: this enables a focus on particular issues, for example those which may emerge from trends identified through Level 1 data, or to address key topics from the Theory of Change. Level 3 relates to broader impact evaluations, conducted by external researchers, and with various methodologies, which can include comparisons between certified and non-certified entities.

Level 1: RJC collects and monitors level 1 data through audit reports for all certified entities. Development of a new cloud database has enabled us to log and more easily drill down into audit data by sectors and issues, as well as identify data gaps where we would like to know more. The database development fed into the recent review of the Code of Practices and the 2013 standard now requires submission of additional M&E data in audit reports. Further development of the cloud database to support additional analyses is planned during 2014. Level 1 data analysis for this report can be found in the next section.

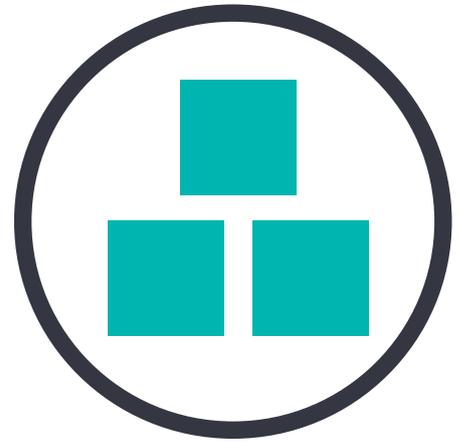
Level 2: RJC also collects additional data and evaluations through surveys, information requests from selected Members, and through studies that are commissioned or we are collaborating with. This report includes information on several case studies in the mining sector that have been developed with partner organisations. Later in 2014, we will commence a survey of all RJC Members relating to demand for certification, to report on in 2015.

Level 3: Finally, RJC commissions and participates in external research to evaluate effectiveness of RJC standards and better understand outcomes and impacts on the ground. In this report, we include some analyses from external researchers who have looked at the perspectives of small to medium enterprises (SMEs) and the diamond sector in India. These initial studies are the first step in ongoing work and research in these and other areas.

A full list of indicators for each of these areas can be found in RJC's M&E Systems Report, available on the RJC website: www.responsiblejewellery.com/monitoring-and-evaluation/



2. PROGRESS TOWARDS DESIRED OUTCOMES



Desired Outcome 1 – Building critical mass through increased uptake in key regions and sectors

In order to achieve our vision of a responsible world-wide supply chain for the fine jewellery and watch industry, critical mass of uptake of certification in key regions is essential. Stakeholder focus is currently aimed on the mining and refining sectors, particularly for conflict minerals due diligence relating to gold supply chains. India and China are critical regions for diamond cutting and polishing and jewellery manufacturing, which are labour-intensive activities that attract multiple audits from suppliers and customers and to which RJC can offer a harmonised approach. While there is strong uptake from leading brands and retailers in Europe and the US, there are also growing retail chains in India and China that have the potential to reach new consumer markets and back through their own domestic supply chains. Finally, gemmological laboratories are well represented within RJC, but assaying and secure transport are activities where we would like to see growth in uptake of RJC's standards.

As shown in the graphs below, RJC's Membership and Certifications as a whole have continued to grow each year, though percentage annual membership growth slowed to 16% in 2013, from a high of 46% in 2011. Sector and size of Members are also important metrics, and the 2014 report provides baseline benchmarks on these for this year so as to be able to compare year on year growth in coming years.

Highlights include:

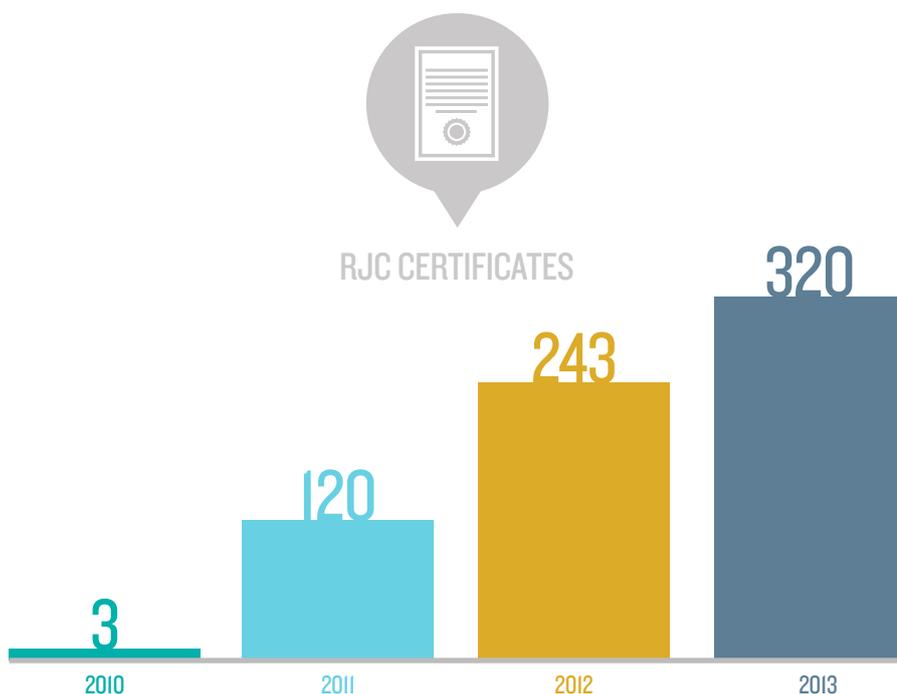
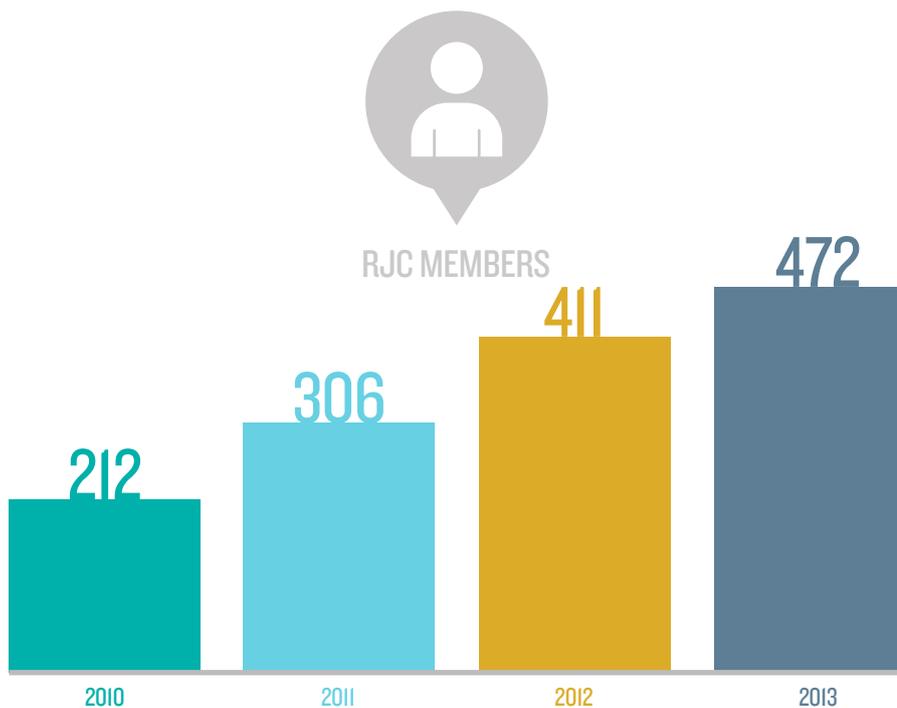
- Strong growth in refiners, due to increasing importance of audits of refiners' due diligence systems in gold supply chains.
- Reaching triple-digit uptake in both the diamond trading, cutting and polishing sector and jewellery manufacturing sector, due to encouragement from mining companies and retailers.
- A wide distribution of size of Member companies from under US\$2million annual turnover to above US\$500million.
- Growing number of facilities under RJC Certification in India, Japan and China.
- More than 271,484 employees working under RJC Certification across the world.

In 2014-2015, RJC's strategies for growth in key sectors and regions will include:

- Enhanced engagement in India to grow uptake among the diamond and jewellery manufacturing sector, as well as retailing.
- Support for harmonisation of companies' proprietary factory, supplier and customer audit programs with RJC Certification.
- Engagement with key stakeholders and initiatives in the mining sector.
- Improved tailored marketing of RJC Certification to key sectors and regions.

ANNUAL GROWTH IN MEMBERSHIP AND CERTIFICATIONS

Overall growth



RJC Membership

RJC offers two different kinds of Membership; **Commercial Membership** and **Trade Association Membership**. Organisations who are not eligible for Commercial Membership of the Council but who seek to support achievement of the Council's mission through financial and/or in-kind support can seek to become an **RJC Supporter**.



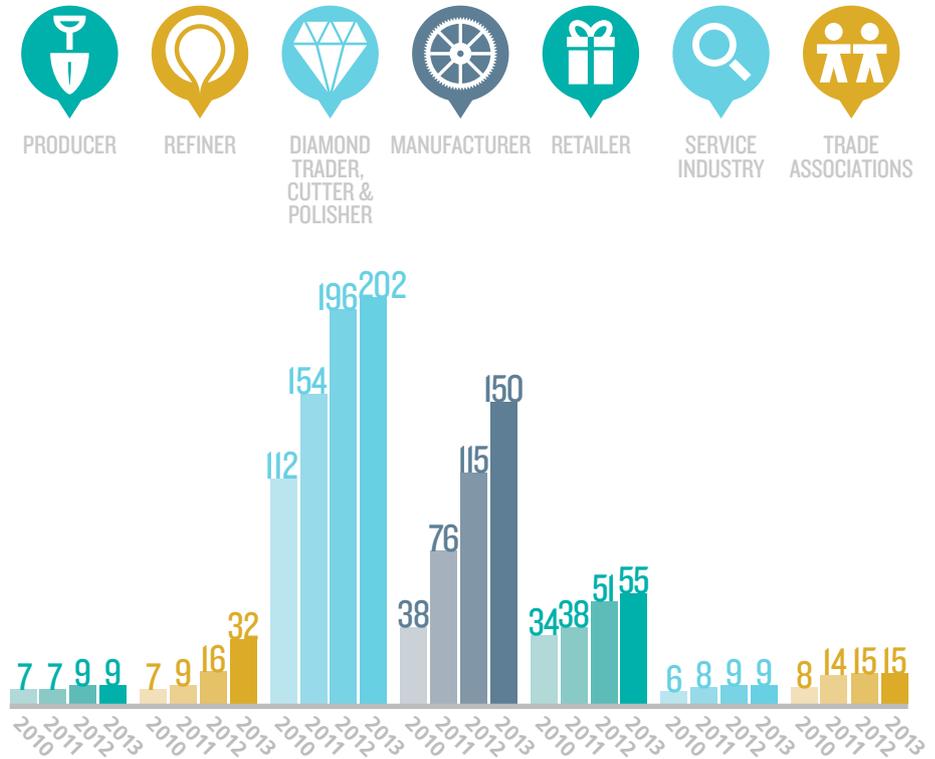
Commercial Membership is open to any company that is actively involved in the diamond, gold and platinum group metals jewellery supply chain. RJC Commercial Members are grouped into 7 Forums representing different parts of the diamond, gold and platinum group metals jewellery supply chain. These include:

- Diamond, gold and/or platinum group metals producers;
- Diamond trader and/or cutter and polishers;
- Gold and/or platinum group metals trader, refiner, hedgers
- Jewellery Manufacturer or Wholesalers;
- Jewellery Retailers;
- Service Industries.

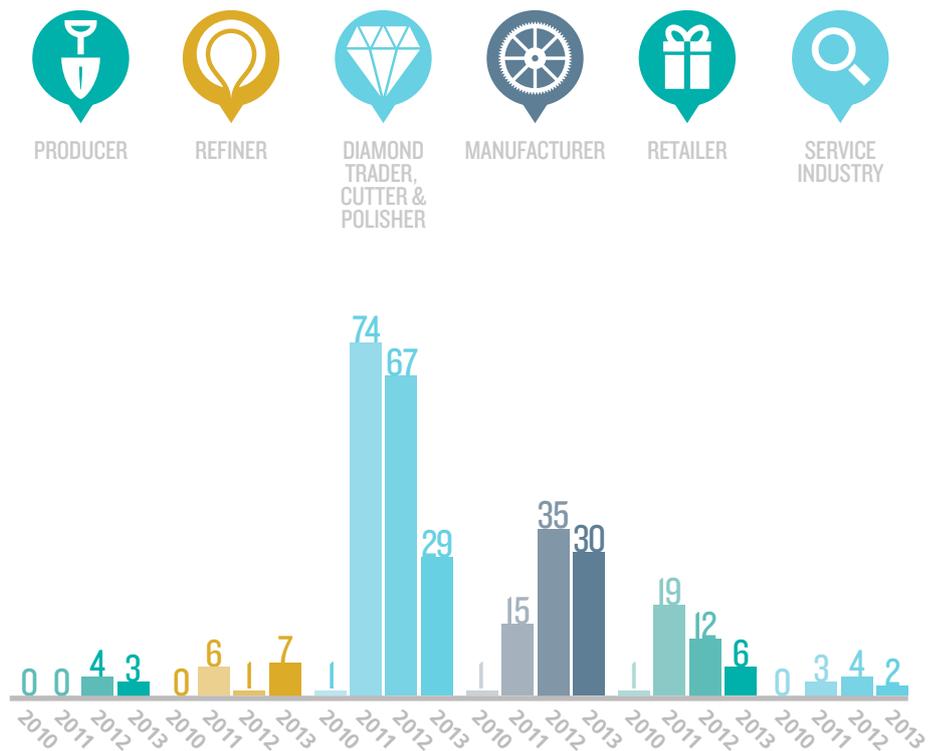
Each RJC Commercial Member commits to the RJC Code of Practices and to achieving Certification within two years of joining.

