

RESPONSIBLE JEWELLERY COUNCIL

2014 Annual Progress Report



Responsible
Jewellery
Council





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

We strive to be the recognized standards and certification organization for supply chain integrity and sustainability in the global fine jewellery and watch industry.

FOREWORDS



JAMES COURAGE, CHAIRMAN

Now in its ninth year, the Responsible Jewellery Council (RJC) continues to fully focus on providing its Members with a dedicated independent third party certification programme, as well as a platform for collaboration with broader stakeholder initiatives.

In 2013, the RJC reached a milestone with the launch of the RJC's new Code of Practices, after a comprehensive consultation and review process with industry and stakeholders. In 2014, we will focus on messaging the benefits and positive impacts of RJC Certification and supporting implementation of responsible practices by our Members and partners. We continue our engagement in a number of multi-stakeholder initiatives, and remain

committed to the broader mission of the UN Global Compact.

This year I have witnessed not only the number but also the engagement of RJC Members grow, rewarding our efforts to build awareness and commitment. This gives me confidence that the industry is increasingly working towards a shared goal of upholding integrity, responsibility and sustainability for all stakeholders.

I would finally like to acknowledge the contribution of Michael Rae, who after 7 Years as CEO of the RJC, left the organisation late last year. Sincere thanks to the RJC Management and operational team for their dedication and support, who together with the Executive Committee and Board have been a major support to me in my first year as Chairman of the organisation.



CATHERINE SPROULE, CHIEF EXECUTIVE OFFICER - INTERIM

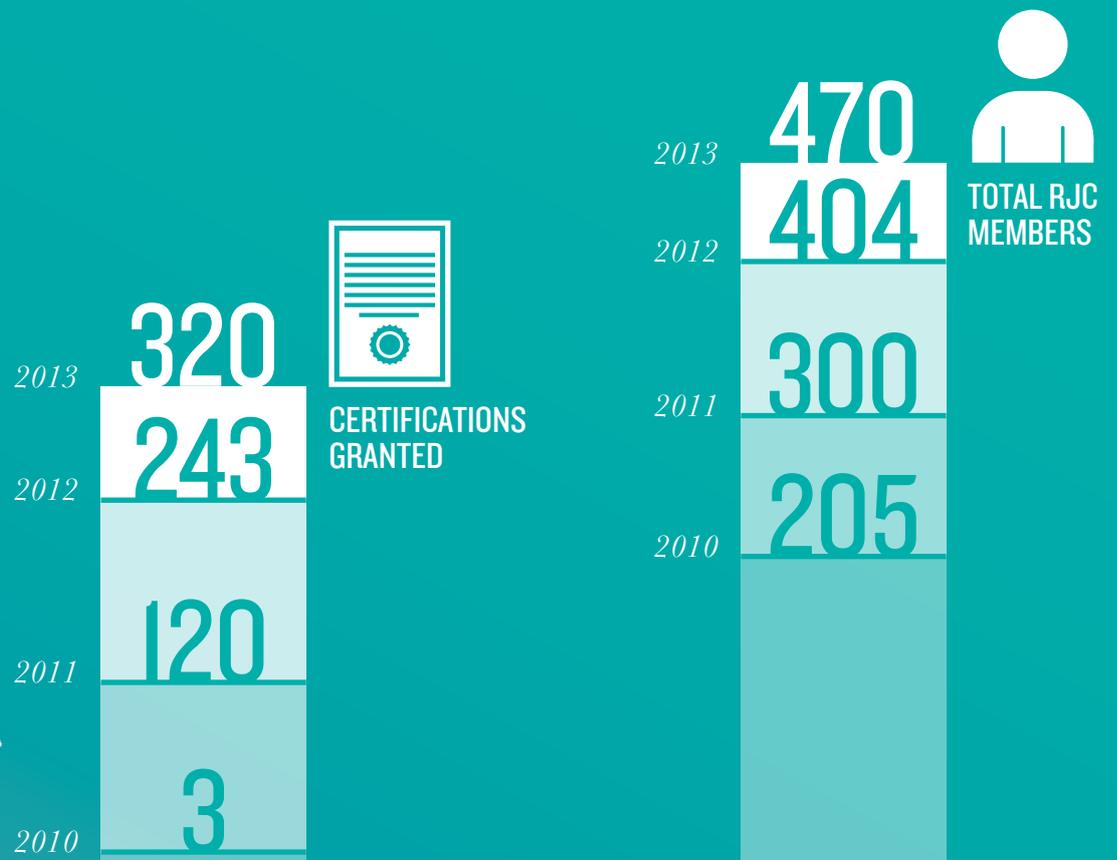
2013 was an impactful year for the RJC and 2014 is developing to be a watershed in recruiting new members and engaging globally.

