

Responsible Jewellery Council (RJC)

The Future of the Jewellery industry: Responsible Business Practices and the RJC Member Certification

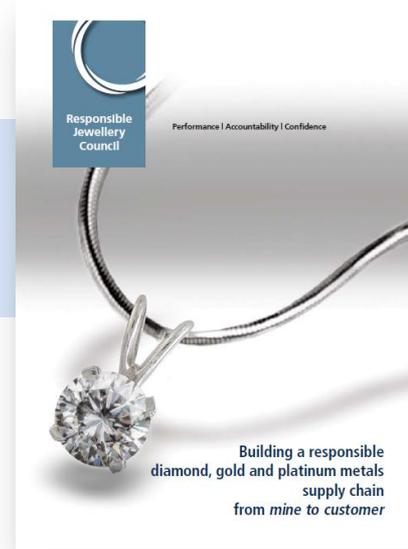
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Catherine Sproule
Chief Operations Officer
Responsible Jewellery Council

The Responsible Jewellery Council (RJC)

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

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

The Council's focus is on the following standards:

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

Current issues deeply affecting the industry

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



Source: USAID

A business' reputation is key to its success

- Crisis management: multinational corporations such as Exelon, McDonalds, Tokyo Electric Power and Nestle have experienced a decline in their share value during a hit to their reputation.

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

- Understand the importance of stakeholders to maintain reputation and bring awareness of the broader political picture and emerging reputation issues.

- Building a platform of responsible business practices: for long-term resilience, to enhance corporate reputation and support consumer confidence.



RESPONSIBLE BUSINESS PRACTICES www.responsiblejewellery.com

Responsible Business Practices and the role of certification

Certification offers the ability to:

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

Key considerations:

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



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

RJC Standards



Code of Practices

- Responsible business practices
- Claim about the Member company – how it runs itself
- RJC Member Certification (launched 2009)

Chain-of-Custody Standard

- Responsible supply chain
- Claim about the **material** – where does it come from, how was it made
- RJC Chain-of-Custody Certification (proposed)

RJC Code of Practices - Member Certification

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

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

Establishes objective and auditable standards against which RJC Members must be certified.

A living document that will undergo content review as applicable. Platinum metals are going will be added in 2012.

Scope of the RJC Code of Practices - Member Certification

Business Ethics: - upholding ethical business practices.

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

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

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

Coverage of Provisions



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

RJC Standards



Code of Practices

- Responsible business practices
- Claim about the Member company – how it runs itself
- *RJC Member Certification* (launched 2009)

Chain-of-Custody Standard

- **Responsible supply chain**
- **Claim about the material – where does it come from, how was it made**
- ***RJC Chain-of-Custody Certification*** (proposed)



RJC Roundtable Discussion on Chain of Custody

In collaboration with Fiera di Vicenza and Confindustria Federorafi

RJC invites you to join your industry colleagues for a session update on its Chain of Custody initiative, led by Dr. Fiona Solomon, Director, Standards Development, RJC.

This session takes place from 12:00 to 13:00 today in this room.

Opening Speech

Roberto Ditri, President, Fiera di Vicenza

Licia Mattioli, President, Confindustria Federorafi

RJC Partnership

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



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

- On June 30th 2011, RJC was approved for Associate Membership of the ISEAL Alliance.
- As an Associate Member, RJC commits to ISEAL's mission and Code of Ethics.
- RJC will be audited for full compliance with the ISEAL Codes of Good Practice in standards setting and impacts evaluation within 12 months, in order to graduate to a Full Member of ISEAL.



RJC Consultative Panel



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

Standards / supply chain associations

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

Non-government organisations

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

Non-government organisations (cont.)

- Partnership Africa Canada
- Solidaridad
- WWF CARPO

Research/consultancy

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

Chain of custody systems

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

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



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



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



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



WE SUPPORT



RJC commitment to the United Nations Global Compact

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

RJC makes a commitment to set in motion changes to business operations so that the Global Compact and its ten principles become part of strategy, culture and day-to-day operations; to publicly advocate the Global Compact and its principles via available communications channels; and to communicate annually and publicly on progress made in implementing the Global Compact principles.

The RJC Communications on Progress Report are available at:

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

RJC Member Testimonials

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





Nawal Aït-Hocine

Corporate Responsibility Director, Cartier International

Chair, RJC's Membership Committee

Cartier



Cartier Co-Founder

“Since 1847, the Cartier Maison has embodied a tradition of excellence, a tradition which has become our duty. This duty of excellence in our creations, savoir-faire and quality of service also extends to the way in which we conduct our activities - ethically, socially, and environmentally. This is what drove our decision to co-found the RJC in 2005. We believe the RJC standard is a powerful and effective way to drive positive change through the jewellery supply chain from mining all the way to retail,” says Bernard Fornas, Cartier’s President and CEO.

www.responsiblejewellery.com

Photo courtesy: Cartier



Confidentiality as a priority

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

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

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

All other information from the Audit is not shared with RJC.