RJC Trade Association Membership is open for trade associations whose members are actively involved in the diamond, gold and platinum group metals jewellery supply chain. RJC Trade Association Members and RJC Supporters are not required to seek RJC Certification.

Growth in membership by Sector

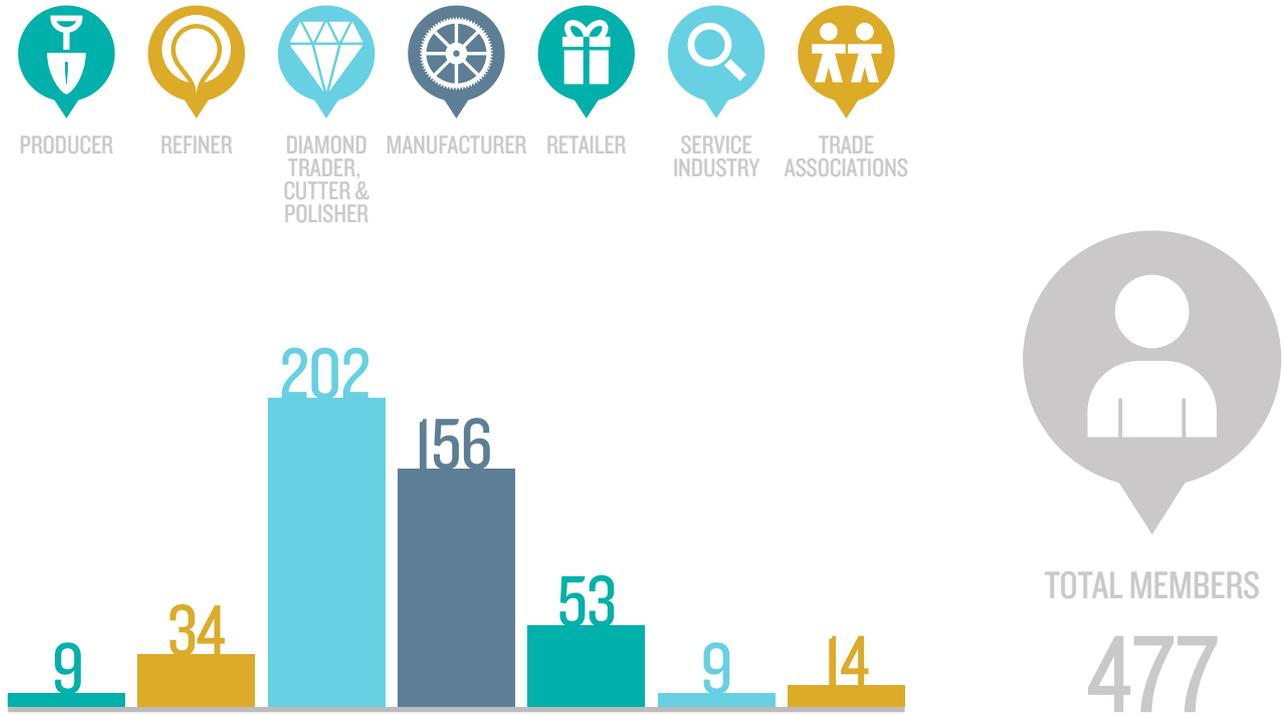


Annual Growth of Code of Practices Certifications by Sector

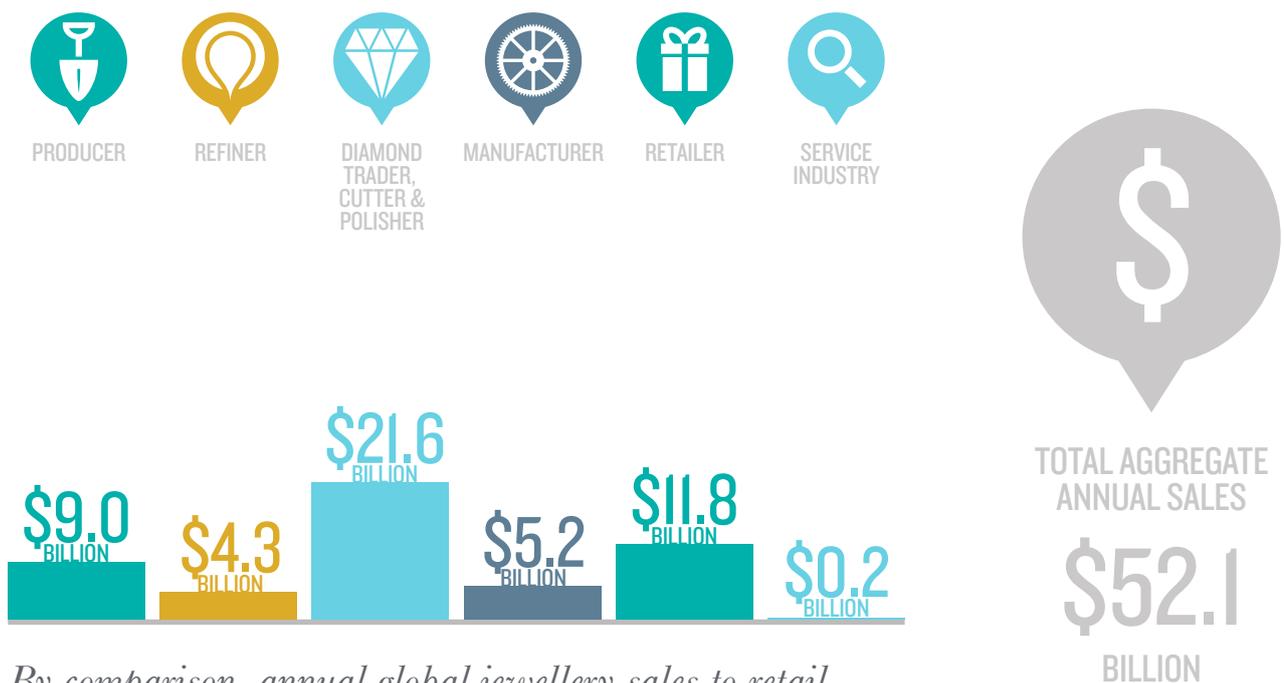


CURRENT MEMBERS BY SECTOR AND SIZE

Current Number of Members by Forum at 30 April 2014



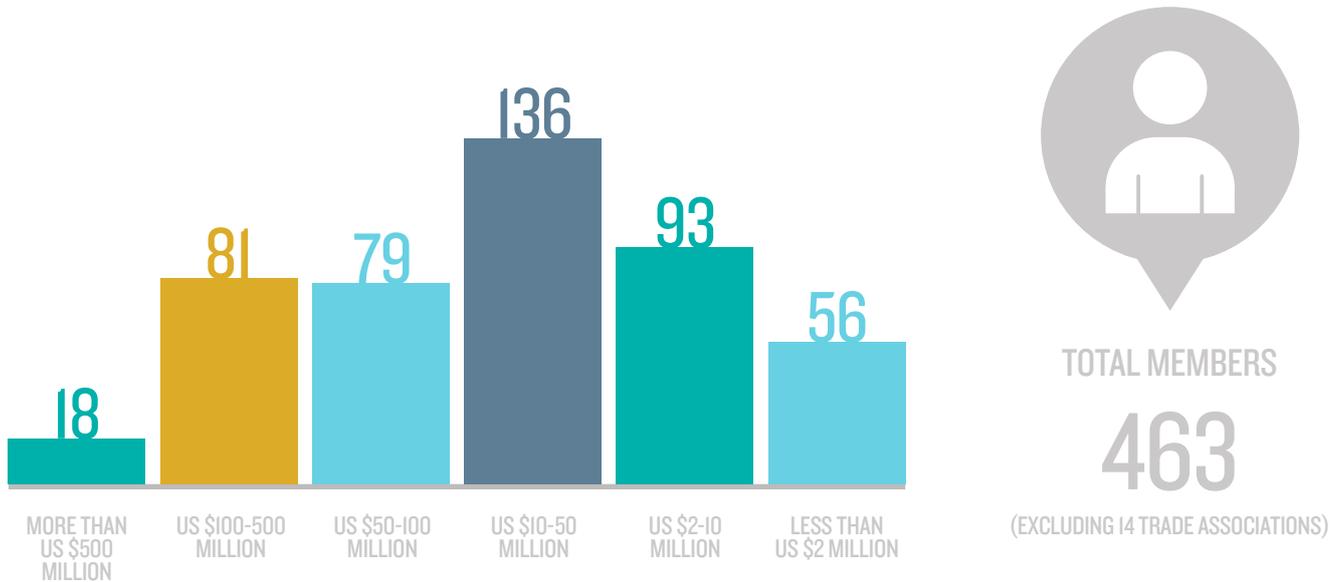
Aggregate Annual Sales of RJC Commercial Members by Forum at 30 April 2014



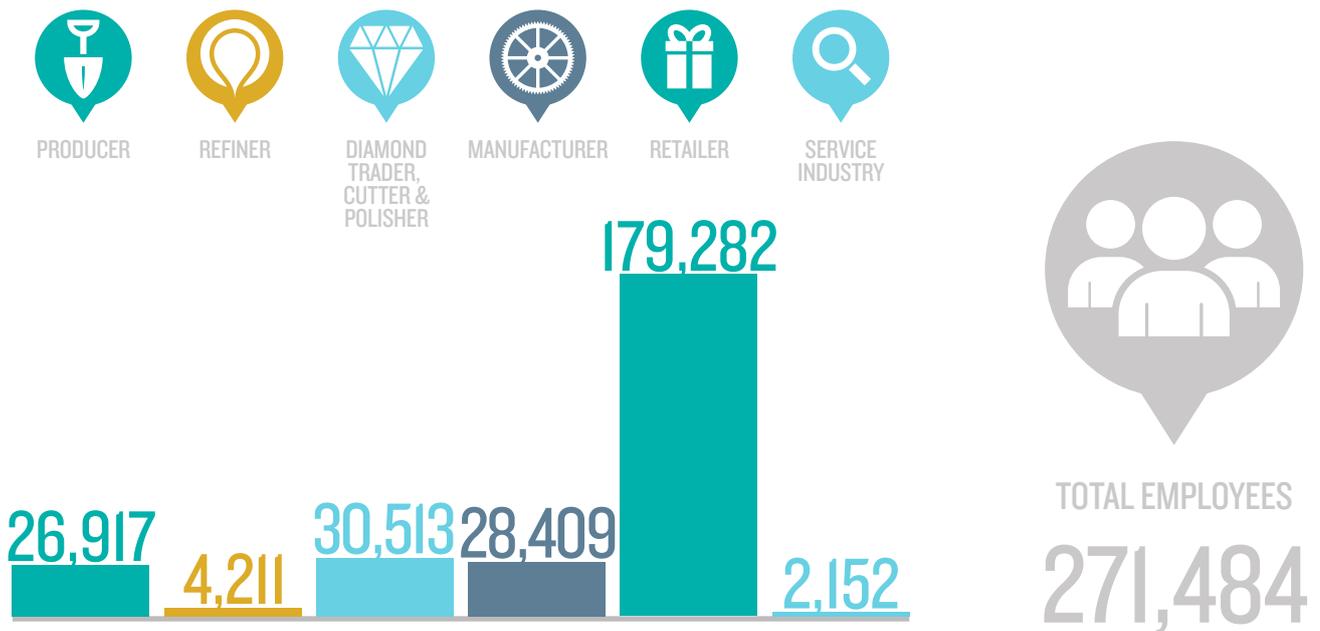
By comparison, annual global jewellery sales to retail consumers are estimated at US\$200 billion.



Number of Members by annual turnover at 30 April 2014



Number of Employees covered under current RJC Certified facilities around the world at 30 April 2014





FACILITIES COVERED BY RJC

Roll over the countries on the right to see the number of Facilities covered by RJC Certifications in each country. These include mines, refineries, retail stores, factories, laboratories and offices.

RJC Certification covers whole Entities, which often have multiple operating locations. By requiring the same standards to be applied across the whole company, this encourages broader uptake of responsible practices throughout the global supply chain. As at 30 April 2014, there are more than 5900 Facilities covered by RJC Certifications in more than 53 countries.





Desired Outcome 2 – Effective implementation of standards and continuous improvement

From 2010-2013, RJC Members were undertaking Certification against the Code of Practices (COP) for the very first time. Over this timeframe, the top six non-conformance areas in the COP were consistently related to health and safety, money laundering, bribery, business partners, legal compliance and working hours. Usually these related to inadequate systems or controls.

