



*2015 Annual
Progress Report*



Responsible
Jewellery
Council

VISION AND MISSION

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

Our mission is to be the recognised standards and certification organisation for supply chain integrity and sustainability in the global fine jewellery and watch industry.

Our values guide our decisions and actions:

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

*RJC members join
a community of confidence
to uphold ethical, transparent
business practices for entities
they own and control.*



Image credits left to right:
Better Gold Initiative, Peru.
AngloGold Ashanti Ltd.
Cookson Precious Metals.
Cover image: Piaget.



FOREWORDS



Charles Chaussepied
Interim Chair

RJC once again had a 20% year-on-year growth in membership in 2014. This is due to the strategy of “member get member” to grow a community of confidence throughout the entire value chain.

In 2014, the RJC was focused on further entrenching its 2013 Code of Practices (COP) into the certification process of our Members. This second incarnation of the COP added two important pillars – Provenance Claims and Human Rights provisions. Both of these provisions have been well received by RJC's global membership. Another key breakthrough was RJC's outreach to the Indian diamond and jewellery trade. At its Annual General Meeting (AGM) in London, it announced the 2015 AGM would be held in Mumbai, the first time a RJC initiative was held off European soil.

As Interim Chair, I am very proud of RJC's successes and how it has overcome significant challenges during 2014. These successes are due in large part to a dedicated Board, hard-working Executive Committee and the Management Team that was onboard through 2014, all helmed with great dedication by James Courage. My thanks to Catherine Sproule, Chief Operations Officer and to Dr Fiona Solomon, Standards Director for their ceaseless dedication and hard work during 2014.

In 2015, the RJC celebrates its 10 year anniversary. With over 640 Members, from 2015 onward, the time is here to make RJC grow bigger and get stronger. The RJC COP will continue its reputation as a peerless standard with our valued Members, the diamond and gold supply chain and external stakeholders.



Andrew Bone
Executive Director

Through 2014, RJC maintained and enhanced its reputation as an organization of inclusiveness.

The mine to retail membership model working in lockstep with like-minded standards organizations, civil society and government engagement all works to the growth of a strong, vigorous set of standards that stands peerless in the jewellery and watch industry.

I joined RJC in June 2015 and although not involved in the 2014 activities, I watched the successes from the perspective of a Member. I was impressed with this organization's ability to galvanize the mine to retail sectors with a value proposition that has companies working together with the goal of continuous improvement.

With a Board, Executive Committee and Management team as dedicated as RJC has in place, 2014 closed with much to herald, and yet, much to achieve.

This report gives you a snapshot of the 2014 initiatives of the RJC. I must thank our Members for their valued support. I encourage businesses not yet joining to please take the next step.

RJC MEMBERS IN FIGURES

TOTAL TALLY 2014



TOTAL RJC MEMBERS

571

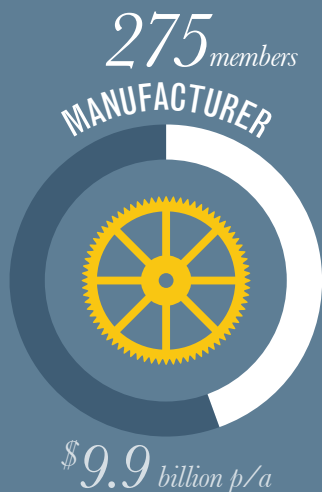
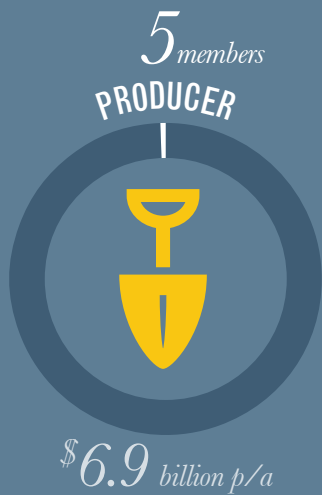


CERTIFICATIONS GRANTED

476

By the end of 2014 only 17% of Members were awaiting Certification

NUMBER OF COMMERCIAL MEMBERS & THEIR AGGREGATE ANNUAL SALES



RJC ACTIVITIES AND ACHIEVEMENTS

Release and Implementation

Since its release in Q4 2013, Members were encouraged to adopt the new RJC Code of Practices. For a 12 month period, Members could select to certify against the 2009 or 2013 Code of Practices. At the end of 2014, 117 Members were certified on the 2009 Code of Practices, 39 were certified on the 2013 Code of Practices and 11 new Members were certified on the 2013 Code of Practices.

