



*2012 Annual
Progress Report*



Responsible
Jewellery
Council

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

The Responsible Jewellery Council

The Responsible Jewellery Council (RJC) is an international not-for-profit organisation bringing together over 360 member companies across the jewellery supply chain. It sets standards via multi-stakeholder processes, accredits independent third party auditors, and provides training on achieving certification.

The RJC is governed by a Board of Directors, supported by a number of Committees and administered by a Management Team located in Australia, Canada, Italy and the United Kingdom. The RJC welcomes new Members, small, medium and large, from all parts of the jewellery supply chain, including trade associations.

RJC Code of Practices:

- Business Ethics: – upholding ethical business practices.
- Human Rights and Social Performance: – upholding fundamental human rights, treating workers and communities fairly and with respect, encouraging a diverse workforce, and provision of a safe working environment.
- Environmental Performance: – promoting efficient use of resources and energy, protecting biodiversity and reducing and preventing pollution.
- Management Systems: – compliance with applicable law, assessing impacts and benefits, establishing policy, and managing business risks including contractors, suppliers and partners.

RJC Chain-of-Custody Standard:

- Builds on and complements the Code of Practices, and is voluntary for RJC Members.
- Defines requirements for businesses implementing Chain-of-Custody management systems, including systems for sourcing, segregating and transferring eligible jewellery materials.
- Enables credible claims to be made about the responsible and conflict-sensitive sourcing of gold and platinum group metals.

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Forewords



*Matthew A. Runci,
Chairman,
Responsible Jewellery
Council.*

When a small group of 14 companies and trade associations first came together in 2004 to discuss the reputational issues facing the diamond and gold jewellery supply chain, there was an immediate

realisation that there was great value in businesses from all sectors of the gold and diamond supply chain working together to reinforce consumer confidence by credibly demonstrating responsible performance from mine to retail. Through collaboration on a common approach that could meet the needs of businesses large and small, industry working together could accelerate progress toward that goal while also achieving greater efficiency by avoiding the audit fatigue that has characterized other industries' efforts. From those exploratory discussions the Responsible Jewellery Council was born.

Only seven years later, RJC has become a well respected entity with a rapidly growing international membership of over 360 companies and trade associations, with over 150 Commercial Members already certified by third party auditors against the RJC's robust standards.

The RJC's performance standards, focused on responsible environmental, social

and ethical business practices, are more relevant than ever today as increasing numbers of industries, not just jewellers, are subject to scrutiny regarding the sources and the production methods behind the goods and services they offer to consumers.

This year, the RJC is enhancing its governance processes by inviting prominent stakeholders to be members of the RJC Board of Directors and the Standards Committee. This will increase the direct involvement of stakeholders in the decisions regarding the further development of the RJC's standards and procedures.

The RJC's Members have achieved much together but we realise there is more to do. I hope this report inspires and encourages you, whether as part of the jewellery industry or as a valued stakeholder, to support the jewellery industry's efforts.



*Michael Rae,
Chief Executive Officer,
Responsible Jewellery
Council.*

From the RJC's inception, the Council has had a fundamental commitment to transparency.

The Council's Members recognise that the credibility of its work and the achievement of the goal of reinforcing consumer confidence in jewellery are directly proportional to the level of transparency associated with the RJC's internal governance and its certification standards and guidelines. No credibility attaches to governance processes and performance standards that operate inside a black box, shielded from public view.

That is why all documentation regarding the development and content of the RJC's Member Certification and Chain-of-Custody Certification has been published on the RJC website www.responsiblejewellery.com.

RJC's commitment to transparency is also evident in its monitoring, evaluation and reporting. RJC publishes a Monthly Indicator Report on its website that updates selected quantitative indicators

each month to regularly inform Members and stakeholders on impacts and progress.

The RJC also reports against its obligations as a Participant in the UN Global Compact, the respected international initiative for businesses that are committed to aligning their operations and strategies with the UN's universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

The 2012 RJC Annual Progress Report is a further important means for the RJC to communicate its progress and challenges to Members and stakeholders. I commend the report to you and I would greatly appreciate any feedback on the content and style of the report you would care to send me.