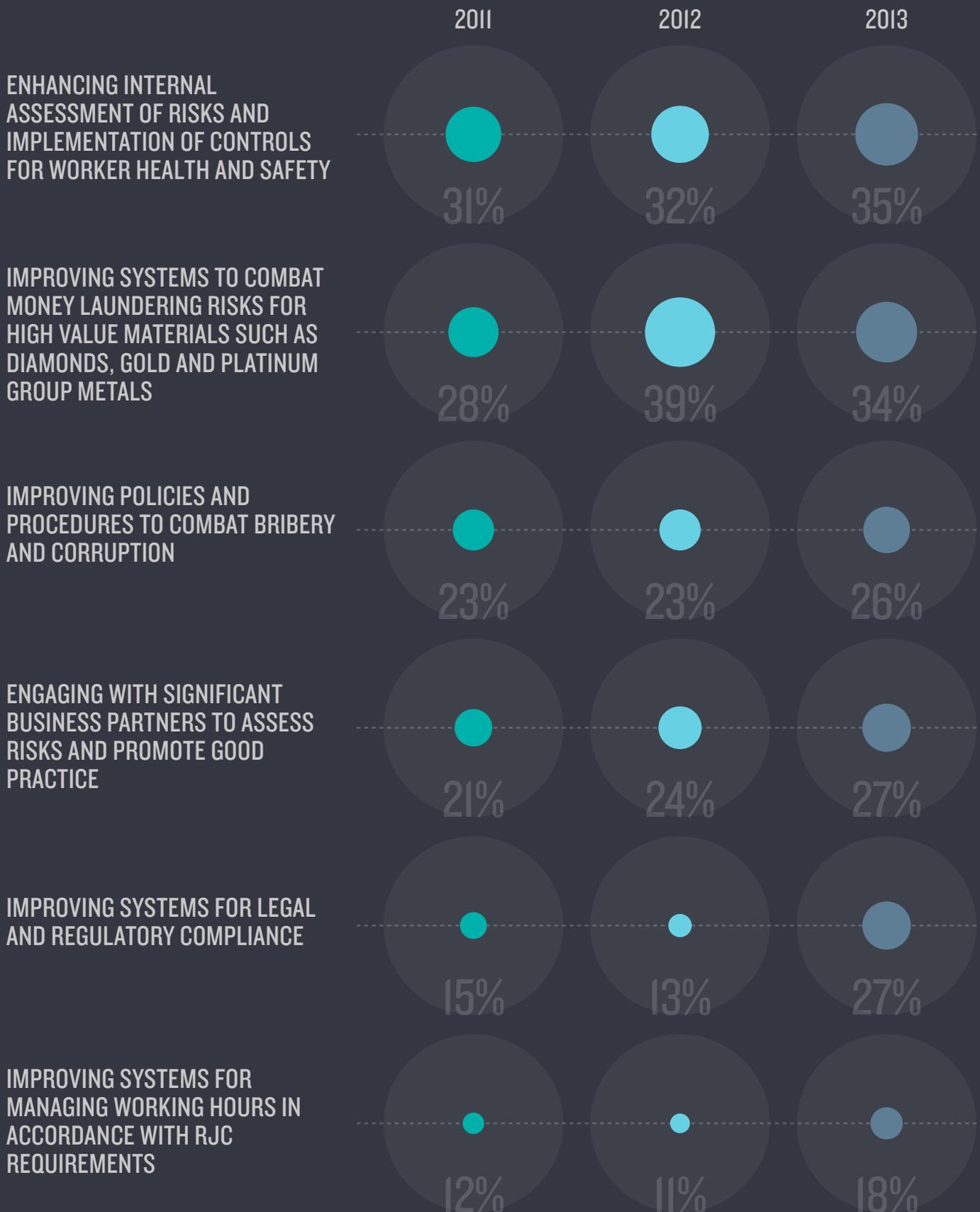
Based on this analysis and the importance of these issues in supply chain management, these six areas have been chosen for RJC's level 1 indicators for this outcome, and will be monitored for improvements over time. For all Members, over the three years graphed below, the incidence of non-conformances has remained fairly constant, though in 2013 non-conformances in both legal compliance and working hours increased in relative terms against the fall in number of Certifications that year. Distribution by sector Forum is also presented for all Certifications to December 2013, which show interesting sectoral variations against the average for all Members.

While the re-certification process is expected to improve conformance levels for already Certified Members, new Members are likely to show similar gaps on their first Certification exercise. Therefore additional interventions are needed. During 2013, RJC developed significantly expanded guidance on these areas as part of the 2013 review of the Code of Practices, as well as tailored training modules recorded as webinars and available on the RJC website.

In 2014-2015, RJC's strategies for improving implementation of standards and supporting continuous improvement will include:

- Commencement of a dedicated RJC Training Coordinator in May 2014 to facilitate rollout of new training modules and toolkits and peer learning opportunities for Members and Auditors, by issue and sector.
- Development of a help-desk portal within RJC's cloud database system that will log enquiries, clarifications and responses according to topic and identify areas where additional capacity building is needed.
- Development of a Topic Expert Accreditation program, to identify individuals with general and specialist knowledge of key aspects of the RJC Code of Practices and Chain-of-Custody standards that can work independently to support improved compliance and continuous improvement.

Percentage of certifications 2011-2013 with non-conformances in identified provisions, by year



Number of Certifications for that indicator (percentage of total Certifications that year)

*Percentage of certifications
2011-2013 with non-
conformances
in identified provisions,
by sector*

Number of Certifications per indicator and Forum (percentage of total Certifications for that Forum)



PRODUCER



REFINER

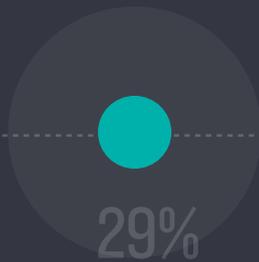


**DIAMOND TRADER,
CUTTER & POLISHER**

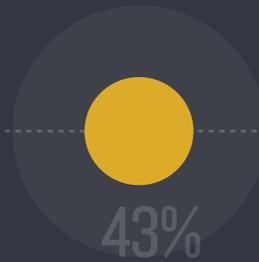
**ENHANCING INTERNAL
ASSESSMENT OF RISKS AND
IMPLEMENTATION OF CONTROLS
FOR WORKER HEALTH AND SAFETY**



**IMPROVING SYSTEMS TO COMBAT
MONEY LAUNDERING RISKS FOR
HIGH VALUE MATERIALS SUCH AS
DIAMONDS, GOLD AND PLATINUM
GROUP METALS**



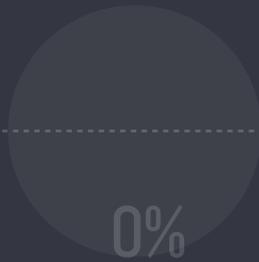
**IMPROVING POLICIES AND
PROCEDURES TO COMBAT BRIBERY
AND CORRUPTION**



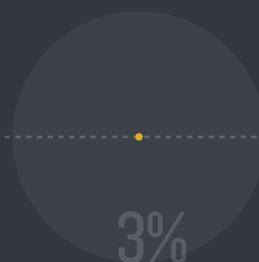
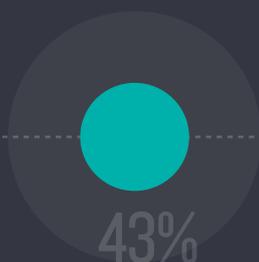
**ENGAGING WITH SIGNIFICANT
BUSINESS PARTNERS TO ASSESS
RISKS AND PROMOTE GOOD
PRACTICE**



**IMPROVING SYSTEMS FOR LEGAL
AND REGULATORY COMPLIANCE**



**IMPROVING SYSTEMS FOR
MANAGING WORKING HOURS
IN ACCORDANCE WITH RJC
REQUIREMENTS**



38% of the 320 Certifications granted during 2011-2013 had zero non-conformances.



MANUFACTURER



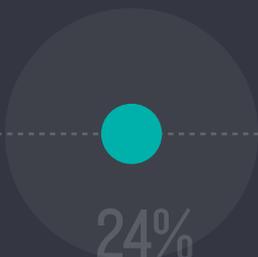
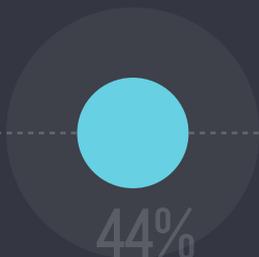
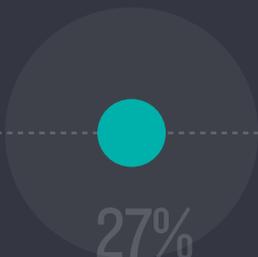
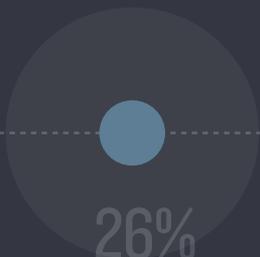
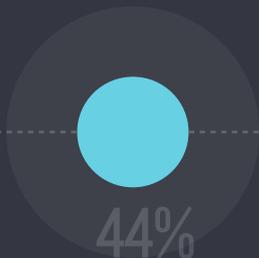
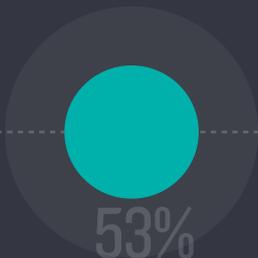
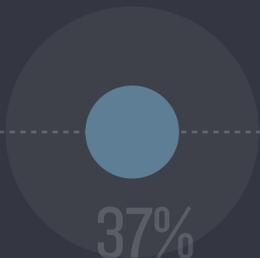
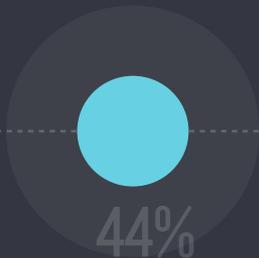
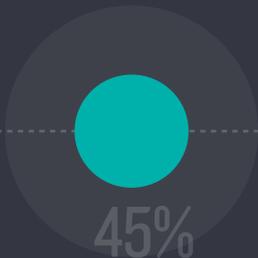
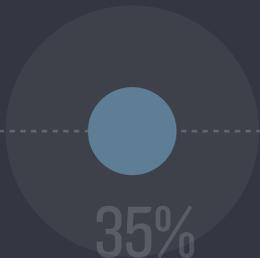
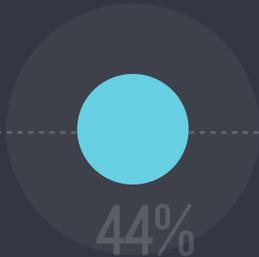
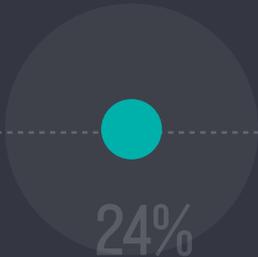
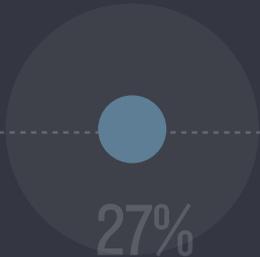
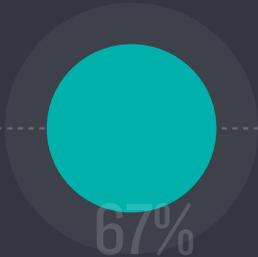
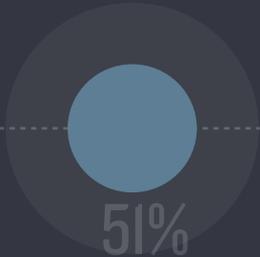
RETAILER



SERVICE
INDUSTRY



COMPARISON WITH
ALL MEMBERS





Desired Outcome 3 – Increased demand for RJC Certified Members, B2B and by consumers

Ultimately to succeed in scaling up uptake and impact, there needs to be a demand for improved practices by supply chain partners, wider stakeholders and consumers. Such demand is essential to create a business imperative for supply chain participants to demonstrate that their practices meet required standards.

While many companies that have joined RJC have done so out of an intrinsic commitment to corporate social responsibility and sustainable development principles, many more need to be convinced of the value and benefit in more commercial terms. Supply chain actors and consumers therefore play a critical role in signalling the value they place on evidence of responsible practices.

Current demand drivers include:

- Legislation on conflict minerals in the US and emerging in the European Union, alongside the new due diligence framework developed by the OECD, is driving supply chain due diligence on gold sourcing.
- The efforts of large producers and retailers help to drive responsible practices in their own supply chains. For example, the mining companies De Beers and Rio Tinto require their diamond customers to meet standards harmonised with RJC, while retailers such as Signet and Argos encourage and expect their suppliers to apply RJC's standards.
- The work of supply chain initiatives that are piloting model supply chains that can build commitment and outreach from participants and reward responsible practices: for some examples, see Section 4 on Responsible Supply Chains.

Later in 2014, RJC will be conducting a survey of Members and key partners on demand for RJC Certification from business partners, initiatives and consumers. These will address indicators such as use of RJC Certification in marketing and communications, customer enquiries/demand for RJC Certification, approaches to working with supply chains, and growth in trade of Chain-of-Custody (CoC) Certified precious metals. The results will be reviewed in the 2015 Impacts Report.

In 2014-2015, RJC's strategies for increasing demand for RJC Certified Members will include:

- Continued harmonisation support for supply chain initiatives – for both multi-stakeholder efforts and individual company programs with their own supply chains.
- Improved tailored marketing of RJC Certification as a B2B supply chain tool, that identifies the tangible benefits of demonstrating and improving business practices for different sectors, regions and issues.
- Support for independent research into consumer perspectives towards responsible jewellery. For example, see the Coventry University article below: RJC is supporting their bid for a UK Economic and Social Research Council grant to further this preliminary research.
- Strategic planning process within RJC on its long term objectives related to recognition amongst consumers of fine jewellery and watches.



GETTING CONSUMERS TO BUY INTO RESPONSIBLE JEWELLERY

By Dr Caroline Moraes, Marketing and Consumer Ethics Research Stream Leader, Centre for Trust and Ethical Behaviour, Coventry University Business School

Much of the research done on sustainable and ethical consumption explores consumer perspectives towards product categories such as food and energy. However, issues of ethics and responsibility impact all product categories, including luxury products such as jewellery, and consumers consider varying ethical criteria across these different products. At the Centre for Trust and Ethical Behaviour, we have carried out research to explore whether and how UK consumers consider sustainability and other ethical issues in purchases of fine jewellery.

A range of factors can influence consumer choice in the context of fine jewellery. They include social norms (those unwritten rules of what is considered socially appropriate behaviour), the meanings derived from jewellery products (prestige, status, taste, social perceptions of quality), the knowledge consumers have (if any) of ethical issues in jewellery production, relevant market infrastructures, and the jewellery objects themselves. These factors may not be conducive to socially and environmentally-responsible purchases. Consumer practices are embedded in contexts which may enable or constrain particular choices. Our research sought to explore whether such purchasing structures and environments present opportunities for responsible jewellery consumption.