RJC is building programmes to enhance local engagement and peer support, with an emphasis on India and the Far East, as well as communicating important new topics such as human rights and provenance claims in the new Code of Practices.

Through the Code of Practices review, we have significantly improved the guidance and tools we provide to our Members to help with their implementation. RJC is composed of an enthusiastic team determined to provide comprehensive support to Members on their 'certification journey'.

In this third Annual Progress Report, we have compiled data, testimonials and achievements that support the work and value of the RJC. These provide you with a small taste of RJC's work. I thank our Members for their valued support and encourage businesses thinking about taking the step to membership to join us.

RJC MEMBERS IN FIGURES



To give an indication of the larger size of the value chain, annual global jewellery sales to retail consumers are estimated at US\$200 billion.

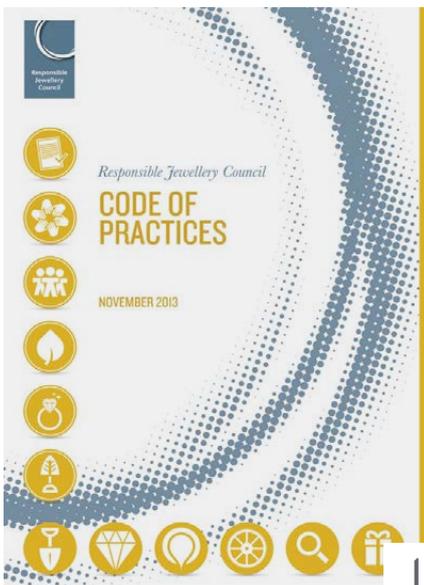
(Source: McKinsey and Company, February 2014)

COMMERCIAL MEMBERS AND AGGREGATE ANNUAL SALES





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1 CODE OF PRACTICES REVIEW

During 2012 to 2013, the RJC carried out an extensive multi-stakeholder review of its mandatory Member standard, the Code of Practices. The revision incorporates valuable feedback from over 500 responses from industry, NGOs and other stakeholders, through webinars, submissions and market outreach in Asia, Europe and North America. The result is a new Code

of Practices that emphasises RJC's comprehensive approach to corporate social responsibility (CSR) issues from mine to retail and the growing importance of responsible supply chains. The accompanying guidance and toolkits have also been significantly revised, so as to provide more detailed implementation support for businesses.

2 STANDARDS HARMONISATION

RJC has continued to work on further development and implementation of harmonisation programs with the London Bullion Market Association (LBMA), Conflict-Free Sourcing Initiative (CFSI), Dubai Multi Commodity Centre (DMCC) and Fairtrade and Fairmined standards. A new Code of Practices provision on 'Provenance Claims' will provide an additional vehicle to support the aims of private supply chain auditing, particularly for compliance purposes such as the US Dodd Frank Act. Increasing the interoperability of related standards is vitally important to delivering value from RJC Certification, and reducing unnecessary duplication of audits for businesses.