Codes of practice

Responsible supply chains & human rights



Labour rights & working conditions



Health, safety & environment



Gold, diamond & platinum group metal products



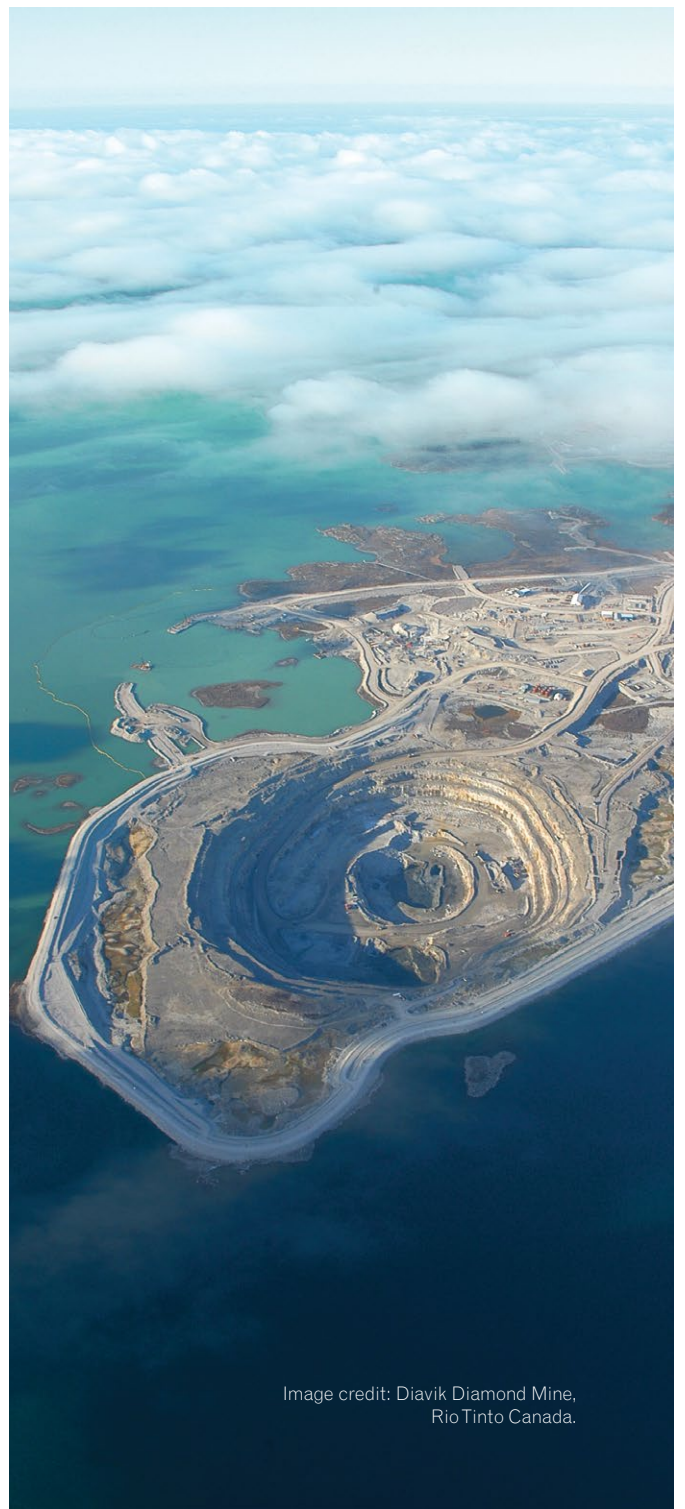
Responsible mining



General Requirements



The key pillars of the 2013 COP are the result of intensive internal and external consultation.



Provenance Claims and Human Right Provisions

The 2013 Code of Practices introduced a new provision to address Provenance Claims. This new provision enables Members that make Provenance Claims to have these audited as part of their RJC Code of Practices Certification. It does not require Members to make Provenance Claims.

