

Responsible Jewelry Council (RJC)

RJC Certification: Responsibility and Assurance in the Jewelry Industry

Palm Beach - 28 February 2012

Catherine Sproule, Chief Operations Officer, RJC



Performance | Accountability | Confidence



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

Responsible Jewelry Council (RJC) - Overview



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

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

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

- 360 Members representing 26 countries around the world: grown 4.5% per month since July 2005.
- US\$45 + billion in annual relevant sales

Auditor Accreditation:

- 230+ RJC Accredited Auditors across 8 firms

Certification:

- 140+ Certified Members – growing daily
- 75% Members made the first 31 December 2011 deadline
- 25% have been granted short extensions to complete audits underway or scheduled.

Current issues deeply affecting the industry

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



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

A business' reputation is key to its success

- Crisis management: multinational corporations 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

RJC Standards



Responsible
Jewelry
Council

RJC Code of Practices

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

Chain-of-Custody Standard

- ✓ To be launched for precious metals in March 2012 (gold, platinum, palladium, rhodium)
- ✓ Assurance metals are from responsible sources
- ✓ Voluntary for RJC Members

RJC Code of Practices = Member Certification System



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

Business Ethics: - upholding ethical business practices.

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

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

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

Coverage of Provisions of the Code of Practices



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

RJC Standards



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RJC Chain-of-Custody Certification



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

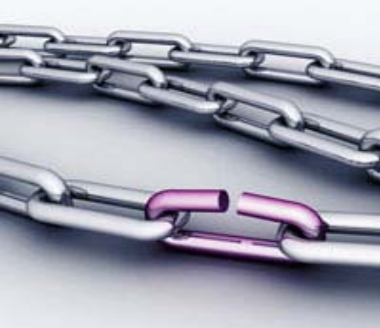
Photo courtesy: Rio Tinto and BULGARI



Chain-of-Custody and Diamonds

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

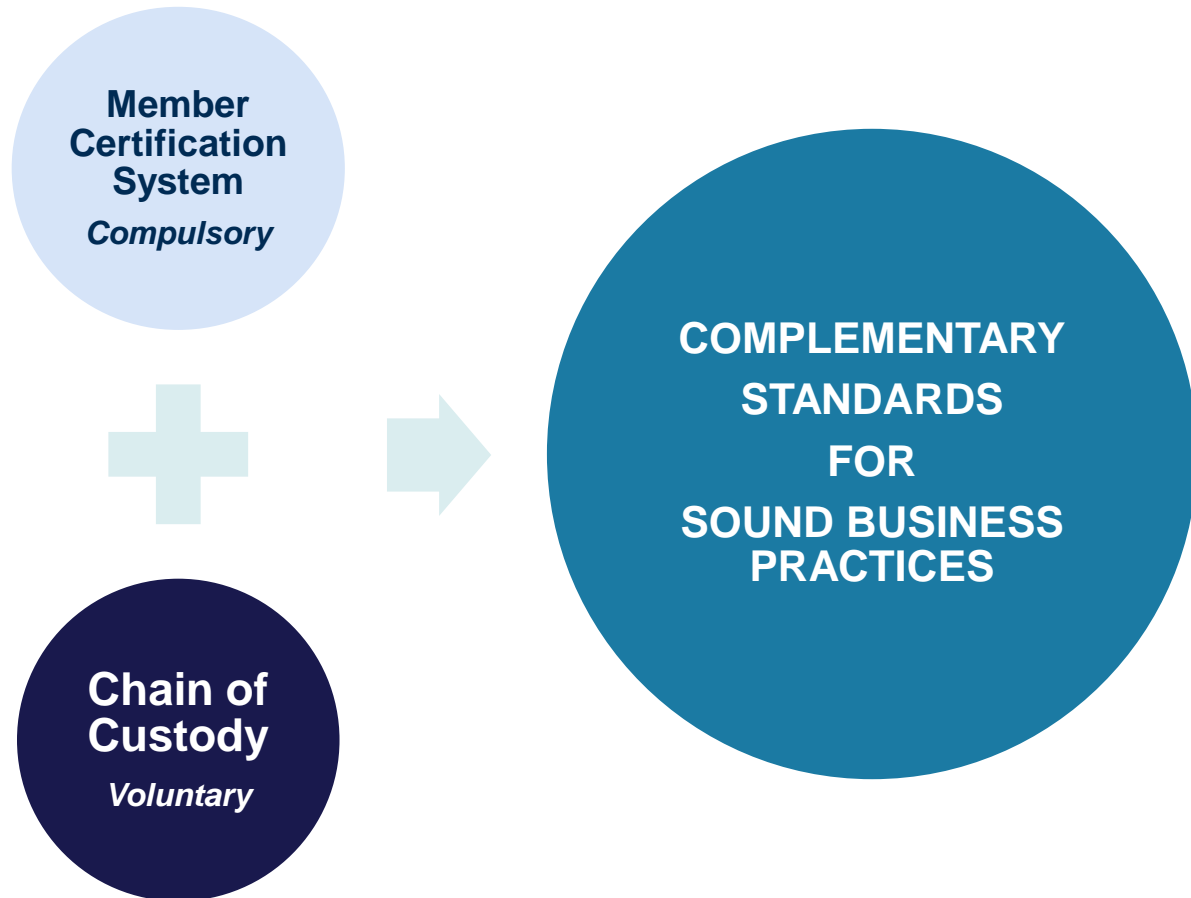
This has not affected the launch of the CoC Standard for gold and platinum group metals.