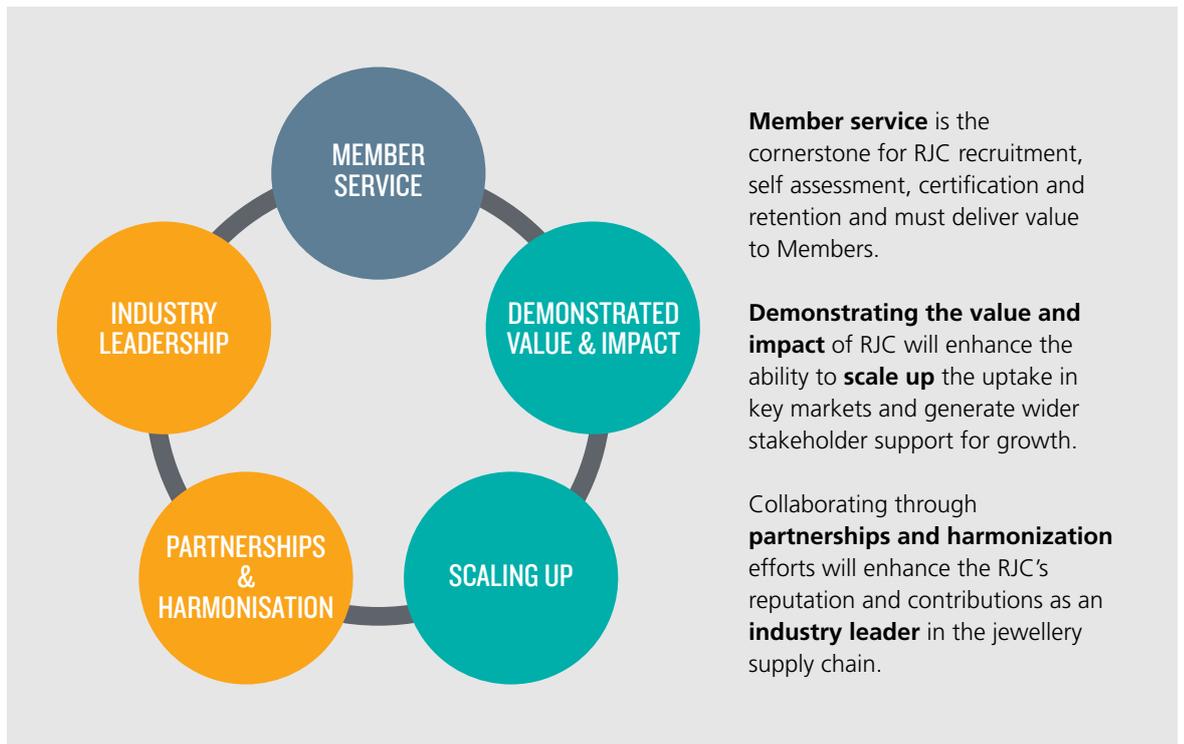
RJC ACTIVITIES & ACHIEVEMENTS 2013



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Member service is the cornerstone for RJC recruitment, self assessment, certification and retention and must deliver value to Members.

Demonstrating the value and impact of RJC will enhance the ability to **scale up** the uptake in key markets and generate wider stakeholder support for growth.

Collaborating through **partnerships and harmonization** efforts will enhance the RJC's reputation and contributions as an **industry leader** in the jewellery supply chain.

3 INDUSTRY OUTREACH

RJC presents each year at leading international trade fairs to raise awareness of current and emerging issues for the industry, and how RJC's certification program can assist. 2013 events included the Salon International de la Haute Horlogerie (SIHH), Vicenzaoro, Baselworld, Prospectors and Developers Association of Canada (PDAC), JCK Las Vegas, International Jewellery London (IJL), Hong Kong Jewellery and Gem Fair and Ethical Corporation. In addition, RJC was invited to co-host with LBMA a Responsible Gold Forum in Rome at the LBMA's Conference.