In 2013 we interviewed a sample of 20 UK jewellery consumers who shop in the Birmingham Jewellery Quarter (BJQ). We used a qualitative approach and interview transcripts were anonymised, coded and analysed to identify the key themes emerging from the data. Our main findings suggest that the material and social environment of jewellery purchasing practices matter. In this study, consumers cited the concentration of retailers, the range of specialist craftsmanship skills, the capabilities for custom design and remodelling, and the choice of products as attractive factors for fine jewellery purchasing. BJQ is thus organised around the choice criteria that appear to matter to these consumers, namely bespoke

quality designs, choice of fine materials for special occasions and significant others, as well as price. Consumers often recommended the BJQ through their social networks, so social norms play a major role in jewellery purchasing practices. As a fine jewellery consumption space, the BJQ is considered normal:

"My friend who had recently proposed to his partner had been there to get his ring. I'd heard a lot of kind of hype about how good it was, how many shops there were, how much choice, how you could haggle for a bargain and all this sort of stuff" (Male Participant).

The perceived legitimacy of the BJQ as a consumption place is accompanied by trust, something intrinsic to the practice and experience of purchasing BJQ jewellery:

"I'd had some money and I decided to treat myself to a diamond solitaire ring, so I bought the ring, but then... It's a long story, but it was through a friend of a friend that said, oh yes, we can get you this diamond, and I should have gone with my gut feeling, which was to go to the BJQ myself and source it, which I did do eventually" (Female Participant).

With inherent trust in this trading place comes consumers' perception that such luxury purchasing practices have no negative impacts:

"My assumption is that the jewellery is made on site in the BJQ, where everybody would be paid a fair wage... If it has been imported, where would it come from... From China, and that thought's never gone through my mind" (Female Participant).

Thus, consumers presume that BJQ jewellery pieces present no ethical issues as they do not have enough information, knowledge and 'know-how' to support this assumption. Discursive neutralisation of negative impacts of jewellery purchasing practices also relies on the irregularity of such purchases, and category-specific price sensitivities:

"I think the problem maybe is that it's... not like buying groceries and stuff. If you buy groceries every single day, you have sort of a certain power over your own behaviour, but if you buy a ring once every 10 years, it doesn't really make a big difference" (Male Participant).

Therefore, if responsibility is to be embedded in consumers' purchasing practices, they must be an intrinsic part of the organisation of the social and material environment of such trading places; through the infrastructure of the BJQ, social norms, and discretionary purchase meanings.

It is clear that there is little consciousness about, and awareness of, responsibility issues in the context of fine jewellery purchases among the sampled consumers. While all participants mentioned the issue of blood diamonds as seen in films and due to celebrity scandals, this awareness was accompanied by scepticism, given the entertainment rather than factual value of such Hollywood productions and news:

"The only thing I did remember watching and, again, that was only because it was a film, as opposed to actually finding much about it, was Blood Diamonds, however many years ago that came out, but that is really the only thing I've ever really known about, and again, that's in a film, so I wouldn't know exactly how much of it is realistic" (Female Participant).

Only one participant had researched the Kimberley process. Another demonstrated awareness of sector-linked human rights issues and argued that such problems would impact his fine jewellery purchases:

"My main focus was it had to be a conflict free diamond. That was my big ethical dilemma when I was buying it. I made sure that was the case and, apart from that, it was just then the style that she would like, but the conflict free, I was literally walking into shops, and my first question wasn't looking at the rings, it was are your diamonds conflict free, can you prove it, if they answered, yes, to both those then I'd have a look, if not I left straight away, went to the next one. Just that the diamonds need to be able to be traced back to their location and source and shouldn't be used to be funding wars and conflicts" (Male Participant).

Most participants had some awareness of jewellery hallmarking and certification. But participants conveyed uncertainty about what exactly is being certified, although the authentication of diamonds seemed most important. There was little or no concern with the provenance of other gemstones and the precious metals used in jewellery making:

"...I've never asked where my gold comes from, I just presume it is [ok]. Diamonds I would but I wouldn't think about gold at all" (Female Participant).

Although a few consumers knew that fair trade costume jewellery is sometimes available on high street garment shops, there was limited category-specific knowledge and, thus, poor know-how of green and other ethical issues in fine jewellery purchases. Second-hand purchases are instilled with antique aesthetic value rather than for their reuse worth. Recycling of metals usually means either restyling of jewellery pieces with sentimental value or a contentious means to make quick cash:

"...I've had different bits of jewellery like from... That was more keepsake jewellery and it was just sitting in a box and I wasn't really using it and then I had a ring bought for me when my Nan passed away, and it was a solitaire, and then when I got engaged, I didn't want to wear two solitaires, but then I didn't want to just have it sitting in the drawer doing nothing, so I had them all... I had bits from my 18th, 20th... So I just had it melted down and all put together, so it was all in one, as opposed to lots of bitty bits everywhere" (Female Participant).

"It seems a bit like how a pawn brokers work isn't it, they take [jewellery] in because they can't afford anything else and you know they're desperate for the cash" (Female Participant).

Responsibility does not play a role in such reuse and recycling practices. Overall there is no 'spill over' from ethical considerations in other products to consumers' fine jewellery choices. Indeed, all participants had good awareness of sustainability issues in other product categories (e.g. coffee, chocolates, fruits, among others), but did not consider responsibility issues in their fine jewellery purchasing practices. Ethics are just not salient enough to be part of the evoked set of fine jewellery choice criteria.

The quotes above highlight a need for non-profit driven social marketing campaigns and interventions with a focus on 'nudging' consumers towards positive and more responsible jewellery purchasing practices. If responsibility considerations are to become part of fine jewellery purchasing practices, they must first be embedded in the social and material organisation of trading and consumption spaces and places. We suggest this can make consumer practices responsible by default; retail spaces can enable consumers and relevant social influencers to consider responsibility in jewellery shopping practices as 'normal', and point-of-purchase responsibility cues and information can raise consumer awareness and sensitivity toward the need for ethical considerations in fine jewellery purchases.

To find out more about this research at Coventry University, visit the Centre's website at www.coventry.ac.uk/research/research-directory/business-management/CETEB/

3. IMPACT ACROSS THREE RJC MEMBER FORUMS

RJC standards and capacity building efforts cover the whole supply chain from mine to retail, all over the world. In this section, we have chosen to focus on RJC engagement with three parts of the global jewellery supply chain to highlight some of the wide diversity of issues, drivers and impacts of RJC's programs.



3.1 ARTISANAL AND FORMAL GOLD MINING IN HONDURAS AND PERU

Sector profile

- The mining sector is the start of the supply chain for the gold, diamonds and platinum group metals that are used to make fine jewellery and watches.
- The RJC Code of Practices has a number of mining-specific requirements covering key issues such as artisanal gold and diamond miners and mining in conflict-affected areas.
- RJC has 9 diverse Mining Members that range from large multinational companies to semi-industrial operations and mixed-production sites that include small scale producers.
- Many stakeholders, from grass roots civil society organizations, to international NGOs and multilateral institutions focus on the impacts of the mining sector and on how to create responsible precious metal and gems supply chains.

Challenges

- In South America, there has been an increase in gold mining in recent years, in parallel with the historic rise in gold prices.
- Informal artisanal and small-scale mining can compete with formal large scale mining. To avoid conflict, new forms of collaborative relationships between the two need to be tested and applied throughout the region.
- The political situation in many of the region's mining countries are changeable and stability fragile, making long term plans and mine-community relations difficult to establish.
- While legislation and regulation for conflict-sensitive mineral supply chains is emerging strongly in US and EU, uptake of independent certification and voluntary standards in the mining sector is still young.

In this section:

Case studies of RJC Members

- At Eurocantera in Honduras, the company has formalised artisanal miners into legal co-operatives and builds their productive capacity. Cartier, a leading luxury jewellery and watch brand, and RJC Member, rewards these efforts with a social premium for gold sourced from the mine.
- At Minera Yanaquihua in Peru, the company is working hard to formalise artisanal miners that are operating on their concession. Solidaridad, a Dutch NGO active in creating sustainable supply chains, is a partner to these efforts.

Next steps

- Realizing the vision of a responsible supply chain means creating mutually beneficial partnerships and working alliances between artisanal and formal mining, mining companies and jewellers, and stakeholders from different points of the value chain; a catalytic and facilitation role that the RJC is well placed and often asked to play.



EUROCANTERA S.A. DE C.V, HONDURAS

*Formalisation of artisanal mining through
the establishment of cooperatives*

By Assheton Carter, Director, the Dragonfly Initiative

Eurocantera is part of a family of companies operating globally under the Goldlake Group. Each subsidiary is a Member of the RJC and has achieved Code of Practices Certification. From the very outset of activities, from the earliest exploration stages, Eurocantera's staff paid equal attention to understanding the communities around their concession as they did to the geology beneath it.

A combination of formal third-party surveys and analyses, and dedicated community outreach, enabled the company to determine how the families affected by the project could continue their traditional gold panning activities while improving their livelihoods and extraction practices.

As well, Eurocantera commissioned international consultants to complete an environmental impact assessment that revealed the possibility for the mine to develop the project with the goal of a net positive impact on the local ecology. The mine is a zero waste site that will leave behind a larger indigenous forest on closure than it found when it arrived.

Working with artisanal miners on Eurocantera's concession

Groups of artisanal miners had been working in the area for many decades before the company won permission to develop the concession in 2006. Artisanal miners used traditional extraction processes. A combination of sluices and panning captured the fine gold flakes and natural nuggets in the fast running river that demarcated the concession boundary, but not often sufficient to provide a stable living for the groups of men and women. Rather than exclude the informal groups – often made up of family members – from the concession, and make an already hard way of life more difficult, Eurocantera decided to find a way to incorporate them into the mine's business model.

The first challenge for Eurocantera was how to legally engage the small-scale miners who, like many other similar groups throughout the country, had been operating in a grey area of Honduran law. Although the artisanal activities were widely accepted as a customary right, the legal status of the groups when working inside the boundaries of a government-awarded mining concession was unclear. As an international company operating at the invitation of the Honduran government, it was imperative for Eurocantera to adhere to the highest legal standards. To avoid any doubt, the company provided legal counsel to the miners so they could constitute and be recognized as legal mining cooperatives under national law.

- **RJC Member since:** June 2009
- **Certification period:** 18 July 2013 – 18 July 2014. A six month extension to achieve re-certification has been granted until 31 January 2015
- **Certification Scope:** Head office in Tegucigalpa, Honduras and mine-site in Lepaguare, department of Olancho, approximately 2.5 hours from Tegucigalpa
- **Audited by:** UL
- **Number of employees:** 27 full time employees
- **Area of land:** 10,500 acres
- **Type of Deposit:** Alluvial gold
- **Type of Mining:** Semi-Industrial; production-agreement with traditional artisanal producers' co-operatives
- **Processing:** Zero chemical use, gravimetric concentration
- **Environmental context:** Old-growth pine forests
- **Nearby communities:** El Encinal and El Palo
- **ASM on concession:** Yes

The sense of pride inside the company regarding the achievement of RJC Certification is an indication that the incentive to raise the bar on performance will only get higher.

Now able to partner with the small-scale miners as legal business partners, Goldlake struck a mutually beneficial agreement with the newly formed co-operatives. In return for demonstrating higher safety, health, labour and environmental practices, and equitable treatment of co-operative members, especially women, Eurocantera invested in the productive efficiency of the co-operatives. With the addition of mechanised diggers and process-engineering tweaks, the groups' productivity increased several fold. The gold they produced then entered Eurocantera's semi-industrial plant for smelting and eventually to the Goldlake Group's refinery in Arezzo, Italy.

RJC Membership and Certification

For Goldlake's Eurocantera project, the RJC was and is the catalyst and the benchmark that affirmed the company as a partner in development for the communities around its concession and assured the route to market for its gold to luxury jeweller, Cartier. RJC's comprehensive and systemic approach to corporate responsibility is a perfect complement to Goldlake's value-driven family business. Becoming a Certified RJC Member provided a mark of trust that strengthened the relationship that Eurocantera had established with Cartier as a supplier of responsibly produced gold. Eurocantera has been supplying Cartier with gold for over five years and the 'social' premium paid by the RJC Certified jeweller goes directly to benefit the small-scale miners on the Honduran concession that are reported in the company's sustainability report annually. Formalisation of the artisanal groups is one clear benefit, but so too is the improved access to health services, clean water and village infrastructure.

The management-systems approach to standard setting enabled Eurocantera to look at its own practices critically and comprehensively. In some areas of the business, the RJC standard is a confirmation of Eurocantera meeting international best practices; in others it is an enabler of continual improvement. Since becoming an RJC Member, Goldlake has put in place an ISO-compatible management system supported by cutting edge management software; a first for a company of its size. The effectiveness of the management system has so impressed management that it has been extended to the company's iron ore mines, beyond the scope of the RJC system. The sense of pride inside the company regarding the achievement of RJC Certification is an indication that the incentive to raise the bar on performance will only get higher.

MINERA YANAQUIHUA S.A.C, PERU

Supporting artisanal mining in a full value chain partnership approach

*By Jennifer Horning, International
Gold Programme Coordinator, Solidaridad*

Solidaridad and RJC evaluating impact of certification at mid-scale industrial mine

Solidaridad and RJC plan to join forces to commission an independent impact evaluation at Minera Yanaquihua S.A.C. (MYSAC). This evaluation will measure the impacts from RJC Certification at the company, as well as from the broader partnership between Minera Yanaquihua and Solidaridad that will foster greater cooperation with the Artisanal and Small-scale (ASM) miners on the concession.

Minera Yanaquihua is one of the first partners in Solidaridad's industrial mining pilot project which aims to support better practices at mid-scale industrial gold mines, including improved environmental and social conditions for workers and communities around the mines. Solidaridad has selected RJC's Code of Practices as the standard in the project, based on the outcome of a 2010 comparison study of standards used by the mining industry in which RJC ranked the highest¹. Following the outcome of the report, RJC and Solidaridad have been collaborating on activities that support their shared goal of ensuring better, more transparent and accountable practices throughout the gold supply chain.