Human Rights also had a clearer and realigned focus in the 2013 Code of Practices. In 2011, the United Nations (UN) Human Rights Council released the Guiding Principles on Business and Human Rights, to elaborate the UN Framework for business and human rights adopted in 2008. The UN's 'Protect, Respect and Remedy' Framework rests on three pillars:

- State duty to protect against human rights abuses by third parties including business through appropriate policies, regulation and adjudication
- Business responsibility to respect human rights, which means to act with due diligence to avoid infringing on the rights of others and to address adverse impacts that are linked to their activities
- Access by victims of human rights abuses to effective remedy, both judicial and non-judicial

The 2013 Code of Practices incorporates the business responsibility to respect from the UN Guiding Principles on Business and Human Rights. The 2013 COP requires Members to:

- Have a written policy on human rights
- Carry out Human Rights Due Diligence process, at a scale relevant to the business
- Have a remediation process, where this identifies human rights impacts
- The RJC has designed a Human Rights Due Diligence toolkit to fulfil the requirements of the Code of Practices for a Human Rights Due Diligence process

India Engagement

Through 2014, RJC undertook market visits to India to meet with the diamond and jewellery manufacturing sector. This targeted effort took the form of meetings with the Gem Jewellery Export Promotion Council (GJEPC) RJC's India Working Group, trade fairs and held its own standalone information and training sessions in Mumbai and Surat. The result was a renewed, forward-thinking relationship with the Indian trade that netted a key partnership to present the RJC's AGM in Mumbai for 2015. Groundwork was also laid to formalize an onsite presence in India for RJC to better facilitate its current and future membership.

Industry Relationships

Each year the RJC attends leading international trade fairs to raise awareness of current and emerging issues for the industry, and how RJC's Certification program can assist and support these issues. In 2014 the RJC attended and presented at Baselworld, Dubai Precious Metals Conference, Hong Kong International Jewellery Show, JCK Las Vegas, IIJS Mumbai and International Jewellery London.

In 2014 the RJC also continued to benefit from three key Memorandum of Understanding with the Diamond Development Initiative (DDI), the Alliance for Responsible Mining (ARM) and CIBJO, the World Jewellery Confederation. The MOU highlights the enthusiasm of both organisations to collaborate on efforts to help establish a solid understanding and commitment to the jewellery industry.

Cross-recognition agreements to support the OECD Due Diligence Guidance under the RJC Chain-of-Custody Standard have been developed with related programs and initiatives, including the London Bullion Market Association (LBMA), the Dubai Multi Commodities Centre (DMCC), the Conflict-Free Sourcing Initiative (EICC-GeSI), the World Gold Council and the Fairmined Producer Standards (RJC is currently reviewing the new Fairtrade standard).



Global Membership

RJC MEMBERS ARE
PRESENT IN
COUNTRIES **29**



The RJC Certification Journey

When a business becomes an RJC Member, they are given two years to learn about the RJC standards, participate in training and peer webinars and ask questions of the RJC Help Desk. Some businesses move quickly to achieving Certification, others take time to re-assess their systems and integrate new ways of working. Members indicate 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.

WHY WE LOVE THE RJC

The drivers and impacts of Certification are different for each Member. RJC Certification provides an opportunity for members to operationalise a commitment to responsible practices.



Refiner *Metal Concentrators*

Membership with the RJC and subsequent issue of Certification for both Code of Practice and Chain of Custody has elevated the status of Metal Concentrators to such a degree that our business developed at a rate that was totally unexpected. The confirmation to, not only the South African Precious Metals Industry but the International Precious Metals Industry, that our Company adheres to the principles and ideals of the RJC was largely responsible for our growth.

In turn, subsequent to our certification many companies within South Africa (including suppliers and competitors) have followed suit in becoming RJC certified members, which greatly increase compliance within the industry and sets a standard for responsible sourcing in relation to precious metals.

It is our belief that membership of the RJC and adherence to the principles can only be beneficial to the Precious Metals Industry, locally and internationally.

Gregory Magid, Metal Concentrators



Diamond Trading, Cutting & Polishing *Heerachand Gems Private Limited*

Heerachand Gems Private Limited is truly delighted to have achieved such a prominent certification from the Responsible Jewellery Council. As a responsible member of the diamond industry, we welcome the Code of Practices stand taken by RJC since we also share a common mission with the RJC, i.e. "To have a responsible ethical, social and environmental practice and respect the human rights, throughout our line of business". We continually strive towards building an ethical business environment and improving the processes of the company.

Although, from the beginning, we have been committed to conducting business in accordance with ethics and principles our association with RJC has helped us in benchmarking business standards and practices. We continue to hold the principles at the core and continuously seek ways of improving our own standards along with adherence to all applicable laws and regulations. We aspire to continue achieving many more milestones in association with RJC.