Impacts

Over US
 \$45BN

*global annual sales of diamonds,
gold and platinum group metals by
RJC Members*

RJC Members are active in over

 30
countries

More than

150

*companies in the jewellery supply chain
independently audited to achieve RJC
Certification for responsible business practices*



More than

230



*Accredited Auditors
have been trained on
RJC Certification*

More than

210 RJC

*training sessions delivered
to businesses and auditors in 2011*

2011 at a Glance

JANUARY

London, UK

Platinum – Trade Associations

Platinum Guild International joined the RJC as a Trade Association Member. RJC expanded its scope to include platinum group metals in 2010. Trade Association Members of the RJC play a critical role in liaising between the RJC's work and their own members.



FEBRUARY

Bangkok & Hong Kong

Trade fairs

RJC participates in key international trade fairs to engage with industry on its standards and certification programs. Asia includes jewellery manufacturing centres and growing consumer markets for luxury goods.



MARCH

Basel, Switzerland

Engagement

At BASELWORLD – the World Watch and Jewellery Show, RJC co-convoked a Panel session on responsible sourcing with Fairtrade UK and Solidaridad. Both organisations participated in RJC's Consultative Panel for standards development during 2011.



APRIL

Democratic Republic of Congo (DRC), Africa

Gold – Conflict Areas

OECD commenced work on a Gold Supplement to its Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, which aims to address human rights abuses associated with mineral extraction in areas such as the Democratic Republic of Congo. RJC participated in a Drafting Committee process through to early 2012.



MAY

New York, USA

Standards Harmonisation

Social Accountability International (SAI) and RJC announced they will collaborate on training programs in India and standards harmonisation between the RJC Code of Practices and SA8000. This work continues into 2012 with the start of the first review of the Code of Practices.



JUNE

Mumbai & Surat, India

Diamonds – India

The first Indian company to achieve RJC Certification is Venus Jewel, a diamond manufacturer located in Surat and Mumbai. India is the main hub for cutting and polishing rough diamonds – it is estimated that 9 out of 10 diamonds are cut in India.





JULY

London, UK

ISEAL Alliance

RJC became an Associate Member of the ISEAL Alliance, the global association for social and environmental standards. RJC aims to achieve Full Membership of ISEAL in 2012.



AUGUST

Antwerp, Belgium

Chain-of-Custody standard

The third and final public comment on the RJC's draft of a Chain-of-Custody (CoC) standard closed in August. RJC published a series of drafts and comment reports during two years of standards development. Meetings were later convened in Antwerp to further discuss issues for diamonds.

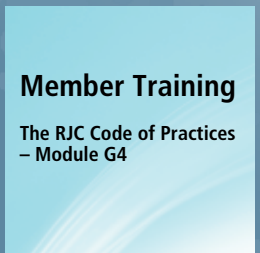


SEPTEMBER

Dallas, USA

Implementation Support

The RJC team visited the US market to provide training for companies going through the Self Assessment process for Member Certification. These sessions complement the webinar delivery of a wide range of training modules for RJC Members and Auditors.



OCTOBER

Colchester, UK

Supporters

Jewellery Focus Magazine becomes a Supporter of the RJC. RJC Supporters are not required to undergo RJC Certification as they do not directly participate in the jewellery supply chain. Supporters of the RJC extend the outreach of the RJC mission through their own networks.



NOVEMBER

*Ottawa, Canada
Medellin, Colombia*

Partnerships

RJC agreed Memorandum of Understanding with both the Alliance for Responsible Mining (ARM) and the Diamond Development Initiative International (DDII). RJC shares objectives with ARM and DDI to improve practices in the artisanal mining sector, enhance relationships with large-scale mining, and improve market access for raw jewellery materials.