RJC Verification Costs

- Price of an audit is a matter negotiated between the auditor and client
- Approximate Daily Fees:
 - As an indicative guide, fees per auditor person-day will range from £500 to over £1000.
 - Currencies will vary between audit firms depending on the countries of operation.
 - RJC Standards Guidance gives indication of approximate number of days for an audit based on variables such as number of employees, complexity of business etc.
- Cost of RJC Verification Assessment will depend on a range of variables, including:
 - the timing of the audit, the complexity of the task, the size and nature of the Member's operations and the physical location of the Member's facilities.



RJC Membership – Eligibility, Coverage, Commitment

Eligibility - all businesses, **SMALL** , **MEDIUM** and **LARGE**, and associations participating in the diamond, gold and platinum group metals jewellery supply chain and / or engaged in activities that have a potential impact on consumer confidence in that supply chain. RJC philosophy has always been to reach out to small companies. The RJC Member Certification System is also adoptable by small businesses.

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

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

Annual Membership fees:

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

15 RJC Trade Association Members



10 RJC Supporters

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



RICHEMONT





14 RJC Members in Italy

Antica Ditta Marchisio

Assogemme

Boite d'or Gioielli SRL

Bottega Veneta

BULGARI

Club degli Orafi Italia

Confindustria Federorafi

Futurgem Srl

Goldlake I.P. S.p. A.

GUCCI

Legor Group S.p.A

Lombardi SRL

Progold S.p.a

Roberto Coin



Member Participation and Support

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

- Resources on RJC website:
 - i. Download system documents;

- Free RJC training delivered by online webinars and Member workshops at main Trade Fairs. Tailored sessions are arranged for larger companies wishing to have full teams attending.
 - i. How to carry out Self Assessments
 - ii. How to identify key risks in your sector
 - iii. Preparing for Audits

- Members can be involved in RJC Committee work, e.g. Standards, Communications and Accreditation/ Certification

RJC operates transparently through its website

- A transparent tool where all RJC Members and all documents are open to the public.

- RJC Certified Members are available on the web under the ‘Certified Member’ page:

<http://www.responsiblejewellery.com/members/certified-members/>





Benefits of RJC membership

- Enhance and preserve strong brand reputation – avoiding crisis, strengthening your brand.
- Join a community of confidence with a mine to retail initiative unique to the jewellery and watch industry worldwide.
- Offers a communications and engagement platform, supporting Members in communicating with media, NGOs, consumers and external stakeholders.
- Opportunity to participate in the work of an industry standard that covers all parts of the jewellery supply chain.
- Actively Contribute to Sustainable Development.
- Possible Fiscal benefits for Italian companies.



Luisa La Via

**Corporate Social Responsibility and Internal Communication
Executive Director**

BULGARI

B V L G A R I



First Certified Member in Italy

“Bulgari has always fostered a culture that promotes with concrete actions environmentally and socially responsible behaviour, able to make the difference in people’s lives. This certification is an important acknowledgement of our constant commitment and encourages us to further surpass ourselves in virtuous practices of integrity and transparency towards our clientele and stakeholders,” says Francesco Trapani, CEO of BULGARI.

Photo courtesy: BULGARI

BVLGARI



- **BULGARI & RJC**
- **Italian Company Founded in 1884**
- **Leader in the Jewellery Field**
- **Member of the RJC since 2006**
- **Our CSR strategy**
- **The RJC Certification**
- **Our Commitment to the RJC**

Governance of the Council

Officers of the Council

Chairman: Matt Runci: Jewelers of America

Vice-Chairman: John Hall, Rio Tinto

Honorary Secretary: Mark Jenkins, Signet plc

Honorary Treasurer: James Suzman, De Beers Group

Committee Chairs

Executive Committee: Matt Runci, Jewelers of America

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

Communications Committee: John Hall, Rio Tinto

Membership Committee: Nawal Ait-Hocine, Cartier

Legal Committee: Mark Jenkins, Signet plc

People Committee: Fazal Chaudri, Exelco

Finance Committee: Ruth Batson, American Gem Society

Accreditation and Training Committee: Gérard Satre, Chanel

RJC Management

Michael Rae, CEO

Governance of the Council

The Members of the Board of Directors are:

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



Contacts – RJC Management Team



Responsible
Jewellery
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