4 CIBJO PARTNERSHIP

In 2013, RJC signed a Memorandum of Understanding (MOU) with CIBJO, the World Jewellery Confederation. The MOU reflects the willingness of both organisations to collaborate on efforts to entrench a solid understanding and commitment from the jewellery industry in the areas of human rights, social and environmental performance and ethical business practices.

5 INDIA ENGAGEMENT

In September, RJC commenced a new engagement focus with the Indian industry which aims to increase support, awareness and implementation for RJC programs. India is an international centre for diamond cutting, polishing and trading and is also the first country in the world to mandate corporate social responsibility requirements under its new Companies Bill. RJC welcomes the opportunity to deepen its support for Indian companies' and associations' efforts towards responsible supply chains, and this work continues into 2014.



RJC CODE OF PRACTICES 2013

A comprehensive update to the RJC Code of Practices (COP) was released in 2013 after an 18 month multi-stakeholder consensus process.

After 3 years of implementation by Members and Auditors, RJC used the process to benchmark the 2009 COP against evolving standards, new expectations, and international instruments and legislation.

The COP can be applied by any size of business, in all sectors of the diamond, gold and platinum group metals jewellery supply chain, from mining through to retail. It covers a wide range of important topics for the jewellery supply chain and builds on key international standards.

A new structure for the COP now reflects the strategic priorities for a responsible business: responsible supply chains and human rights; labour rights and working conditions; health, safety and environment; diamond, gold and platinum group metals products; and a responsible mining sector.

A wide range of editorial improvements have been made to clarify intent in the COP's requirements. The Standards Guidance chapters have also been significantly revised, aiming to provide more detailed implementation guidance for businesses, including small business and key regions such as India.



CODE OF PRACTICES



RESPONSIBLE
SUPPLY CHAINS
& HUMAN RIGHTS



LABOUR RIGHTS
& WORKING
CONDITIONS



HEALTH, SAFETY
& ENVIRONMENT



GOLD, DIAMOND &
PLATINUM GROUP
METAL PRODUCTS



RESPONSIBLE
MINING



GENERAL
REQUIREMENTS

The Assessment Manual is now a combined manual for the COP and Chain-of-Custody standards and provides additional guidance on process and reporting.

An Excel-based Risk Assessment Toolkit has been developed to help businesses in the process of carrying out a risk assessment and developing corrective actions. A Human Rights Due Diligence Toolkit has also been developed to support RJC Members with this process, which is now a requirement in the COP. The new Certification Handbook gives an overview of the RJC standards and the requirements for achieving certification.

Translations are available in French, Italian, Gujarati, Chinese (Simplified), Portuguese and Spanish.

All RJC Members must achieve Certification against the Code of Practices to maintain their Membership. Members have two years from joining to first achieve Certification against this standard and undergo regular audits to maintain their Certified status. During 2014 only, RJC will accept Certifications against either the 2009 or 2013 version of the COP.

WHY DID WE GET CERTIFIED?

The RJC Certification process is a journey.



PRODUCER

Eurocantera
Certified: August 2013



“Eurocantera and the RJC share a common goal of building consumer and public confidence in the jewellery industry, thus contributing positively to gold mines’ neighbouring communities. Our activities are governed by our values to tread lightly on our Earth and preserve the natural environment. This achievement is one small step to winning public support in an industry we are proud to be a part of.”

Giuseppe Colaiacovo
CEO of Eurocantera S.A.



REFINER

Progold
CoC Certified: January 2013



“We believe in fair rules and the RJC Certification perfectly aligns with our commitment to integrate Corporate Social Responsibility in our core business practices. By conducting ethical, responsible and transparent business operations, we are able to evaluate the impact of our decisions and actions on the society and the environment. We want to ensure that our development, which today meets our customer needs, doesn’t compromise the possibility of fulfilling the needs of future generations.”

Damiano Zito
CEO of Progold S.p.A.