DECEMBER

Global

Member Certification

The first Member Certification deadline was December 2011, for those RJC Members who joined prior to or during 2009. 75% of Members met their deadline, and 25% were granted short extensions into 2012 to take account of auditor demand. At end of 2011, there were 120 RJC Certified Members.



RJC Membership & Certifications

RJC Membership

RJC Membership grew 34% in 2011, ending the year with 342 Members who represent around US\$45 billion in annual relevant sales. RJC Members commit to become independently certified against the RJC Code of Practices within two years of joining.

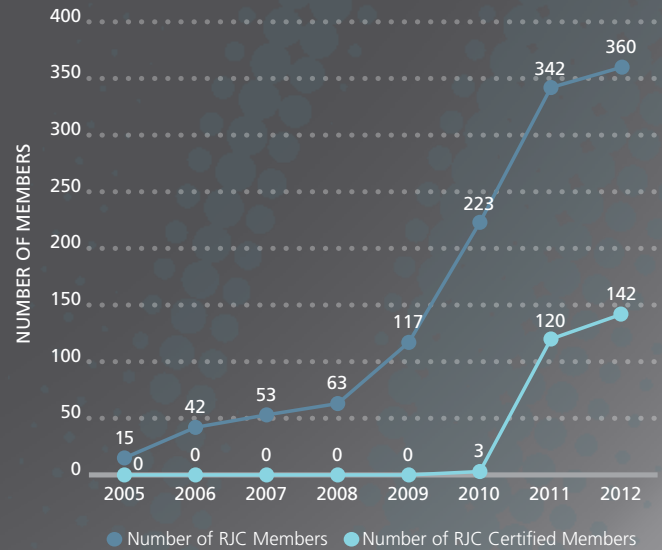
RJC Certifications

RJC Certifications grew rapidly in 2011 as the first deadline for existing Members approached. The year opened with 5 Certified Members and by year's end there were 120, with numbers continuing to grow in 2012. Each Certified Member has been independently audited against the RJC Code of Practices.

RJC Accredited Auditors

RJC Accredited Auditors play a critical role in RJC Certification as the providers of independent, third party verifications. In 2011, the number of available Accredited Auditors nearly doubled from 119 to 228 auditors across 8 firms, covering nearly every region of the world. The RJC Auditor Accreditation process aims to ensure that Auditors have appropriate experience and expertise and that there are no conflicts of interest, with requirements aligned to ISO17011.

Growth of RJC Membership & Certified Members



● Number of RJC Members ● Number of RJC Certified Members

Note: The RJC Certification Standard was released in December 2009

Growth in numbers of RJC Members and Certifications – 2005 to Feb 2012.

“RJC covers the entire jewellery supply chain, from mine to retail, for diamonds, gold and platinum group metals (platinum, palladium and rhodium), as well as trade associations for the sector. The jewellery industry is indeed fortunate to have the RJC as a means to credibly demonstrate responsible performance throughout the jewellery supply chain to its customers and, thereby, reinforce consumer confidence.”

Matthew A. Runci, Chairman, Responsible Jewellery Council.

RJC Governance & ISEAL Alliance



Since its establishment in 2005 by 14 Founding organisations, the RJC has grown and matured into a recognised standards-setting body. Its Governance is framed around 7 Member Forums from which Board Directors and Committee members are elected as representatives. In this way, no part of the supply chain can dominate decision-making. From 2012, the RJC Board will also include two independent Directors. The RJC Standards Committee will become a multi-stakeholder body and include participation by NGOs, relevant experts, and related standards organisations.

RJC Member Forums

- Diamond, gold and/or platinum group metals producer
- Diamond trader and/or cutter and polisher
- Gold and/or platinum group metals refiner, trader or hedger
- Jewellery manufacturer or wholesaler
- Jewellery retailer
- Service industry
- Trade association

RJC is funded mainly by Membership subscriptions, scaled according to size of the business and place in the supply chain, and also by Auditor Accreditation fees. RJC Supporters provide additional financial and/or in-kind support to RJC's work.