Shanti Nair, Heerachand Gems Private Limited



Manufacturer

Corona Jewellery Company

Being a certified RJC member has provided us a way to prove to our customers that we are constantly diligent in our adherence to the principles of good corporate and social responsibility. There are a lot of temptations and opportunities to look the other way in our industry, but we like to do things the proper way. Our RJC certification demonstrates to our retailers that we aren't just saying that we push ourselves to the highest standards possible but that we actually have proof that we passed those high standards. RJC membership shows our customers that we don't take shortcuts and it has consequently decreased the vetting time new clients take in getting to know us.

Confidence in who you deal with in the jewellery industry is paramount, to support that claim we have recently re-certified under the Responsible Jewellery Council's Code of Practices. The RJC Code of Practices is the only independently audited international standard with the audit process being applied to all levels of the industry.

Jon Phillips, Corona Jewellery Company



Retailer

Fred Meyer Jewelers

Fred Meyer Jewelers is a proud member of the Responsible Jewellery Council and supports their efforts of maintaining high standards in the responsible sourcing of diamonds, gold and platinum and protecting human rights, the environment, and all aspects of the supply chain.

RJC certification is an outwardly visible symbol of our internal company culture of operating in a way that leaves a positive impression in the communities we call home. For over 40 years our Associates have been impacting the lives of Customers with the timeless gift of fine jewellery. Our RJC certification allows associates to share with their Customers our dedication to responsible business practices, a commitment which often mirrors their customers' personal feelings.

Going through the RJC Certification process helps us view our business from a fresh, global perspective. Insights gained from our Certification and Re-Certification have led to improvements in our physical stores, ecommerce shopping, and advertising. We will continue to support the efforts of the RJC and their worthy goals of defining and encouraging responsible practices across the jewellery industry.

Sean Murray, Fred Meyer Jewelers



Service Industry

Gemological Science International (GSI)

As a leading international diamond grading laboratory with operations in India, Israel, Botswana, Belgium, and the United States, we at Gemological Science International (GSI), recognize the impact our business may have on an increasingly interconnected world. This is why we are honoured to be a member of RJC and be able to earn the RJC Certification and to incorporate its core concepts of a commitment to Sustainability and Global Corporate Social Responsibility into our business model. GSI is proud to share common philosophies with the RJC and firmly believe that we must lead by example. For over a decade, the RJC has been a nucleus for the international jewellery industry to come together and promote ethical trading practices, providing numerous resources and certifications to ensure compliance. Our business practices can only present a positive force in our environment, to our society as a whole, and to future generations of participants in the industry.

RJC is the organization that allows the jewellery industry worldwide to show its achievements in social responsibility, environmental protection and other areas.

**Mark Gershburg,
Gemological Science International**

SPOTLIGHT ON CERTIFICATION

Corrective Action Areas

The top six non-conformance areas highlighted in auditor reports for 2014 were health and safety, money laundering, bribery, business partners, legal compliance and working hours.

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

The 2013 RJC Code of Practices has led to improved guidance and training in these priority areas, helping to build compliance levels. We expect non-conformance rates to decline in coming years through this improved 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.

RJC Impacts Report

RJC is a full member of the ISEAL Alliance, the global association for sustainability standards. Part of RJC's commitment is to comply with ISEAL Codes on Standards-Setting, Assurance and Measuring Impacts.

During 2014, RJC published its first full Impacts Report which reviewed aggregate 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).

See www.responsiblejewellery.com

While 64% of Members worked on non-conformances during the Certification journey,