**DIAMOND TRADING,
CUTTING & POLISHING**

C. Dinesh & Co. Pvt. Ltd.
Certified: February 2013



“We are very pleased to have achieved RJC Certification. C. Dinesh & Co. Pvt. Ltd. operates with the aim of providing perfectly proportioned diamonds through our manufacturing expertise, accurate grading and reliable customer service. We are committed to ensuring that all aspects of our business reflect trust, customer satisfaction and ethical business practices.”

Dinesh A. Shah
Director of C. Dinesh & Co. Pvt. Ltd.

When businesses first join the RJC, they are given two years to learn about the RJC standards, participate in training and peer webinars, and ask questions of our help desk. Some businesses move quickly to achieving Certification, others take time to re-assess their systems and integrate new ways of working.

The drivers and impacts of Certification are different for each Member. For some, RJC Certification provides an opportunity to prove what they are already doing; others are meeting expectations of customers, suppliers or other stakeholders; and still others come to the RJC to operationalise a commitment to responsible practices.

Whatever the reason, Members tell us that the process is both rigorous and rewarding. Through taking on the Code of Practices and preparing for an independent third party audit, they understand their business better and integrate improvements and new ways of working into their existing systems. These are the first steps of an ongoing journey towards RJC's vision of a responsible global supply chain, in which each Certified Member plays a vitally important part.



MANUFACTURER

Gay Frères SAS
Re-Certified: June 2013



"We are most proud to be the very first Member to have achieved the RJC Certification. Our continuous commitment to improve industry standards has led us to Re-Certification this year. We fully support the RJC's mission and encourage others within the industry to follow suit so that they too can provide evidence of responsible business practices."

Claude Schlappi
Director of Gay Frères.



RETAILER

Hyde Park Jewelers
Certified: April 2013



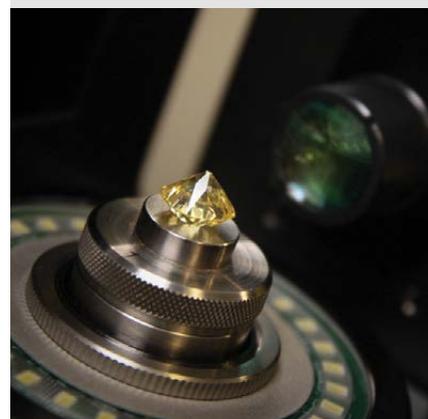
"On behalf of Hyde Park and Traditional Jewelers, we are honoured to achieve the RJC Certification. We strive to raise the standards of social responsibility, integrity and transparency in our industry, in the best possible manner."

Michael Pollak
CEO of Hyde Park Jewelers.



SERVICE INDUSTRY

Laboratoire Français de Gemmologie
Certified: August 2013



"Achieving the RJC Certification reinforces LFG engagement to analysis of gems, information of professionals and improvement of the scientific documentation. LFG became independent from the Chamber of Commerce of Paris in 2011 and since then our efforts have focused on improving our processes. A strategy we believe leads our company to success in accordance with ethical principles."

Bernadette Pinet-Cuoq
CEO of the Laboratoire Français de Gemmologie.

SPOTLIGHT ON CERTIFICATION

From 2010-2013, RJC Members were undertaking Certification against the Code of Practices (COP) for the very first time.

