

RESPONSIBLE  
JEWELLERY  
COUNCIL

*2016 Annual Progress Report*



*Celebrating 10 years*

## VISION

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*Our vision is a responsible worldwide supply chain that promotes trust in the global fine jewellery and watch industry.*

## MISSION

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*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.*

## VALUES

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





IMAGE COURTESY  
OF THE DE BEERS  
GROUP OF COMPANIES

# FOREWORDS



**CHARLES CHAUSSEPIÉD**  
INTERIM CHAIR

*2015 was a year of change  
and energy at the RJC.*

The organisation remained true to its goal of expanding its Membership across many diverse markets by delivering on its mission of being “the” recognised standard for supply chain integrity.

The result of 2015 year-end Membership at 732 with over 350,000 employees covered by the provisions of the Code of Practices, is a testament to the value of RJC Certification and one that each and every one of RJC’s Member companies can be most proud.

India continues to flourish with the RJC team ably supporting the on-site management in this key market. And, just as India was identified as an area of focus for RJC, 2015 identified another key area for its focus – the RJC will take its first journey into the scope inclusion of coloured gemstones. This decision has sector-wide support and relevance.

One of the founding principles of RJC was to be an inclusionary voice in the jewellery and watch industry. In 2015, RJC boasts positive and productive relationships with like-minded organisations through cross recognition, MOU’s and key links with trade associations globally.

As I step aside from my role as Chairman at the 2016 AGM, I wish to thank all RJC Members, the hard-working Executive Committee, the loyal and dedicated Board of Directors and the Management Team – all well placed to meet the challenges ahead.

Lastly, I would like to thank the 14 founding members that established the RJC 10 years ago. Their distinct beliefs, perseverance and support has helped the RJC to successfully grow its membership and influence over the years and I anticipate a successful and prosperous second decade, and beyond, for the RJC.



**ANDREW BONE**  
EXECUTIVE DIRECTOR

*The achievements of the RJC in  
2015 have proven once again that  
adhering to the founding principles  
is the recipe for success.*

RJC continues to benefit from the “member get member” engagement strategy underlining the message that RJC Certification is one of the most effective means of achieving and demonstrating solid social and ethical practices.

RJC Members, whether through peer-to-peer engagement, or through our vital Trade Association and Supporter Membership tiers, are willing to set competitive issues aside to expand the community of confidence RJC offers.

At the close of 2015, the Board of Directors strategically voted to approve an adjustment to Membership fees – the first in over seven years. It was needed to grow the RJC’s resources for our members as they continue to take Certification journey.

In addition to the many other benefits, the RJC offers benchmark training delivery to its Members with materials currently available in six additional languages – designed to reach all sectors, all size companies, all challenges.

I believe the RJC is ready to meet the challenges ahead in 2016. These include reviews of both the Code of Practices (COP) and Chain-of-Custody (CoC) Standards, inclusion of coloured gemstones to the RJC scope and further development of the Indian market. We warmly welcome new Members to the Certification journey as well as continuing to service our valued members as together we look forward to the many opportunities that lie ahead of us.