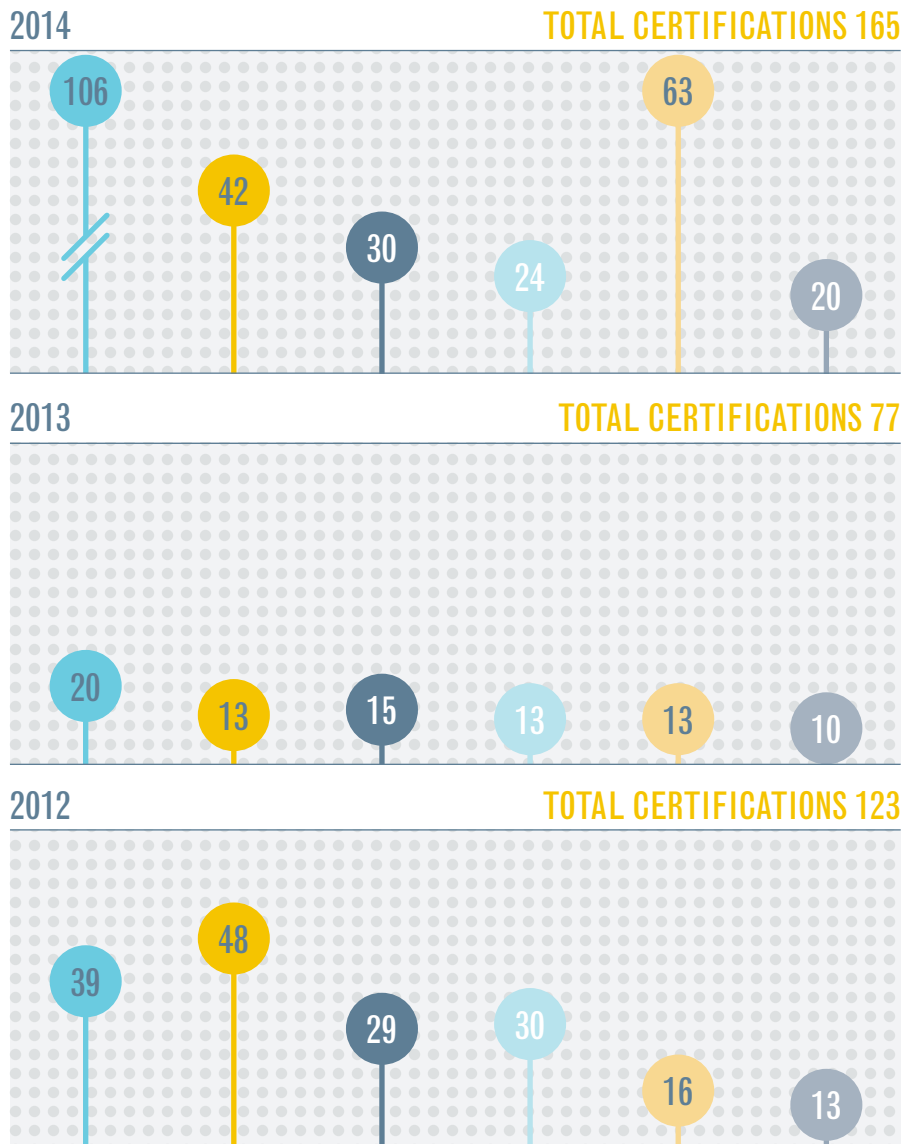
36%

had zero non-conformances. (2012 - 2014)

NUMBER OF CERTIFICATIONS AND NON-CONFORMANCE AREAS BY YEAR

KEY

- 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



CERTIFIED MEMBERS BY COUNTRY

The RJC Certification Scope includes all entities, facilities and business activities under Members' control, that actively contribute to the Diamond, Gold and/or Platinum Group Metals Jewellery supply chain. This often involves multiple facilities and operating locations in various countries. By requiring the RJC standards to be applied across the whole company, this encourages broader uptake of responsible practices supply chain.

TOTAL ENTITIES COVERED BY RJC CERTIFICATION



THINKING OF JOINING THE RJC?

RJC's Annual Progress Report highlights the efforts of more than 600 businesses in the jewellery supply chain to deliver on a commitment of responsible business practices. Why don't you join them?



RJC Certification is a valuable tool for any business active in the diamond, gold and platinum group metals jewellery supply chain. It can help enhance your company's reputation, build capacity to identify and manage operational risks and increase access to markets and finance. Most importantly, it can provide opportunities to join a network of committed businesses working towards a responsible jewellery supply chain.

Benefits of RJC Membership:

- Protect the reputation of your business
- Connect with a community that actively contributes to responsible business practices
- Engage with an industry standard tailored to the global jewellery and watch industry
- Strengthen your CSR and internal risk management
- Use RJC tools to support legal compliance and enhanced market access
- Have a say – contribute to standards and policy development for the sector



The value proposition for joining RJC increases each year. Whether it is to get ahead of legislative impacts, accessing global markets or readying the business for the next wave of discerning consumers, RJC offers the solution.