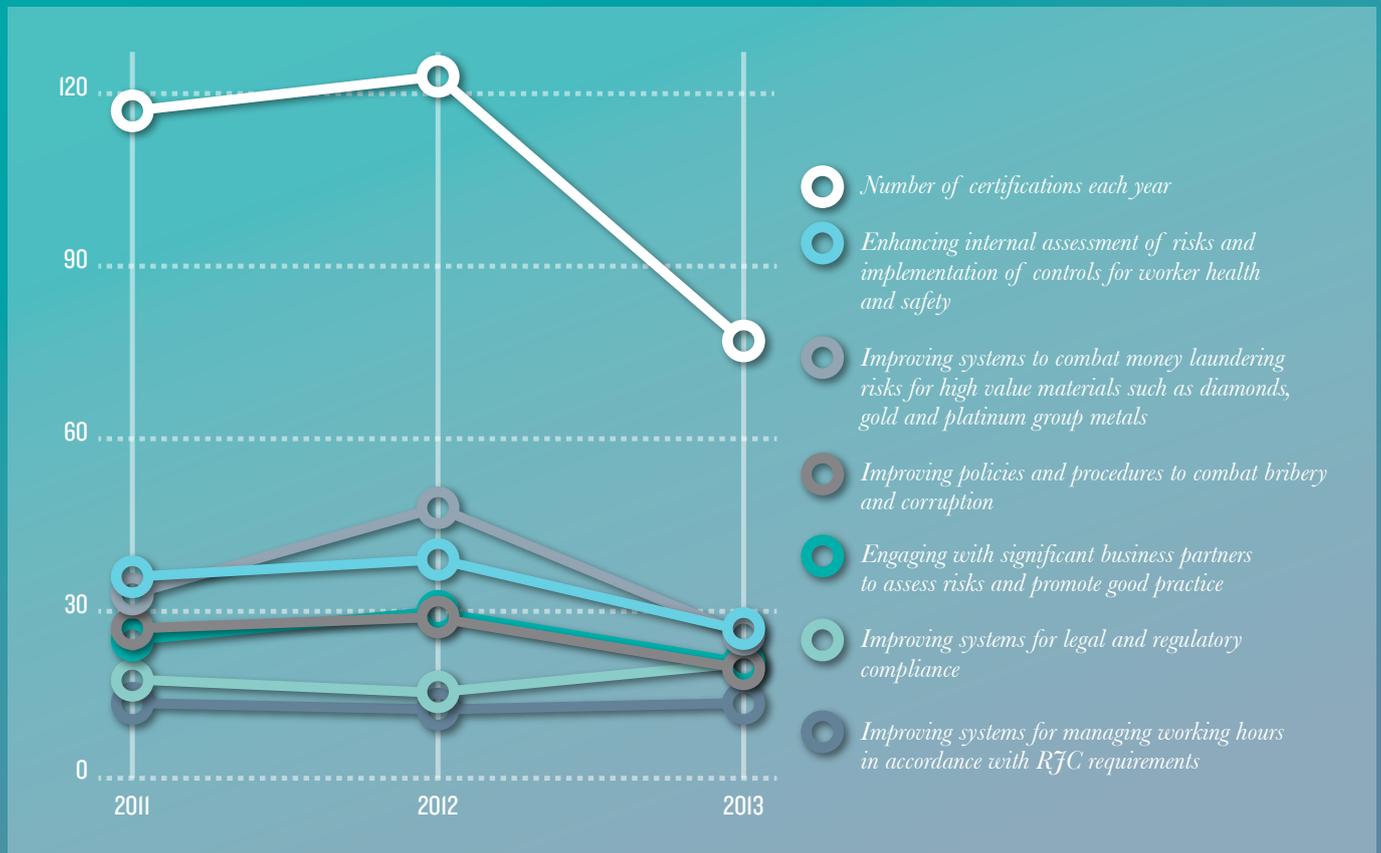
CORRECTIVE ACTION AREAS

Over this timeframe, the top six non-conformance areas in the COP were consistently health and safety, money laundering, bribery, business partners, legal compliance and working hours. Usually these related to inadequate systems or controls.

Non-conformances represent a requirement for corrective action, and therefore an improvement in practices. By this measure, RJC's standards can be seen to play an important role in building capacity and effective approaches to managing key risks and improving working conditions.