ISEAL Alliance

During 2011, the RJC joined the ISEAL Alliance, the global association for social and environmental standards, as an Associate Member. ISEAL members are leaders in their fields, committed to creating solid and credible sustainability standards that give business, governments and consumers the ability to choose goods and services that have been responsibly produced.

As an ISEAL member, RJC commits to ISEAL's mission and Code of Ethics. In 2012, RJC will be assessed for compliance with the ISEAL Codes of Good Practice in standards setting and impacts evaluation, in order to graduate to a Full Member of ISEAL. Membership of ISEAL helps RJC continue to improve its standards development and implementation, and share experiences and ideas with other sectors.

“Tiffany & Co. looks forward to the continued evolution of the RJC standard setting process and the full participation in that process of non-industry stakeholders. Much has indeed been accomplished, but much more remains to be done to convince consumers we are addressing the many social and environmental challenges confronting our industry.”

Michael J. Kowalski,
Chairman and CEO,
Tiffany & Co.

“Solidaridad is pleased with RJC's decision to become a member of ISEAL and open its Standards Committee to stakeholders from outside of the industry. The result will be a more inclusive, and therefore more effective, system for encouraging better practices along the jewellery supply chain.”

Jennifer Horning,
International Programme
Coordinator, Gold, Solidaridad.

Benefits of RJC

*John Hall,
Rio Tinto*

PRODUCER

"Rio Tinto is a proud founding member of the RJC. Whilst there is much yet to achieve, the RJC has made great progress and achieved much recognition as the jewellery industry standard. Preserving and enhancing the reputation of jewellery will only be achieved through decent standards, independently assured. All parts of the jewellery industry have a shared responsibility to work towards this objective."

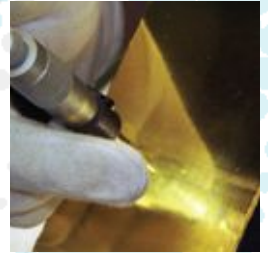


*Erhard Oberli,
Argor-Heraeus*

REFINER

Certified July 2011

"We believe that truly lasting business success is only possible when our growth is founded on sustainable practices. This commitment to sustainability has been in place for many years, far longer than its recent rise as a popular business trend. We have long been aware of the responsibility we carry in our activities and always strive to make a positive, lasting contribution through our actions. Achieving RJC Certification is a further testimonial of our solid commitment to responsible business practices."



PRODUCER



TRADE ASSOCIATION

REFINER



SERVICE INDUSTRY

*Licia Mattioli,
Confindustria Federorafi*

TRADE ASSOCIATION

Member since May 2010

"Being able to produce a beautiful jewel, a fanciful jewel, a jewel with the right fineness is not enough anymore: we need to go further, by making and promoting an "ethical" jewel. Reaching an "ethical" objective is definitely not easy. Nevertheless, in comparison to many other businesses, our field has an important instrument at its disposal, a guide already laid out: and I am of course referring to RJC standards. Thanks to RJC we have the possibility to today play a leading role in this process of change."



*Donna Baker,
Gemmological Institute
of America (GIA)*

SERVICE INDUSTRY

Certified December 2011

"Both the RJC and GIA share the commitment to safeguarding the public trust in gems and jewelry—GIA through laboratory services, education programs, research developments and disclosure; and the RJC in supporting standards of conduct that include human rights, social responsibility and environmental performance."



Millions of people worldwide work in the jewellery supply chain. The RJC Code of Practices aims to strengthen responsible practices, benefiting workers, environment, communities, and the integrity of businesses that join the Council.

*Rahul Pande,
Venus Jewel*

**DIAMOND TRADING,
CUTTING & POLISHING**

Certified June 2011

"The RJC is truly a well-devised code, pioneered and led by the industry leaders. All we can say is that the industry should implement and follow the RJC earnestly, since it sets purpose-built standards. If one makes an attempt only to get certification, it will not serve the purpose in the true sense. One should endeavour to think and go beyond what is prescribed."