Summary

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

RJC standards are complementary



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 jewelry 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 jewelry 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 jewelry raw materials produced by artisanal diamond mining communities.



WE SUPPORT

RJC commitment to the United Nations Global Compact



The Responsible Jewelry 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>

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 jewelry and watch industry worldwide.
- Opportunity to participate in the work of an industry standard that covers all parts of the jewelry supply chain and actively contribute to Sustainable Development.
- Offers a communications and engagement platform, supporting Members in communicating with media, NGOs, consumers and external stakeholders.
- Members can be involved in RJC Committee work, e.g. Standards, Communications and Accreditation/ Certification.
- Free RJC training delivered by online webinars and Member workshops at main Trade Fairs.

RJC Membership – Eligibility, Coverage, Commitment



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

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

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

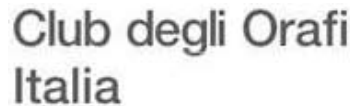
Annual Membership fees:

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

15 RJC Trade Association Members



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



11 RJC Supporters

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



RICHEMONT





57 Members are from USA



- Amadena LLC / Excellent Facets Inc
- American Gem Society
- AR&AR Jewelry Inc
- Ben Bridge Jeweler
- Brown Goldsmiths & Company
- Carelle Ltd
- Chester Industries Ltd
- Clear Light Diamond Co
- Colormasters Gem Corp
- Cora International LLC
- Cookson Material Products Group
- Costco Wholesale Corp.
- Cripple Creek & Victor Gold Mining Company
- Day's Jewelers
- Diamour Inc.
- E.Schreiber, Inc
- Esskay Gems Inc
- F.D. Worldwide Merchandise Group INC
- Fred Meyer Jewelers
- GCAL: Gem Certification & Assurance Lab, Inc
- Gemological Institute of America, Inc (GIA)
- Gemological Science International (GSI)
- Goodmans Jewelers Inc.
- Harry Winston Inc
- H. Cunningham Fine Jewelry Inc
- Hamilton Jewelers
- Hasenfeld-Stein Inc
- Hight & Randall Limited
- Hyde Park Inc
- IGC Brand Services LLC
- International Gemological Institute (IGI)
- Interjewel U.S.A. Inc
- Jack Reiss LLC
- Jewelers of America Inc
- JewelAmerica Inc
- Jewelex New York Ltd
- JC Penney
- Julius Klein Group
- Kama Schacter Jewelry Inc
- Krikawa Jewelry Designs Inc
- Lazare Kaplan International Inc
- Leo Schachter Diamonds
- Lux Bond & Green
- Madison Avenue Diamonds LLC dba Ivanka Trump Fine Jewelry
- Mohit Diamonds USA Inc
- Munic Gems LLC
- Paras Diamond Corp dba Amikam
- Prestige Jewelry International Inc
- Premier Gem Corp
- Real Jewels
- Renaissance Diamonds Corp
- Richline Group Inc
- Sidney Garber Jewelers Inc.
- Simms II Jewelers
- Tiffany & Co.
- Waldman Diamond Company Inc
- Yerudiam Limited