The new RJC Code of Practices has led to improved guidance and training in these priority areas from 2014, helping to build compliance levels. We anticipate seeing non-conformance rates decline in coming years through this enhanced support and the re-certification process. This leads to better practices for RJC Members, and a more responsible global supply chain in the jewellery sector.

NUMBER OF CERTIFICATIONS AND NON-CONFORMANCE AREAS BY YEAR



*38% of the 317
Certifications granted
during 2011-2013 had
zero non-conformances.*

CERTIFIED MEMBERS BY COUNTRY

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.

There are more than 5000 Facilities covered by RJC Certifications in more than 47 countries. These include mines, refineries, retail stores, factories, laboratories and offices.

RJC IMPACTS REPORT

RJC is a full member of the ISEAL Alliance, the global association for sustainability standards. The four goals of the ISEAL Alliance are to:

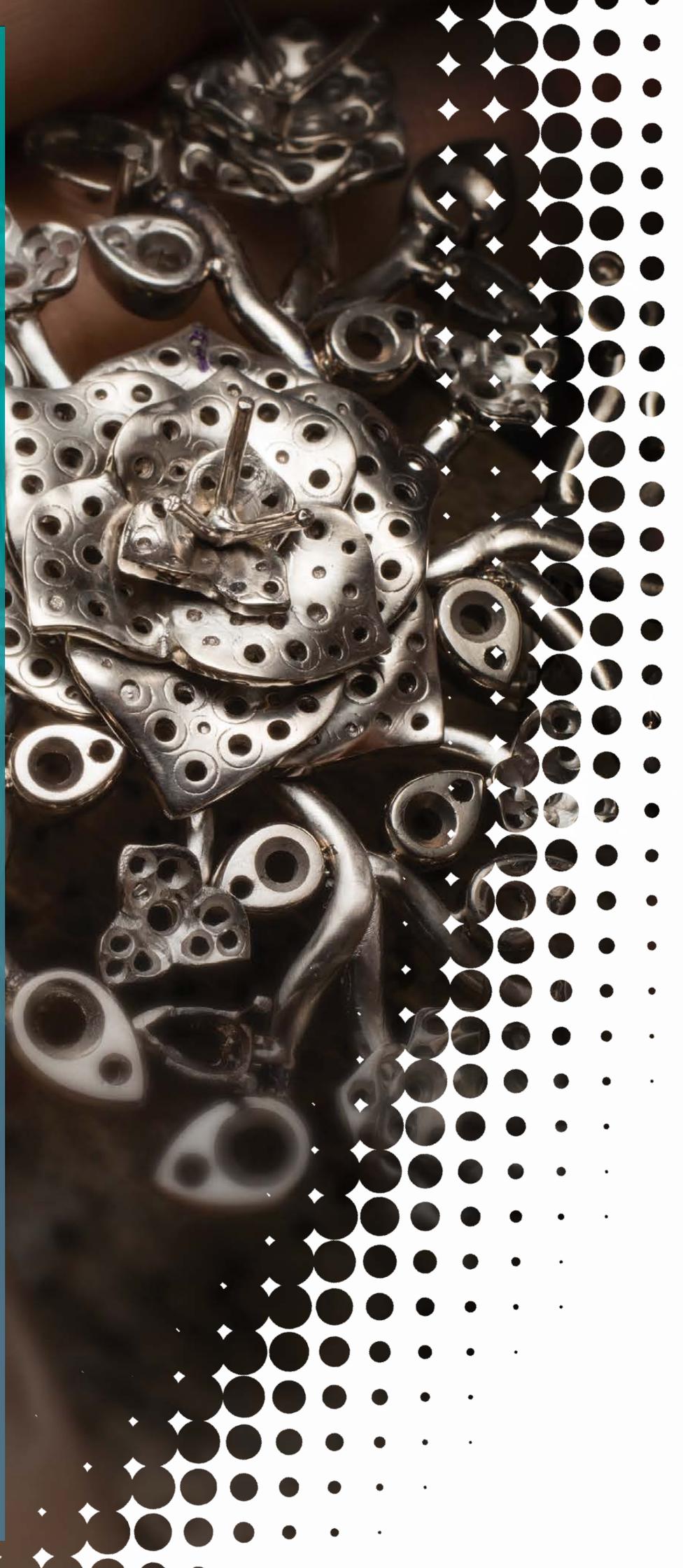
- Improve the impacts of standards
- Define credibility for sustainability standards
- Increase the uptake of credible sustainability standards
- Improve the effectiveness of standards