*Claude Schlappi,
Gay Frères*

MANUFACTURER

Certified November 2010

"We are most proud to be the first RJC Member to achieve this important certification and we encourage others within the industry to follow suit so that they too can evidence responsible business practices. We are committed to improving industry standards and to supporting the RJC's mission."

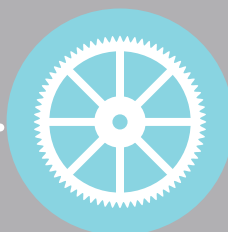


**DIAMOND TRADING,
CUTTING & POLISHING**



SUPPORTER

MANUFACTURER



RETAILER

*Alan Grieve, Compagnie
Financière Richemont*

SUPPORTER

Supporter since January 2007

"Richemont and its Maisons have played and will continue to play an active role in the RJC. Cartier was a founding member and, to date, a further six Richemont Maisons have chosen to participate.

The RJC has achieved much since it was established. The credibility attaching to certified membership and the chain of custody standards are highly beneficial to the entire luxury goods sector."



*Hank B. Siegel,
Hamilton Jewelers*

RETAILER

Certified December 2011

"From what we can see, Hamilton will be the first independent family-owned retailer to be certified, which we think is a nice achievement not only for us, but a significant one for the RJC. As you are no doubt aware, larger global firms have abundant resources to commit to compliance and certification, but it is a challenge for the smaller independents to commit these resources. This should be a good statement for the RJC to show that a firm does not have to be a global brand to achieve certification."



Collaboration & Engagement

Voluntary standards and certification are increasingly important tools for businesses operating in complex supply chains. There is an increasing appetite on the part of governments and international institutions to use standards as vehicles to achieve policy objectives, and growing demand for standards as tools to address emerging challenges. The RJC works with a wide range of stakeholders to promote responsible business practices and to support harmonization between related initiatives.

UN Global Compact:

RJC registered as a Global Compact Participant in January 2009 and has embedded the Global Compact's ten principles in the RJC Code of Practices. Through the RJC's engagement with the jewellery supply chain, and its stakeholders, we further the mission of the Global Compact as part of our shared commitment to improve business practices in the areas of human rights, labour and social responsibility, environment and anti-corruption.
www.unglobalcompact.org/participant/7979-Responsible-Jewellery-Council

Standards Map:

Standards Map is an initiative of the Trade 4 Sustainable Development (T4SD) Project of the International Trade Centre. Standards Map is a partnership-based effort to enhance transparency on voluntary standards and to increase opportunities for sustainable production and trade, particularly from developing countries. RJC was one of the first tranche of standards to be included in Standards Map when the web-based tool went live in January 2011.
www.standardsmap.org/en/

Organisation for Economic Cooperation and Development (OECD):

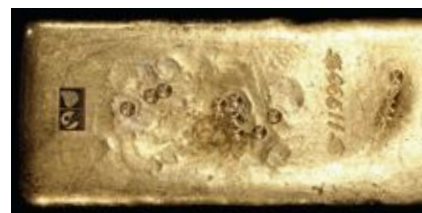
RJC participated actively during 2011 in the multi-stakeholder development of a Gold Supplement to the OECD Due Diligence Guidance, which will be released in 2012. The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas provides management recommendations for global responsible supply chains of minerals to help companies to respect human rights and avoid contributing to conflict through their mineral or metal purchasing decisions and practices. RJC aims to support implementation of the OECD Guidance via its Chain-of-Custody Standard and through provision of training to the jewellery supply chain.
www.oecd.org

Memorandums of Understanding:

Alliance for Responsible Mining

“ARM believes that strengthening its relationship with the RJC is a key step in building strong collaboration with the industry to jointly embrace the developmental opportunities of ASM. We hope to see more and more ASM communities realize their potential of becoming profitable, socially and environmentally responsible enterprises that participate in global markets and contribute to local development.”

**Lina Villa, Executive Director,
Alliance for Responsible Mining.**



Diamond Development Initiative International:

“Worldwide, some 1.5 million individuals are artisanal diamond miners. They and their families will benefit from the improved working conditions and standards that are DDII’s objectives, objectives that will be enhanced by our collaboration with the Responsible Jewellery Council.”