Solidaridad commissioned Deloitte to conduct a gap analysis to review the social and environmental practices of Minera Yanaquihua against the RJC Code of Practices in 2011. In November 2013, Solidaridad and RJC visited the mine to discuss progress towards certification.

Working hard to formalise ASM miners on Minera Yanaquihua's concession

Minera Yanaquihua is located in a sparsely populated mountainous area 160 kilometres northwest of the city of Arequipa and 10 kilometres from the village Yanaquihua. The plant processes approximately 130 tons of ore per day. The company has three kinds of ore suppliers: contractors, micro-contractors and artisanal miners working independently on the MYSAC concession. Around 1200 artisanal miners work on and around Minera Yanaquihua. Communities of ASM miners have existed on the land since the time of the Conquistadors, prior to MYSAC's operation, however some migrant workers also now work on the concession. In the past there has been a tense co-existence, at times flaring into violent conflict, between the former owners of the mine and the ASM miners on the concession. Much to the frustration of Minera Yanaquihua, most of the ASM miners were using bad environmental practices, such as processing gold ore with mercury on primitive mills and cyanide in unlined pits, were not formalised and did not have the appropriate permits in place. Since the company is liable for the damage caused by the independent ASM miners working on their concession, this was deemed a major risk.

- **RJC Member since:** May 2012
- **Certification due:** Extension granted to achieve Certification by 30 November 2014
- **Number of employees:** 260 full time employees and contract workers
- **Annual gold production:** 20,700 ounces
- **Area of land:** 6,516 hectares
- **Type of mining:** Underground
- **Processing:** Cyanidation
- **Environmental context:** Desert
- **Nearby community:** Yanaquihua
- **ASM on concession:** Around 1,200 ASM miners work in the MYSAC concession

¹ Stark, A. & Levin, E. (2011) Benchmark Study of Environmental and Social Standards in Industrialised Precious Metals Mining.

In the first two years of the project, Minera Yanaquihua has made many upgrades to its own operations. Prior to the start of the project, the managers were aware of some improvements that were needed. However, the RJC Code of Practices provided guidance on how the company could put comprehensive management systems in place to prevent negative impacts. Significantly, in April 2014 Minera Yanaquihua became the fourth company in Peru to become a signatory to the International Cyanide Management Code, and submitted its audit report to achieve certification in June. The approval of the audit report by International Cyanide Management Institute (ICMI) is required for RJC Certification. The company is expected to receive certification to both the ICMC and to RJC in the coming months. Two ASM miners' organisations (150 miners) have reached formalization agreements with Minera Yanaquihua, another key aspect of the RJC Code of Practices. The company is helping the ASM to both complete environmental impact reports and formal authorization for water and land access. Solidaridad and Minera Yanaquihua expect to assist a total of 600 ASM miners to formalise and complete training in better practices by early 2016.

Pallaqueras – supporting women miners

Minera Yanaquihua also supports *pallaqueras*, women who collect low-grade ore from tailings discarded by other miners and sell it to Minera Yanaquihua for processing. Many of these women are widows or single mothers and have no other option to earn a living. Minera Yanaquihua supports them by buying their ore, providing boots, gloves and helmets, and other forms of technical support in order for this tight-knit community of women to increase their production and earn a safe and sustainable livelihood alongside the male miners on the concession.

Striving for a Truly Collaborative Approach

Solidaridad brings to the partnership a vision for better cooperation; a neutral, third-party position; training for improved “soft” skills; knowledge on best practices at mines; experience with organizing ASM miners effectively; working knowledge of certification standards; and connections with gold buyers and investors.

Minera Yanaquihua brings a commitment to better practices; the resources needed to upgrade their own operations; and technical knowledge about mining and permitting to share with ASM miners. The company has shared important learnings with other stakeholders.

The expected outcome in 2015 is a fully traceable, RJC Certified supply chain for gold that has been produced and refined responsibly.

Gold buyers bring an interest in sourcing gold from known, responsible mines; added incentives for the miners to engage; and a guaranteed market that will help mines access better financing rates.

The RJC standards serve as a reference for better practices and a mechanism for third-party verification. RJC will also work with Solidaridad and a third-party evaluator to measure the impact of the project in the months to come.

Working to leverage the full value chain to build critical mass and increase demand

At the same time, Solidaridad works at the market end of the supply chain to connect gold buyers, such as refiners and jewellery companies that are RJC Members, with Minera Yanaquihua. By engaging gold buyers—particularly large branded jewellers—Solidaridad is looking to maximize incentives, such as a price premium or co-investment in the project, that these downstream actors can offer miners to improve their practices. The expected outcome in 2015 is a fully traceable, RJC Certified supply chain for gold that has been produced and refined responsibly. Solidaridad and its partners will also focus on scaling up the volume of gold and the number of mining companies in the project. Three new companies are expected to join by early 2015. This will increase the participation of gold mining companies in RJC, as well as the volume of responsibly-produced gold available to RJC Members.

3.2 DIAMOND TRADING, CUTTING & POLISHING IN INDIA

Sector profile

- India is a significant region for the diamond pipeline, with 11 out of 12 diamonds said to be cut and polished there. The local industry has traditionally been driven by exports, however the domestic retail market is also growing rapidly.
- Around 12% of Certified RJC Members have facilities in India; and more than 20,628 people work in factories in India covered by RJC Certification. This puts India in the top 5 countries for RJC uptake, along with USA, UK, Belgium and France.
- India's diamond industry is extremely complex with many small, unregistered units operating in cutting and polishing. Indian Labour Ministry estimated in 2009 that there are around 125,000 registered diamond workers. However research by UNDP and the Reserve Bank of India put total numbers at more than 700,000.
- There is an enormously wide variety of conditions and practices in factories. In the formalized sector of larger companies, many already use best practices, catalysed by the early programs of producers, such as De Beers Best Practice Principles (BPP), and Rio Tinto's Business Excellence Model (BEM), and later by RJC Certification.

Challenges

- An independent evaluation has identified the five major social risks in the sector in India as: occupational health and safety; decent work; money laundering; corruption; and environmental issues.
- While the labour force in large and formal factories remains fairly constant through the year, seasonal variations are usually accommodated by smaller and informal operations which rely on casual labour in the peak production season.
- Uptake of certification in India is more attractive to those companies who are already implementing or are aspiring to best practice. While the worst practices exist in the informal sector, certification is unlikely to be the best or first avenue for these issues to be addressed.
- There are relationships between the formal and informal sector, often through tiers of sub-contracting. This provides opportunities for Certified companies to reach out to their 'at-risk' business partners in India, and work with them to improve practices in key areas, such as decent work standards and health and safety. This can be supported by RJC working alongside other stakeholders.

In this section:

Analysis:

- An RJC review of non-conformance data for Certified Members with facilities in India, as compared to that for all Members.
- Dalberg Global Development Advisers report on a first independent evaluation of the uptake and impact of RJC Certification in India. The report found that RJC's standards are strongly aligned to key risks, and has helped instil and highlight best practices.
- RJC will commission Dalbeg to undertake a follow-up evaluation in 6-12 months, to continue longitudinal research in this sector.
- RJC has carried out detailed in-country training programs on the 2013 revision of the Code of Practices for Members and Auditors in April 2014. Development of further training programs on working with business partners, along with strategic collaborations, could help address issues with smaller factories.

Next steps:

- RJC has convened a new RJC-India Forum to enhance dialogue and strategic planning for increasing RJC impact in the sector.
- A shadow audit program for locally accredited auditors in India will be implemented later in 2014.



Corrective action areas for Certified Members with facilities in India for Certifications to December 2013



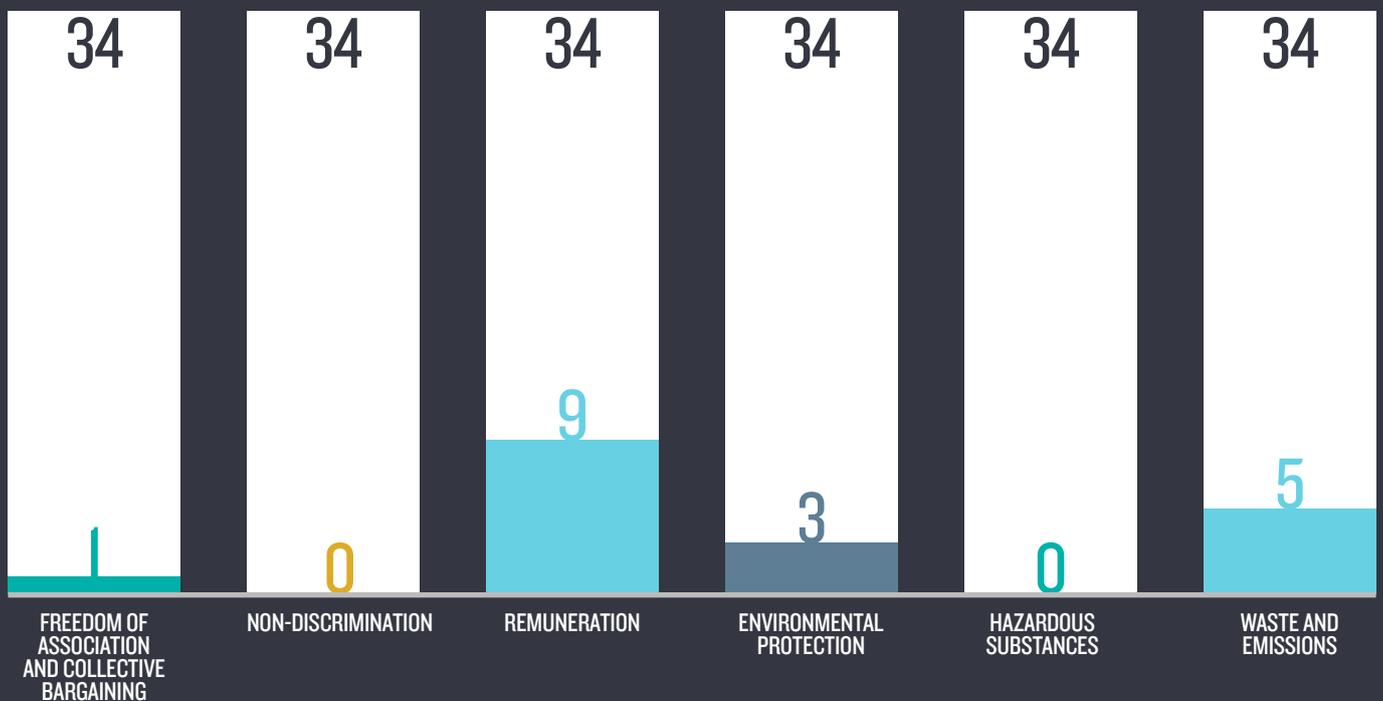
Number of Certifications for that indicator (percentage of total Certifications)

During the recent Code of Practices review, stakeholders noted the challenge of the legal and regulatory context in India and the common practice of long working hours during peak production seasons. These are borne out in the non-conformance findings illustrated below. Compared to non-conformances across all Members, the need to improve systems for legal and regulatory compliance and for managing working hours was nearly twice as common in India. However non-conformances for managing bribery and corruption risks, and for engaging with significant business partners to promote good practice, were much lower in India than average, indicating good practices on these issues among Indian Members.

Remuneration of workers and wastes and emissions can be seen below as areas of significance for requiring corrective action.

The above 6 areas are RJC’s selected indicators for evaluating effective implementation of all standards and continuous improvement across all Members. The independent Dalberg evaluation identified the following areas as potentially additional key risks for companies operating in India. In RJC Certifications to date, remuneration of workers and wastes and emissions can be seen below as areas of significance for requiring corrective action. These two areas will continue to be tracked in reviews of Indian uptake in the RJC M&E program.

Corrective action areas for Certified Members with facilities in India for Certifications to December 2013



Number of Certifications for that indicator (percentage of total Certifications)

DIMEXON DIAMONDS LIMITED

Dimexon Diamonds Limited joined the RJC in February 2006 and is based in Mumbai, India. The company is a leading global diamond organization with focus on product quality, consistency and superior customer service. The group is a preferred supplier to the world's leading jewellery & watch brands and various high end retailers. Dimexon has been a De Beers Sightholder since 1976 and has been a part of their Best Practice Principles program for more than a decade. In addition, Dimexon is also a Rio Tinto Select Diamantaire and an ALROSA Alliance customer.

Dimexon Diamonds Limited achieved RJC Certification on 6 January 2012, and subsequently got re-certified on 7 January 2013 for a period of three years. Dimexon joined the RJC with its whole group and the Certification Scope covers ten diamond cutting and polishing facilities across India, as well as an office in Belgium and the United Arab Emirates. In total, more than 4000 employees are covered by RJC Certification.

Dimexon perceives RJC's comprehensive Code of Practices as the authoritative reference for responsible businesses operations in the diamond supply chain. By attaining compliance with the RJC Standard, they provide important assurance to their stakeholders towards best business practices and an ethical work culture. Owing to its own internal culture and philosophy for best practice and sustainability initiatives, Dimexon has set benchmarks in the adoption, implementation and continuous improvement of business sustainability practices through association with the RJC.

Lessons learnt

- A benchmark to their internal procedures against standards adopted by other responsible companies
- To emphasize human and social aspects as an integral part of the business
- Assisted in bringing uniformity of practices across Dimexon Group of Companies

Benefits from obtaining RJC Certification

- Better understanding of prevailing best practices in the industry globally
- Increased awareness of international business practices and compliance standards
- Conducting Risk Assessments across several levels ensured pro-active measures to overcome the areas of risk identified



INDEPENDENT EVALUATION OF THE UPTAKE AND IMPACT OF RJC CERTIFICATION SCHEME IN INDIA

By Astha Kapoor, Shyam Sundaram and Gaurav Gupta, Dalberg Global Development Advisors

Context and methodology

In 2014, RJC commissioned Dalberg to:

- Develop a high-level assessment of the diamond value chain and the major social risks that currently exist in the industry;
- Conduct a short and sharp assessment of RJC's Certification scheme in India to understand its relevance in the value chain, its efficiency in supporting its members and its effectiveness at generating change in the industry;
- Assess how the RJC's Certification scheme is aligned with planned CSR activities as a result of the new India Companies Act.