Alongside other well-known standards initiatives, RJC's commitment is to comply with ISEAL Codes on Standards-Setting, Assurance and Impacts.

isealalliance.org

In mid-2014, RJC will publish its first full Impacts Report, which will include more detailed analyses of data collected under our Monitoring and Evaluation program, and delve into selected sectors to shed light on impacts and benefits of certification. These will include mining in Latin America, diamond cutting and polishing in India, and small-to-medium enterprises (SMEs).

responsiblejewellery.com





JOINING RJC

RJC Certification is an invaluable benefit for any business active in the jewellery supply chain. The new millennial consumer and increased customer and stakeholder expectations are growing the spotlight on *how* businesses operate responsibly. RJC helps its Members understand what these expectations are and how they can meet them.

Benefits of RJC Membership to your business:

1. Enhance your reputation through a commitment to good practice
2. Strengthen your CSR and internal risk management
3. Reduce supply chain risk with business partners

PHOTO CREDITS

RJC's Annual Progress Report highlights the efforts of more than 470 businesses in the jewellery supply chain to deliver on a commitment of responsible business practices. Why not join them?

4. Reduce audit duplication to achieve operational efficiency
5. Demonstrate compliance thus enhancing market access
6. Connect with a business network actively working towards responsible supply chains

What RJC does:

- We look at the whole supply chain from mine to retail and build capacity for our Members
- We identify corporate responsibility issues that affect your business
- We use a multi-stakeholder approach to oversee our standards development

- We accredit and train auditors who can carry out your independent, third party audit
- We grant RJC Certification if your company shows it applies responsible practices as per our standards
- We work with other initiatives to harmonise standards, reducing audit duplication for your business
- We provide our Members:
 - training and peer learning opportunities
 - toolkits that lead you step by step
 - comprehensive guidance documents
 - a help desk

RJC's annual Membership fees are low.

They range from \$30 to \$45 per million dollars of sales, and there are minimum and maximum fees. For example, if you are a manufacturer with an annual turnover of \$100 million, your RJC Membership fee is \$3000.

For more information, visit: responsiblejewellery.com/applications/ or email applications@responsiblejewellery.com

Cover: *Two brides from the nineteen couples whose weddings were funded by Hari Krishna Exports Pvt. Ltd., an RJC Certified Member in Surat, India. The couples were identified by a local civil society group, and the company spent over half a million rupees hosting the community weddings with 10,000 guests, also giving the couples gifts of money, gold jewellery and domestic items with which to start their married life.*

Inside cover: Karl Schoemaker for AngloGold Ashanti

Page 4: Image of James Courage – Platinum Guild International, Image of Catherine Sproule – Responsible Jewellery Council.

Page 6 & 7: Code of Practices Review – Responsible Jewellery Council, Standards Harmonisation – Piaget, Industry Outreach – Responsible Jewellery Council, CIBJO Partnership – Responsible Jewellery Council,

India Engagement – Dimexon.

Page 8 & 9: Dimexon.

Page 10 & 11: Producer – Eurocantera, Refiner – Progold, Diamond Trading, Cutting & Polishing – C. Dinesh & Co. Pvt. Ltd., Manufacturer – Gay Frères SAS, Retailer – Hyde Park Jewelers, Service Industry – Laboratoire Français de Gemmologie.

Page 13: Piaget.

Page 14 & 15: Rio Tinto.





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