**Dorothee Gizenga, Executive Director,
Diamond Development Initiative International.**



Social Accountability International

“SAI is very happy to be entering into a MOU with the RJC. Both organizations share the goal of improving working conditions and labour standards throughout the world. We believe that collaboration with RJC will scale up our impact in the jewellery supply chain.”

**Alice Tepper Marlin, President,
Social Accountability International.**



Chain-of-Custody Standard

Starting in March 2012, RJC Chain-of-Custody (CoC) Certification will be available to RJC Members who wish to provide their customers and stakeholders with independent assurance about conflict-free, responsible sourcing for gold and platinum group metals. This new Standard is the result of two years of multi-stakeholder standards development, including the valuable input of an international Consultative Panel.

CoC Certification has been designed to be used to:

- Support responsible mining practices
- Source legitimate recycled materials
- Identify the provenance of jewellery materials
- Avoid 'conflict' resources implicated in human rights abuses, illegal or criminal practices
- Enhance reputation through responsible sourcing
- Carry out due diligence of the supply chain
- Respond to the requests of customers, both business to business and retail
- Support implementation of Dodd-Frank Conflict Minerals legislation and OECD Due Diligence Guidance for Minerals from Conflict-Affected Areas.

During 2012, consultation continues on the further development of the CoC Standard to apply to the diamond supply chain.

“The Council’s outstanding work on chain-of-custody with a diverse set of stakeholders and representatives from the gold and platinum supply chain should be acknowledged as a massive achievement.”

Ryan Taylor, The Fairtrade Jewellery Company, Co-Chair, RJC Standards Committee.

“After years of careful surveys, analysis, teleconferences and face to face meetings with all the different actors of the Gold supply chain, the Council issued the COC certification scheme which can be considered as the best and most achieved system helping our Industry to carry confidence and transparent information to the final customer.”

Charles Chaussepied, Piaget Co-Chair, RJC Standards Committee.

“The RJC’s new Chain of Custody Certification is a very exciting development for the industry and will help Members respond to increasing requests for transparency in the gold and platinum supply chain. The RJC’s process was rigorous, inclusive, and strategically harmonized with other initiatives in the industry. The result is a user-friendly Chain of Custody Standard that provides important guidance on the responsible sourcing of precious metals.”

Michèle Brühlhart, Global Traceability Manager, UL Responsible Sourcing Participant in RJC Standards Consultative Panel.

RJC Progress Report – Photo Credits

Cover Page

Compagnie Financière
Richemont SA

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Photo of Matthew A. Runci

• Jewelers of America

Photo of Michael Rae

• Corin Rossouw

Page 6 & 7

*January – The White Olive
Tree (platinum & diamonds)*

• Platinum Guild
International Italia

February • Baselworld

March • Responsible
Jewellery Council

April • London Bullion Market
Association

May • Social Accountability
International (SAI)

June • Venus Jewel

July • ISEAL Alliance

August • Responsible
Jewellery Council

September • Responsible
Jewellery Council

October • Jewellery Focus

November • Children
and a woman pan for gold
at an artisanal gold mine
Kéniéba Cercle, Mali ©
2012 International Labour
Organization/M.Crozet.

December • Signet Jewelers

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Polished diamonds

• Rio Tinto Diamonds

Page 10 & 11

Producer • Rio Tinto

Refiner • Argor-Heraeus

Trade Association •
Confindustria Federorafi

Service Industry • GIA

*Diamond Trading, Cutting
& Polishing* • Venus Jewel

Manufacturer • Gay Frères

Supporter • Compagnie
Financière Richemont SA

Retailer • Hamilton Jewelers

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ARM photo 1 • AMICHOCÓ

ARM photo 2

• Alejo Santamaría

DDII • Sierra Leone – DDII
(Diamond Development
Initiative International)

SAI • Social Accountability
International (SAI)

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Logo • United Nations
Global Compact



WE SUPPORT

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