To collect relevant information for this assessment, a variety of qualitative and quantitative tools were used:

1. **Survey to RJC Members:** An online survey to RJC Members to understand how companies perceive the industry, the major social challenges that exist within, their engagement and experience with RJC Certification;
2. **Interviews with industry:** Semi-structured interviews with the industry (RJC Members, non-RJC Members, small sub-contractors) to develop a more nuanced view of the major social risks in the industry and how companies perceive the RJC Certification;
3. **Stakeholder meeting:** Stakeholder meeting to facilitate a discussion around the role that RJC can continue to play in the industry and to validate our understanding and findings;
4. **Desk research:** Desk research to gather information on the background and the major social challenges that exist in the industry.

Summary of findings:

India plays an important role in the diamond value chain globally but the majority of companies in the sector are small and informal. While India does not mine diamonds any more, it is the leading manufacturer of polished diamonds in the world. Approximately 90% of diamonds manufactured in India are exported but over the past few years, there has been a growth in domestic demand. India has also increased its share in the global jewellery manufacturing market. While there are a few large, world renowned players in both diamond and jewellery manufacturing in India, the industry remains dominated by small, informal units.

There are five major types of social risks in the diamond value chain and these are most prevalent in the informal sector. These are: (i) occupational health and safety covers issues like lighting, ventilation, sanitation and evacuation measures (ii) decent work which includes issues of labour rights such as remuneration, social security and contracts; (iii) money laundering from illicit activities through companies in the diamond value chain; (iv) corruption which includes transfer pricing, tax evasion and document falsification; and (v) environmental issues although this is not a major concern for the sector.

The RJC's Code of Practices has helped the industry and Member companies in a number of ways. RJC is the only certification program that is applicable to the entire supply chain and relevant to all companies. It is also unique in being a certification program developed through multi-stakeholder standards-setting specifically for the industry to help them evolve a certain transparency and accountability across a number of dimensions that is currently missing in the trade. The RJC Certification program helps instil and highlight best practices in the industry and develop an industry norm, particularly relevant for India.

In order to strengthen the relevance, efficiency and effectiveness of the RJC's role in India, it could undertake the following steps:

- **Relevance:** (i) continue to address overlap and duplication between RJC's Code of Practices and other supply chain audit schemes and (ii) actively involve industry leaders to leverage the organic changes in industry as a result of changing leadership and growing awareness to build a leadership that can encourage more companies to enrol in the RJC Certification program.
- **Efficiency:** (i) in order to provide even more efficient service, RJC could consider (i) developing resources to provide more targeted support for Member companies as they are undergoing the certification process (this is already underway); and (ii) potentially re-examining the fee structure for Membership to incentivize more very large and smaller companies to join.
- **Effectiveness:** in order to grow the overall success, uptake and impact of the program, RJC could consider (i) developing even more tailored communication materials which highlight specific tangible economic and operational benefits of certification (i.e. increased access to buyer networks, time savings with regard to audits, etc); (ii) increasing awareness of Membership particularly among big international buyers/suppliers who can influence Indian companies and create a demand for certification among larger companies; and (iii) developing a tiered Membership system to more clearly articulate incentives for smaller, informal units (where most of the social risks lie) to become certified.

The RJC Certification program helps instil and highlight best practices in the industry and develop an industry norm, particularly relevant for India.

Finally, while there are limited short-term opportunities for synergies with the Companies Act on CSR spending, there are a number of longer-term opportunities RJC could consider. In the short term, there is an opportunity to encourage companies to more strategically consider ways to do community development, this is an area mandated both by the RJC and which falls into the purview of the Companies Act. In the longer term, RJC can encourage companies to become leaders on issues such as waste management, health and well-being programs and livelihood development thus leveraging CSR activities for industry promotion.

For a copy of Dalberg's full report, see:
www.responsiblejewellery.com/monitoring-and-evaluation/



3.3 SMALL AND MEDIUM-SCALE ENTERPRISES (SMES)

Sector profile

- Small to medium enterprises (SMEs) are defined by the EU as those businesses with an annual turnover of 50 million Euro or less, with small businesses being 10 million Euro or less, and micro as 2 million Euro or less.
- SMEs make up around 90% of businesses worldwide, and create around 50-60% of formal employment. They therefore play a fundamental enterprise role in society.
- SMEs have always been a significant part of the jewellery supply chain, particularly in the manufacturing and retailing sectors. Many are family businesses, often with a long history of craftsmanship in the industry.
- SMEs also form a significant part of RJC's Membership, representing around 60% of all Members by reported turnover. RJC works to support uptake of its standards by SMEs, with specific guidance for small business included in RJC's published guidance and training.

Challenges

- In the jewellery supply chain, as in many sectors, SMEs are facing increasing competition from consolidated and vertically integrating businesses.
- While RJC's Membership profile shows commitment from these SMEs to take on Certification, there are certainly barriers for smaller businesses. These may include: cost of implementing standards when business survival is the focus; time and human resource constraints; perception that CSR is only for 'big business'; lack of awareness of the business case of CSR for SMEs; lack of commercial incentives for uptake; and fear of additional regulatory or bureaucratic burdens.
- There are drivers which could encourage uptake of voluntary standards by SMEs. These include the ability to attract and retain valued employees; the ability to develop unique selling propositions; cost and efficiency savings through better management systems and assessment of risks; and enhanced reputation for Certified businesses. These need to be articulated to the SME sector, along with support for the certification journey.

In this section:

Analysis:

- An RJC review of non-conformance data for SMEs, as compared to that for all Members, shows no significant difference in average conformance levels for smaller businesses that have taken up Certification.
- The University of Coventry reports on preliminary research into the experience and perspectives of small firms with corporate social responsibility (CSR) issues in the UK.

Next steps:

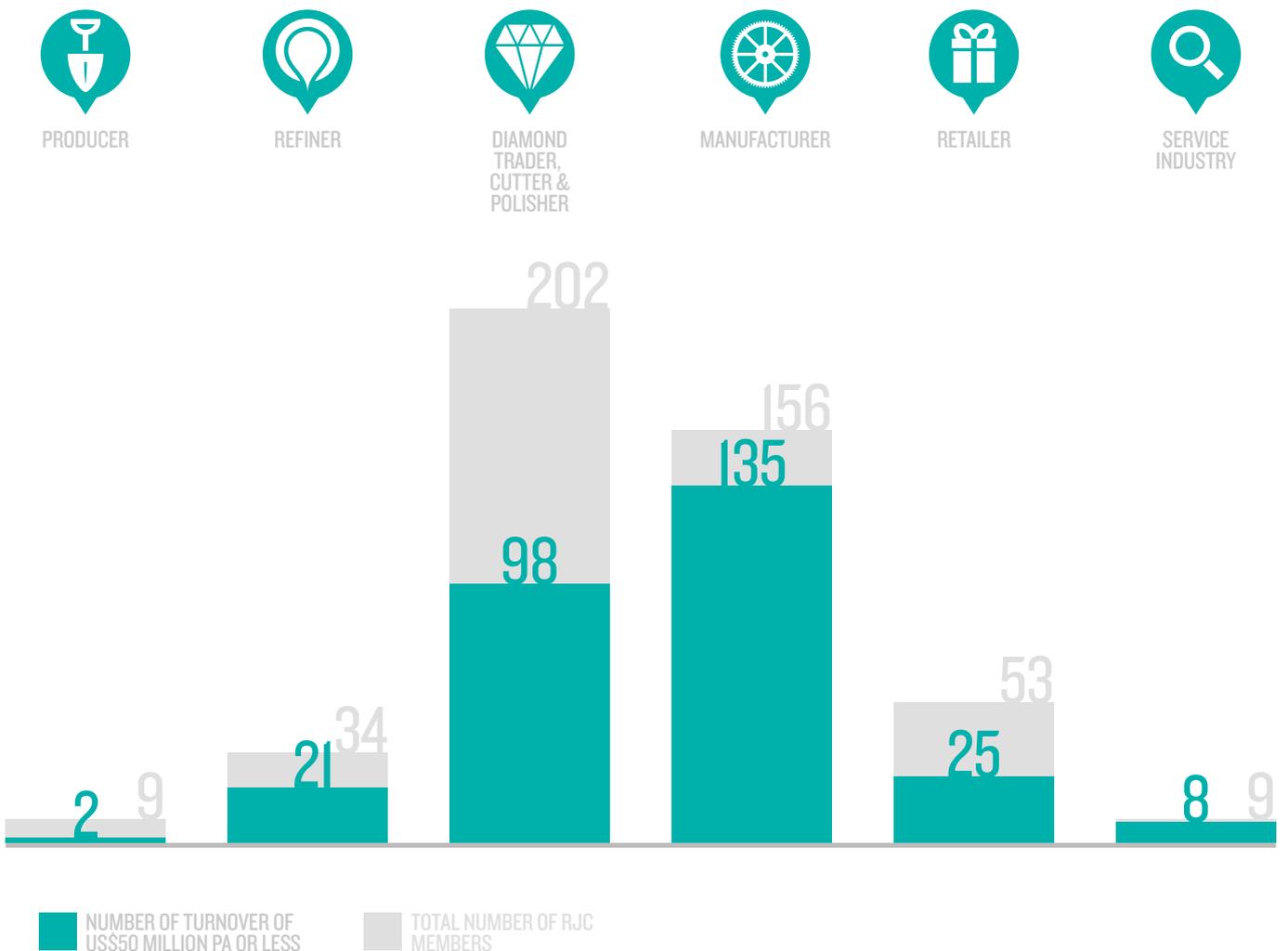
- RJC is supporting expansion of the University of Coventry research into 2014/15, as well as a project at the Graduate Institute of Geneva looking at certification experience of RJC SMEs in Europe that will report in early 2015.
- RJC will review its training programs to look for further opportunities to support the confidence of SMEs to implement RJC standards, as well as enhance access to information about CSR generally.

Small to medium enterprises (SMEs), with reported turnover of US\$50 million per year or less, comprise around 60% of RJC's Members. Small enterprises, with reported turnover of US\$10 million per year or less, make up just over 30%. SMEs are represented in every RJC Member Forum, from mining through to retail, and thus represent a significant proportion of RJC's Certification profile.

Presenting the benefits and positive impact of Certification for SMEs will help raise general awareness of available tools for addressing CSR issues in the jewellery supply chain, and should encourage further uptake in this sector. Research into the experiences of SMEs, along with tailored support and training, are two strategies that RJC will be undertaking in 2014 to help smaller businesses.

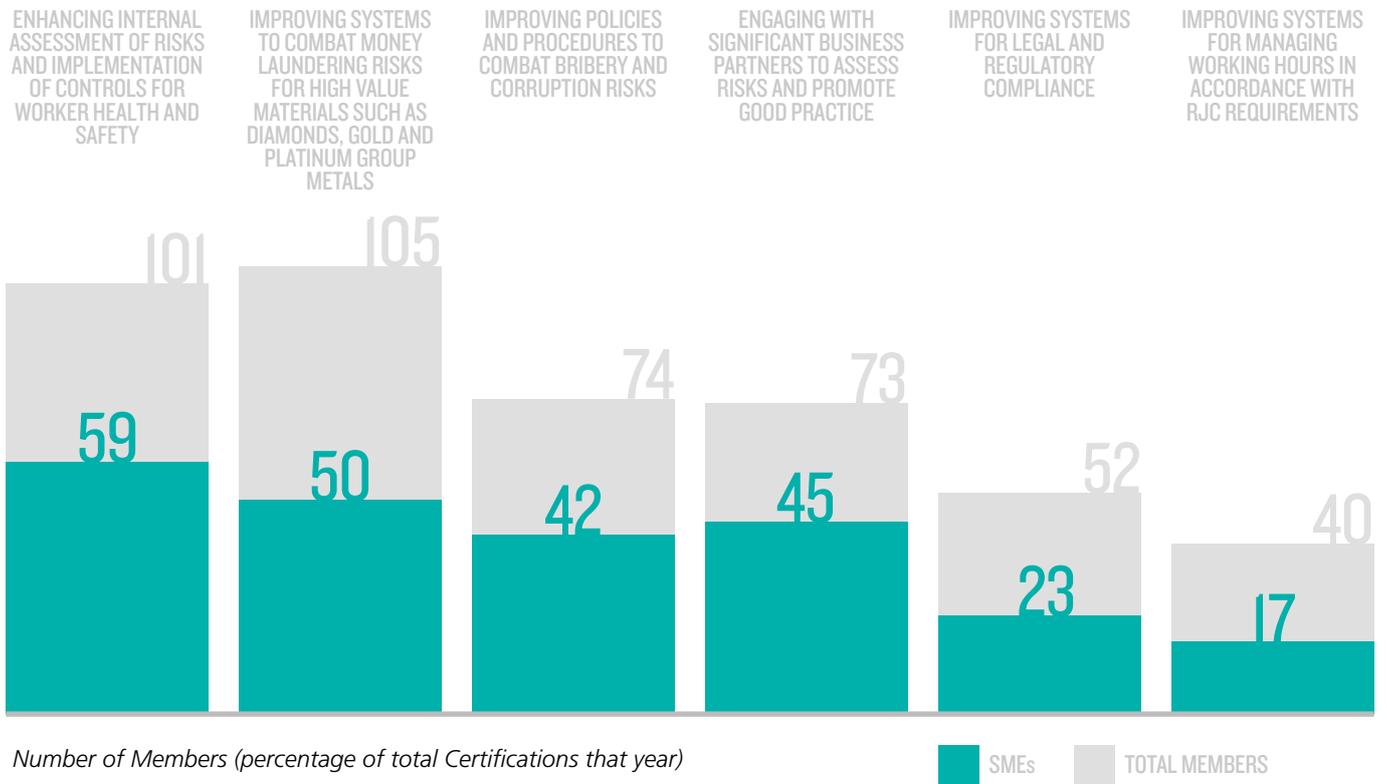
Despite general concerns that smaller businesses would find RJC Certification more of a challenge, the findings below show that SMEs and small enterprises show largely the same non-conformance profile on average as for RJC Member Certifications as a whole. This is good news for those smaller companies ready to take on the Certification process. However other barriers for SMEs, including time and resource constraints and other business priorities, can present broader challenges for uptake.