What we do:

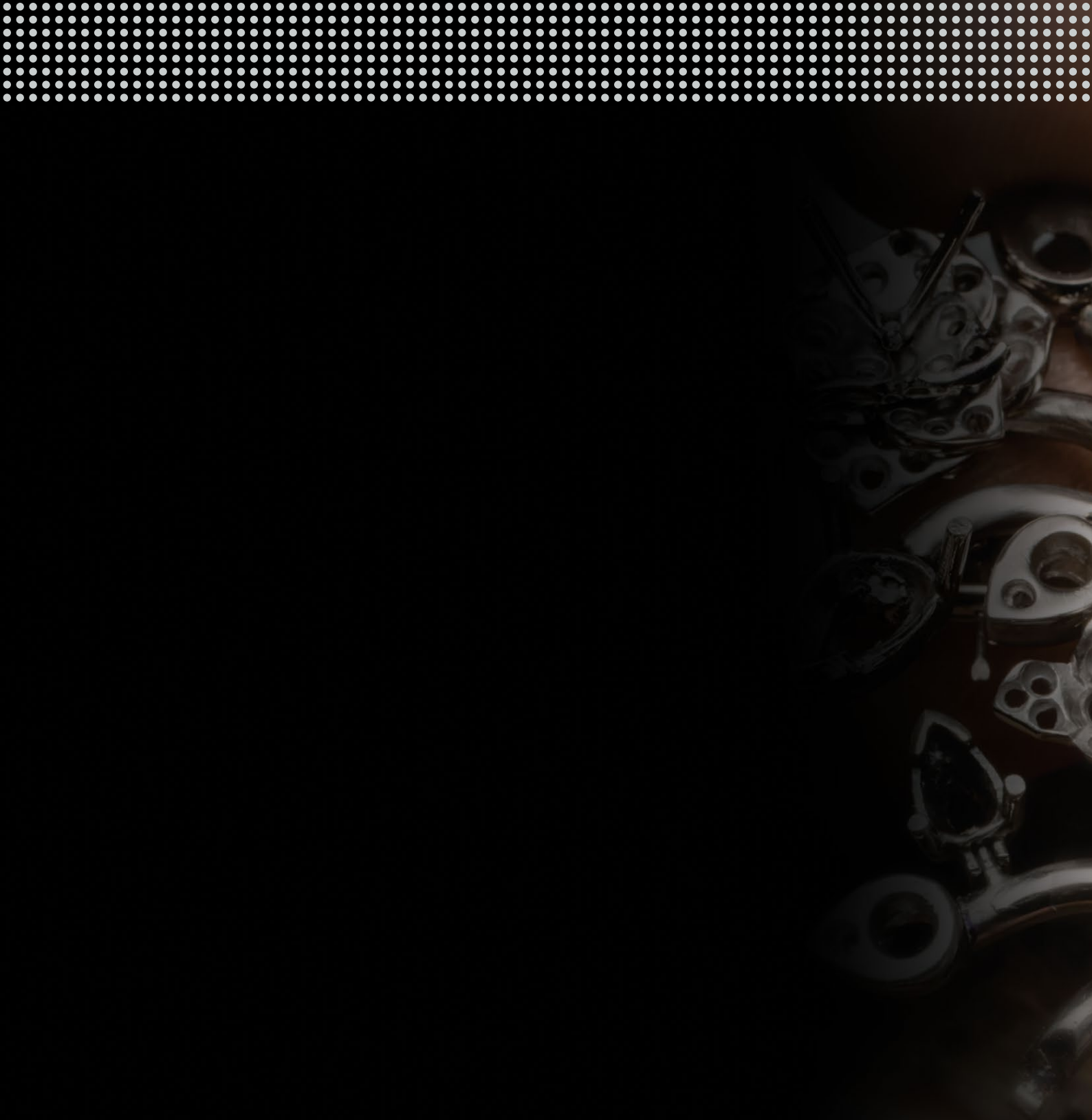
- Look at the whole supply chain from mine to retail and build capacity for our Members
- Identify corporate responsibility issues that affect your business
- Use a multi-stakeholder approach to oversee our standards development
- Accredit and train auditors who can carry out your independent, third party audit
- Grant RJC Certification if your company shows it applies responsible practices as per RJC standards
- Work with other initiatives to harmonise standards, reducing audit duplication for your business
- Member benefits include:
 - training and peer learning opportunities
 - toolkits that lead you step by step
 - comprehensive guidance documents
 - a Help Desk

Image credits left to right: RJC Country Head India, courtesy of Kinjal Shah. Venus Jewel.



This is our Communication on Progress in implementing the principles of the United Nations Global Compact. We welcome feedback on its contents.





Responsible Jewellery Council

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