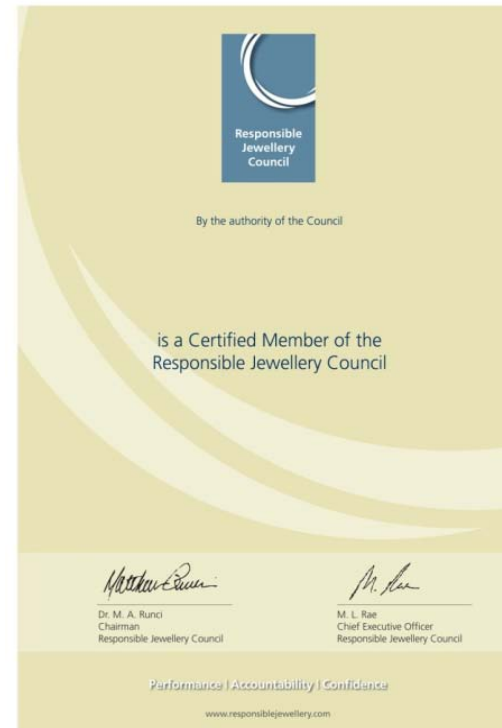
25 Certified Members in USA



Fred Meyer
Signet Jewelers
Julius Klein Group
Lazare Kaplan International
Tiffany & Co
Ben Bridge
Tache
Leo Schachter Diamonds LLC
Kama Schachter Jewellery Inc.
E Schreiber Inc
Amadena LLC / Excellent Facets Inc
Diarough Sicar SCA
JC Penney
GIA
Hamilton Jewelers
ColorMasters Precious Jewelry
Interjewel USA Inc
International Gemological Institute
Esskay Gems Inc
Exelco NV
Chester Industries Corp
Harry Winston Diamond Corporation
Diamex Manufacturing NV
AR & AR Jewelry
Day's Jewelers

Members with facilities in USA:

Rubel & Menasche
Boucheron
Cartier
Rosy Blue NV
De Beers Diamond Jewellers





Hank Siegel, Hamilton's President and CEO remarks, "As we begin to celebrate our centennial year in 2012, Hamilton is extremely proud of our certification by the RJC, and additionally honored to be among the first independent family-owned retailer to be certified. Our firm and my family have long embraced our ethical and social responsibilities to serve our communities and industry, and are deeply appreciative of the RJC's activities to promote such practices and extend them throughout the entire supply chain. We encourage all fine jewelry retailers, large and small, to consider RJC certification."

About Hamilton:

- Family owned jewellery retailer founded in 1912.
- Serves national clientele in New Jersey and Palm Beach and international customers.
- Supporter of many important efforts to sustain social responsibility in its business as well as the fine jewelry industry: partnership with the Jewelers Vigilance Committee (JVC), Jewelers of America (JA), American Gem Society (AGS), and the Diamond Trading Company (DTC).
- Recognized in the fine jewelry industry as a leader in employee training and education, having developed extensive in-house programs for the advancement and education of its employees.
- Joined RJC in September 2006 and achieved RJC Certification in December 2011.

RJC operates transparently through its website

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



Governance of the Council



Officers of the Council

Chairman: Matt Runci, Jewelers of America

Vice-Chairman: 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

Jewellery 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, Chief Executive Officer

Governance of the Council



Members of the Board of Directors

Allchin, Michael – Birmingham Assay Office
Baker, Donna – Gemological Institute of America
Batson, Ruth – American Gem Society
Bonas, Charles – Bonas & Co. Ltd.
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



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