Number with turnover of US\$50 million pa or less and total number of RJC Members at 30 April 2014

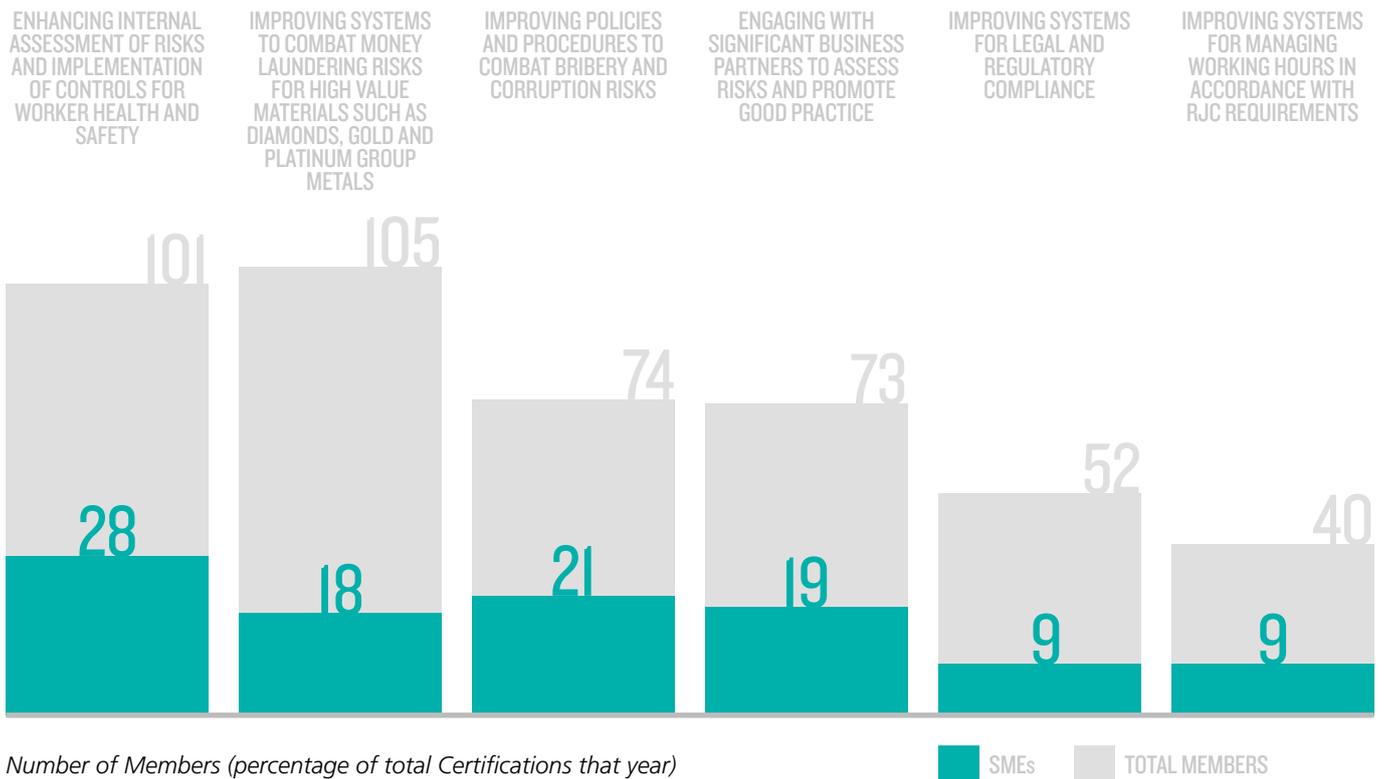




Corrective action areas for Certified Members with turnover of \$US50 million pa or less for Certifications to December 2013



Corrective action areas for Certified Members with turnover of \$US10 million pa or less for Certifications to December 2013



We can't describe how great it feels to have held every aspect of your business up and checked you are doing everything right – it feels empowering!

Harriet Kelsall, Managing Director of Harriet Kelsall Jewellery Design Ltd.

Read more at: www.responsiblejewellery.com/files/Case-Study-Harriet-Kelsall.pdf

Countering the perception that RJC is only for big companies, two RJC Certified Members in the UK and the US have shared their experience of the Certification process in case studies on the RJC website.

Achieving RJC Certification was one of the most comprehensive projects of its kind that I have been involved in throughout my career, but deeply satisfying knowing that we were prepared and do have the best practices in place that allowed us to achieve Certification for our company and our ownership family.

Hank Siegel, President of Hamilton Jewelers.

Read more at: www.responsiblejewellery.com/files/Hamilton-Case-Study.pdf



A GOLDEN OPPORTUNITY FOR SMALL FIRMS?

*Professor Marylyn Carrigan, Co-Director,
Centre for Trust and Ethical Behaviour,
Coventry University Business School*

The jewellery sector is currently under pressure to respond to stakeholder demands for corporate social responsibility (CSR) and ethical sourcing. In response they are searching for workable solutions that can help tackle the harms and risks linked to aspects of the industry's operations. Organisations such as the Responsible Jewellery Council are part of the answer, offering third party certification as a route to signal implementation of CSR standards. Global jewellery buyers – industry and consumer – need meaningful signals that they can trust if they are to be reassured of the ethical integrity of their purchases. Increasingly bound up in trust building are demands from buyers for transparency and traceability, including mechanisms that will enable customers across the global jewellery industry to access the right information to make responsible choices. The uncertainty caused by the information gaps that exist throughout the supply chain can be potentially reduced by the assurance of knowing a firm is CSR compliant with third party certification.

However, within the jewellery industry it seems 'participation asymmetry' is evident. Larger firms and major organisations are well-informed and proactive within organisations dedicated to improving CSR standards. Yet relatively few small businesses are equally well engaged, and too many small firms fail to realise the benefits of CSR. This is a missed opportunity as the collective efforts of small businesses could be a powerful force for responsible business practice. Buyers may use CSR signals such as certification and labelling to match their preference for high quality products with particular producers, suppliers or retailers, and this can influence customer willingness to pay more for a product. Even so, the benefits of CSR initiatives will only be fulfilled when companies act collectively within the jewellery industry, and do so across global markets.

As researchers specialising in responsible business practices, my colleagues and I wanted to better understand the attitudes and behaviour of small jewellery businesses towards CSR and to explore what they consider to be the value and impact of the CSR signals emitted by the global jewellery industry. We conducted a study from July to November 2013 in which we discussed the challenges of everyday CSR with a number of representatives from the UK jewellery small business sector. Not all were RJC Members, but there was evidence of some small businesses understanding and engaging with industry CSR initiatives; *"Fairtrade is just one aspect... without a doubt I saw there could be a commercial side... We should be doing it. We're almost obligated to have a look at it properly and we've joined the RJC... One, I felt obligated, I think, two, it felt the right thing to do and why not?" [Company A].*

Others were either unaware or unconvinced about what could be achieved through collective industry action, even by working alongside third party organisations such as the Responsible Jewellery Council. Some jewellers were ambivalent about customer interest in CSR, *"I wonder just how important it is. Well my guess would be it's not particularly, yes, I have been asked about diamonds, never been asked about metal, I've never been asked about where does this metal come from," [Company B].* Some firms felt far removed from the risks and irresponsible practices that are inherent in the trade. Partly it was because they perceived these as unethical actions that 'others' rather than they committed, *"A diamond is not a bad product... It's the people, the Governments and the companies... It's the people who actually take them out of the ground and the Governments that control it," [Company C].*

Some of the small business owners felt powerless to do anything to change the situation, *"I think I might care about [supply chain abuses], but it's so far removed from me, how can I have an impact on that, how can I... apart from stopping buying certain things, perhaps, but then I'm such a small part of it," [Company D].* At the same time, they acknowledged this represented a service expectations gap for their customers, and one that they avoided discussing with their buyers, *"I only go to one diamond dealer and he says they are non-conflict diamonds. I very rarely even use it as a sales thing because then the question comes back: How do you know? My diamond dealer says so... There's no proof, you can't prove it," [Company E].* Some small businesses also expressed the

view that organisations dedicated to improving industry CSR standards are multinational business focused, and don't appreciate the day to day challenges small firms face, "Who is going to pay for it? So if that becomes part of the regular full scale monitoring, that puts the price at an extra premium, is it expensive to do? It's time consuming ... Therefore it's expensive. Outside audits, internal audits..." [Company F]. Because of this a number of small businesses did not see how joining forces with such associations to improve industry CSR could benefit them.

It is well recognised that given the fragmented and complex nature of the jewellery industry, no one party can be held responsible for implementing CSR along the supply chain. It requires the involvement and commitment of miners, refiners, diamond cutters, jewellery designers, manufacturers and retailers. While firms in our small business study had a basic grasp of what CSR meant, there was a lack of awareness of how to embed CSR in their business activities. CSR signals from industry communicators such as large firms, trade bodies and third party NGOs are simply not breaking into the everyday practice of most small jewellery firms. Other research studies in similarly complex industries such as clothing, construction and food suggests that small firms can be disproportionately disadvantaged by the requirements of responsible business practices, mainly because of the financial and human resource limitations that constrain their ability to deliver standard compliance. The experience with larger firms is that they tend to be more willing to join organisations addressing social responsibility which formulate precise behaviour standards, regularly monitor member behaviour and have tough sanctions for those who break the rules. But paradoxically this can be problematic, since organisations that set rigorous entry and compliance requirements may be perceived by small firms as setting up barriers.

The challenge facing organisations such as RJC is to devise CSR standards that are sufficiently robust to address stakeholder concerns, provide reputational benefits to their members, but are not unreachable for small businesses such that they are excluded from these initiatives. Our research shows that tailored programs that can raise the awareness of small jewellery firms about the benefits of CSR for their business

The challenge facing organisations such as RJC is to devise CSR standards that are sufficiently robust to address stakeholder concerns, provide reputational benefits to their members, but are not unreachable for small businesses...

need to be developed, paired with support for them to embed CSR principles in their working practice, and help them down the pathway to CSR compliance. Our team of researchers are working alongside industry representatives to tackle some of these issues, and plan to further our research in this area during 2014/15 in collaboration with RJC. As well as identifying how to overcome barriers to small business engagement with CSR initiatives, and embed CSR practices in small firms, we are also studying the consumer perspective of ethical jewellery purchasing. Consumers represent a key stakeholder in CSR initiatives, and a persuasive element for business buy-in. Identifying ways to engage consumers with responsible jewellery purchasing will be another important research study for our team and the RJC in the future.

To find out more about the research at Coventry University, visit the Centre's website at www.coventry.ac.uk/research/research-directory/business-management/CETEB/

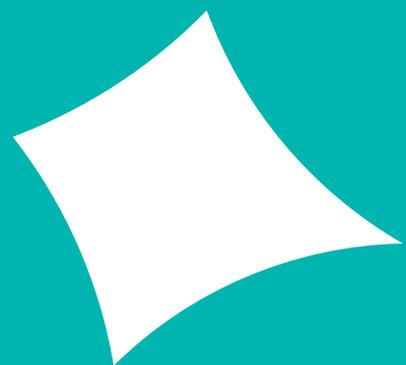
4. RESPONSIBLE SUPPLY CHAINS

Sustainability and social responsibility in supply chains is becoming an increasingly vital issue for businesses in many sectors. While the average consumer may not appear to be factoring supply chain questions into their jewellery purchasing, stakeholder and mainstream media focus on gold, diamonds and platinum group metals continues. Whether you are a mining company at the start of the supply chain, or a retailer delivering a jewellery piece to a consumer, or somewhere in the middle, the risks and issues of poor practice are increasingly shared by all. This takes entity-level Certification into a new level of intra-supply chain engagement.

In this context, RJC takes a three-fold approach to achieving its vision of a responsible world-wide supply chain for fine jewellery and watches. RJC analyses and engages with emerging regulatory and normative frameworks, and makes sure that its standards and tools help support Members to effectively meet their compliance needs. Given that these frameworks usually spur the development of a range of tailored programs, RJC is also strongly focused on standards harmonisation and collaborates with a range of standards-setting and capacity-building organisations to achieve this. Finally, RJC works to support implementation initiatives, which take RJC standards and apply them within specific supply chains to promote improved practice, helping to scale up uptake.

Although we found the process of obtaining RJC Certification for both the Code of Practices and Chain-of-Custody time consuming, we ended up streamlining a number of our procedures and business practices. This resulted in a tighter and more efficient operation which has been beneficial to our company. Once the receipt of our RJC Certification became public knowledge, we noted an immediate improvement in the public perception of our company, which resulted in an increase in turnover.

Bernard Stein, CEO of Metal Concentrators Proprietary Limited, Certified March 2014 against both the RJC Code of Practices and Chain-of-Custody Standard







NORMATIVE FRAMEWORKS

- 'Conflict minerals' legislation in the US (the 2010 Dodd Frank Act) has become a significant driver of improved due diligence practices in the gold supply chain. Section 1502 of the Dodd Frank Act stipulates new disclosure requirements, based on country of origin inquiries back through gold supply chains, by companies impacted by the legislation (mainly publicly listed).
- The *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* was released in 2011, with a *Supplement on Gold* added in 2012. This framework was developed through a multi-stakeholder process in which RJC participated. The OECD Due Diligence Guidance was ultimately recognised in the implementing rules for Section 1502, greatly enhancing its uptake as an international due diligence model.
- In 2014, the European Union is also developing 'conflict minerals' legislation, drawing heavily from the OECD Due Diligence Guidance from the outset. This will further consolidate efforts to date in gold supply chains, and probably extend the reach of conflict minerals due diligence to new types and scales of business.
- RJC's Chain-of-Custody (CoC) standard was released in 2012 and includes implementing provisions for the OECD Due Diligence Guidance. Specific chain-of-custody information to support Dodd-Frank reporting is also required for CoC gold. As at April 2014, there are 9 Chain-of-Custody Certified Refiners, who are the key focus for the OECD Guidance as a designated 'choke point' in the supply chain.
- RJC's Code of Practices was updated in 2013 and now includes new provisions on sourcing from conflict-affected and high-risk areas, sourcing from artisanal mining, and a requirement for human rights due diligence as per the UN Guiding Principles and Human Rights. These changes extend the focus on these issues to all Members, as the Code of Practices is RJC's mandatory standard.

Next steps:

- RJC continues to participate in the Multi-Stakeholder Steering Group (MSG) for the OECD Due Diligence Guidance. The MSG develops the agenda for the twice-yearly meetings of the OECD Forum convened to develop and discuss the Guidance, and the meetings provide the opportunity to review progress, challenges and further actions needed to support improved implementation.
- RJC is collaborating with Historic Futures on a research project that is being funded by a UK government Technology Strategy grant. With over 10 years of in-field experience with organisations such as FSC and M&S, Historic Futures have found that creating and maintaining accurate and verifiable value chain maps is possible, but hard to do. Throughout 2014, Historic Futures will be working with RJC to research what data and processes are required to support value chain mapping for the RJC Chain-of-Custody standard and investigate how this data is currently understood and managed. These insights will be used to develop a new platform based on Historic Futures existing String technology. Historic Futures will be aiming to test the prototype solution later in 2014.

STANDARDS HARMONISATION

- In 2012, RJC, the London Bullion Market Association (LBMA) and the Conflict-Free Sourcing Initiative (CFSI) together agreed a cross-recognition program for their respective initiatives. The RJC's Chain-of-Custody (CoC) Certification for refiners is recognised as fulfilling the requirements of the LBMA Responsible Gold Guidance and the CFSI Refiner program. As a result, CoC Certified Refiners are automatically listed on the CFSI list of audited refiners, and if they have London Good Delivery accreditation, can use their RJC CoC Certification to meet the LBMA's requirements. In turn, RJC auditors will recognise the LBMA and CFSI programs as fulfilling section 10 of the RJC CoC Standard. Of the 9 CoC Certified Refiners, 5 are on the current London Good Delivery list, resulting in a 'triple certification' via the three-way agreement.
- In 2013, RJC extended a similar cross-recognition to the DMCC's Responsible Gold program, whereby RJC CoC Certified Refiners would satisfy the DMCC requirements, and the DMCC program would fulfil section 10 of the RJC's CoC Standard. Currently there are no RJC CoC Certified Refiners that are part of the DMCC program. The cross-recognition was established on the basis of an independent review by SGS of the DMCC program against the OECD Due Diligence Guidance and other programs. After some changes to the program in late 2013, DMCC have undertaken to commission a further independent review of their program.
- The World Gold Council's Conflict-Free Gold Standard is also recognised in the RJC Chain-of-Custody standard as a relevant due diligence framework for mining companies.
- RJC also has important agreements to support the valuable work of two standards-setting and capacity building groups that work directly with artisanal and small-scale miners. The Diamond Development Initiative (DDI) has been carrying out pioneering work in Angola with miner registration and government liaison which will soon be extended to the Congo, as well as efforts to develop a 'Development Diamonds' standard. The Alliance for Responsible Mining (ARM) is the original developer of the Fairmined standard for artisanal gold mining, and works primarily in Latin America, Africa and Asia in partnership with miners' organisations and local support NGOs. In 2013 RJC participated in ARM's 2nd regional workshop

in Peru where miners, jewellers and other stakeholders convened to discuss the reality of artisanal mining, share experiences and participate in dialogues and sessions on the Fairmined certification system. The workshop also included a field visit to AURELSA, one of the four Fairmined certified mining companies, and the nearby community. DDI and ARM are both represented on the RJC Standards Committee, and RJC participated in the ARM Standards Committee for their recent revision process for the Fairmined Standard.

Next steps:

- RJC is working with Fairtrade and Fairmined on extending the current RJC recognition of their previously dual standard for gold to each of their now separate standards programs. Since all three organisations have recently completed standards revisions, it presents a great opportunity to re-engage at the standards level as well as at the organisational level on responsible supply chain initiatives. The process falls under RJC's Recognised Responsible Mining Standard, which designates other eligible mined precious metals that can flow through the RJC Chain-of-Custody standard. This helps to build the broader pool of mines certified against responsible mining standards, raising practices through programs with shared goals. The Fairmined and Fairtrade programs both work with artisanal and small-scale miners, a critical group needing support for formalisation and higher labour, safety, health, and environmental practices.
- RJC is participating in the OECD Due Diligence Guidance 'Audit Group', alongside other government, industry, civil society and audit firm representatives. The aims of the working group are to increase communication, understanding and alignment between audit programs, and support existing standards harmonisation efforts.

IMPLEMENTATION AND SUPPLY CHAIN COLLABORATION

RJC is also extending its harmonisation efforts to the supply chain initiatives of Members. The De Beers Best Practices Principles (BPP) program and the Signet Responsible Sourcing Protocol (SRSP) are two prime examples of where RJC Certification is being used to extend company programs to result in a wider certification outcome. In the BPP program, the RJC Certification audit can be undertaken simultaneously with the BPP audit, resulting in two audit reports, one to BPP and one for RJC Certification. RJC will continue to work with De Beers during 2014 to support their re-alignment of the BPP program to the 2013 Code of Practices revision. In the SRSP program, suppliers that conform with RJC's new Provenance Claims provision in the 2013 Code of Practices will satisfy Signet's requirements for conflict-free sourcing claims. RJC has developed a 'Bolt-on' module for adding this dimension to a current or new RJC Certification against the 2009 Code of Practices, to enable US compliance and reporting deadlines to be met quickly through RJC audits.

RJC is working with the Better Gold Initiative (BGI), an integrated supply chain project that aims at supporting artisanal and small-scale miners. The initiative is promoted through a private-public partnership between SECO, the Swiss State Secretariat for Economic Affairs and the Swiss Better Gold Association (SGBA), a non-profit organisation with industry stakeholders from the Swiss gold value chain. The overall goal of the project is to build up simple market mechanisms that honour compliance of producers with standards on traceability, labour conditions, environmental, social governance and community relations performance. Working with interested Swiss refiners and certified producers, as well as downstream manufacturers and retailers, the pilot project aims to develop an innovative supply chain from mine (Peru) to market (Switzerland). RJC's Code of Practices and Chain-of-Custody Standard for larger small-scale and medium-scale mines and gold refiners has been identified as the one of the certification

schemes that BGI will work with. Fairtrade and Fairmined certification are the relevant standards for artisanal and small-scale mines. In 2013, RJC participated in a field trip with BGI to Fairtrade and Fairmined certified as well as non-certified mine sites and processing plants in the Chala region of Peru. The field visit clearly showed the positive impact that certification has on the ground; mines use better environmental practices, have safer working conditions and use the premium they receive for local community projects. In addition to the mine sites visited during the field trip, RJC and BGI also met with medium-size, industrialised Peruvian mining companies to introduce RJC Certification as a means to improve and demonstrate practices.

Next steps:

- RJC will continue to work with company supply chain initiatives to identify opportunities where RJC Certification can fulfil or harmonise with company audit requirements.
- In the second half of 2014, RJC will be conducting a survey of Members and key partners to better understand supply chain demand for and implementation of RJC Certification. These will address indicators such as use of RJC Certification in marketing and communications, customer enquiries/demand for RJC Certification, approaches to working with supply chains, and growth in trade of CoC Certified precious metals. The results will be reviewed in the 2015 Impacts Report.
- RJC will be undertaking further field visits in Peru in late 2014 to investigate challenges and opportunities for certification and improved practices, alongside supply chain initiative partners, including the Better Gold Initiative and Solidaridad.

APPENDICES

Number of Certifications with Non-Conformances for each Provision of the 2009 Code of Practices (2010 – 2013)

Provision	Number of Certifications with Non-Conformances 2010-2013
1.1 Bribery and Facilitation Payments	74
1.2 Money Laundering and Finance of Terrorism	105
1.3 Kimberley Process	25
1.4 Product Security	16
1.5 Product Integrity	21
1.6 Extractive Industries Transparency Initiative	0
2.1 Human Rights	4
2.2 Child Labour and Young Persons	8
2.3 Forced Labour	2
2.4 Freedom of Association and Collective Bargaining	5
2.5 Discrimination	8
2.6 Health & Safety	101
2.7 Discipline and Grievance Procedures	27
2.8 Working Hours	40

Provision	Number of Certifications with Non-Conformances 2010-2013
2.9 Remuneration	25
2.10 General Employment Terms	21
2.11 Community Engagement and Development	2
2.12 Use of Security Personnel	3
2.13 Indigenous Peoples	1
2.14 Artisanal and Small-scale Mining	0
3.1 Environmental Protection	21
3.2 Hazardous Substances	6
3.3 Waste and Emissions	18
3.4 Use of Energy and Natural Resources	24
3.5 Biodiversity	1
4.1 Legal Compliance	52
4.2 Policy	32
4.3 Business Partners	73
4.4 Impact Assessment	1
4.5 Mine Closure Planning	2
4.6 Sustainability Reporting	0

Note: the six highest areas are highlighted and are included in RJC's list of M&E indicators, available at <http://www.responsiblejewellery.com/monitoring-and-evaluation/>

Citations Responsible Jewellery Council in Academic Articles and other Publications (2010-2014)

No	Title	Author	Year	Source
1	Rough Cut: Sustainability Issues in the Coloured Gemstone Industry	Van der Wal, Sanne and Haan, Esther De,	2010	SOMO - Centre for Research on Multinational Corporations http://ssrn.com/abstract=1557705 .
2	Principles for responsible metals supply to electronics	Steven B. Young, Alberto Fonseca, Goretty Dias	2010	Social Responsibility Journal, Vol. 6 Iss: 1, pp.126 - 142
3	Tanzanite as conflict gem: Certifying a secure commodity chain in Tanzania	Richard A. Schroeder	2010	Geoforum, Volume 41, Issue 1, January 2010, Pages 56-65.
4	'Fair trade' gold: A key to alleviating mercury pollution in sub-Saharan Africa?	John Childs	2010	International Journal of Environment and Pollution, Volume 41, Numbers 3-4, 14 May 2010 , pp. 259-271(13).
5	'Fair trade gold': Antecedents, prospects and challenges	Gavin Hilson	2010	Geoforum, Volume 39, Issue 1, January 2008, pp 386-40.
6	Responsible sourcing in construction projects: can anything be learned from 'Fair Trade' schemes?	J Glass	2011	http://www.crrconference.org/downloads/crrc2011glass.pdf .
7	Conflict Diamonds: The Kimberley Process and the South American Challenge	I Smillie	2011	In 'Governance Ecosystems: CSR in the Latin American Mining Sector'.
8	Consumer Perceptions and Behaviour in Respect to Ethical, Social, and Environmental Matters in Jewellery Business	Henri Jokinen	2011	https://aaltodoc.aalto.fi/handle/123456789/1997 .

No	Title	Author	Year	Source
9	Reflections on Ethical Gold	P Oakley	2012	The Goldsmiths' Company Technical Journal, 1 (14). pp. 32-33.
10	The Embeddedness of Responsible Business Practice: Exploring the Interaction Between National-Institutional Environments and Corporate Social Responsibility	L Fransen	2012	Journal of Business Ethics.
11	A Market Approach to Sustainability in the Gold Mining Industry	A Hempstock	2012	Master of Engineering and Public Policy.
12	Sustainable supply chains—minerals and sustainable development, going beyond the mine	Anne-Marie Fleury, Benjamin Davies	2012	Resources Policy 37 (2), pp 175–178.
13	A horizontal approach to implementing corporate social responsibility in international supply chains	Mario Risso	2012	International Journal of Technology Management 58 (1-2).
14	Resource Criticality and Commodity Production Projections	Damien Giurco, Steve Mohr, Gavin Mudd, Leah Mason and Timothy Prior	2012	Resources 2012, 1(1), pp 23-33.
15	Scaling up certification in artisanal and small-scale mining	Blackmore, E., Holzman, C., Buxton, A.	2013	International Institute of Environment and Development.
16	Audit Methodology / Template for the Third Party Exporter Audits of the ICGLR's Regional Certification Mechanism	Rupert Cook and Estelle Levin	2013	http://www.estellelevin.com/wp-content/uploads/2014/02/ICGLR_Audit-Methodology1.pdf .
17	Politics of Private Regulation: ISEAL and the shaping of transnational sustainability governance	A Loconto, E Fouilleux	2013	Regulation & Governance.

No	Title	Author	Year	Source
18	The Kimberly Process and Beyond	I Smillie	2013	In 'Business Regulation and Non-State Actors: Whose Standards? Whose Development?'
19	Luxury and sustainable development: Is there a match?	MA Achabou, S Dekhili	2013	Journal of Business Research.
20	Global Labour Standards Advocacy by European Civil Society Organizations: Trends and Developments	L Fransen, B Burgoon	2013	British Journal of Industrial Relations.
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Page 4

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Page 43

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Page 46 & 47

Cambour SAS

Page 49

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Page 51

Brigitte Ermel Joaillier

Page 56

Piaget

Page 67

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