# RJC MEMBERS IN FIGURES

*During 2015, the RJC saw a 59% increase  
in new Membership applications.*

## TOTAL TALLY 2015



# 732\*

*Total RJC Members*

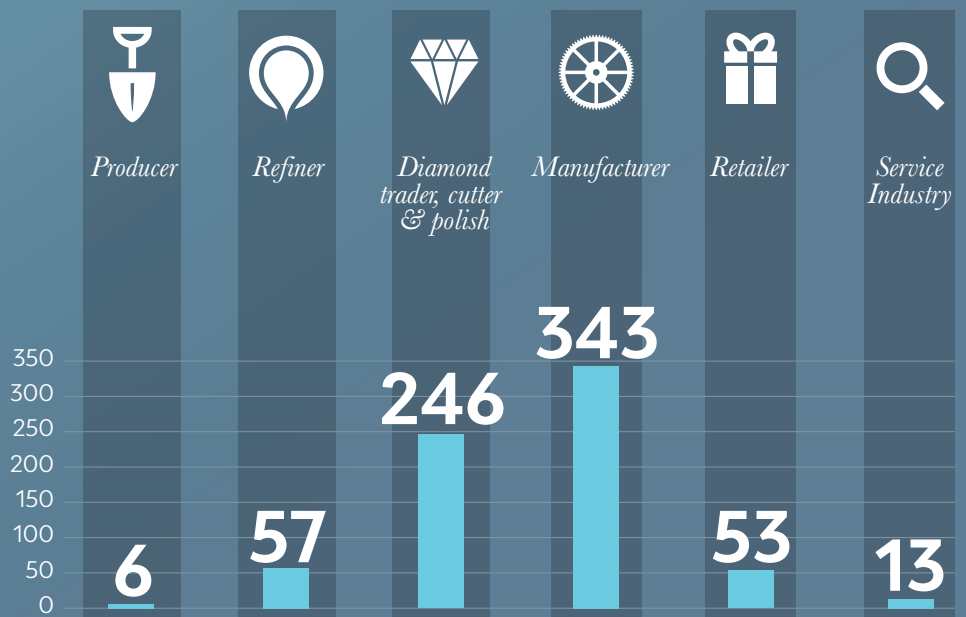
\* Includes Trade Association Members



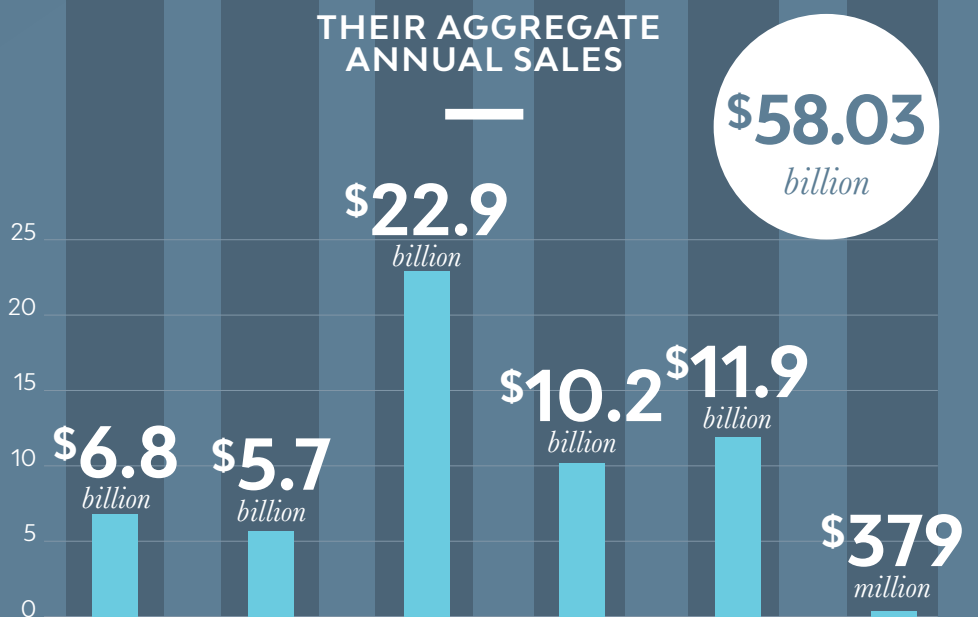
# 418

*Certified RJC  
Commercial Members*

## NUMBER OF COMMERCIAL MEMBERS



## THEIR AGGREGATE ANNUAL SALES



Data displayed on this page is for the year of 2015



# THE JOURNEY CONTINUES

*During its first 10 years, the RJC achieved significant milestones.*

20



2006



**2008**

RJC was granted Participant status with the UN Global Compact.

## 2005 – RJC FOUNDED

The model for the RJC as it stands today was fleshed out by 14 Founding Members from the mine to retail supply chain. Early funding and the management of RJC was undertaken by these visionaries.



## *The Beginning*

2005

## 2006 – RJC INCORPORATED

The RJC was fully incorporated and holds its first AGM in London.

The Management Team was hired and reflected the global Membership of the organisation with representation in Australia, Canada and the United Kingdom.

The Standards Committee initiated the R&D phase of the Code of Practices.



2006

2007

2008

2009

2010

09

**2009 – FIRST COP**

RJC released the COP to its Membership. Additionally, RJC produces a mining supplement that is incorporated into the Code in the same year. The development of the Code’s mining supplement included participation of a consultative panel of civil society and like-mined standards organisations. A jewellery industry “first.”



IMAGES COURTESY OF WESTON BEAMOR, THE DE BEERS GROUP OF COMPANIES, FINE JEWELLERY MANUFACTURING, AGOSI ALLGEMEINE GOLD - UND SILBERSCHNEIDANSTALT AG, CHOPARD, DOMINO, HARRIET KELSALL JEWELLERY.



2013

**2013 – SECOND COP**

The RJC releases its second incarnation of the COP. This version incorporated the learning from the 2009 COP with emphasis on Human Rights provisions. The Provenance Claim provision was developed to address those Members that wish to add a claim to their Certification.



**2011 – RJC ATTAINS FULL MEMBER STATUS WITH ISEAL**

Membership of ISEAL helps RJC to continue to improve its standards development and implementation. ISEAL Members are standards organisations that commit to transparency, co-operation and good governance. RJC considers its status most noteworthy, being the only jewellery industry organisation to attain this membership.



**2015 – OPENS INDIAN MARKET AND ADDS COLOURED STONES**

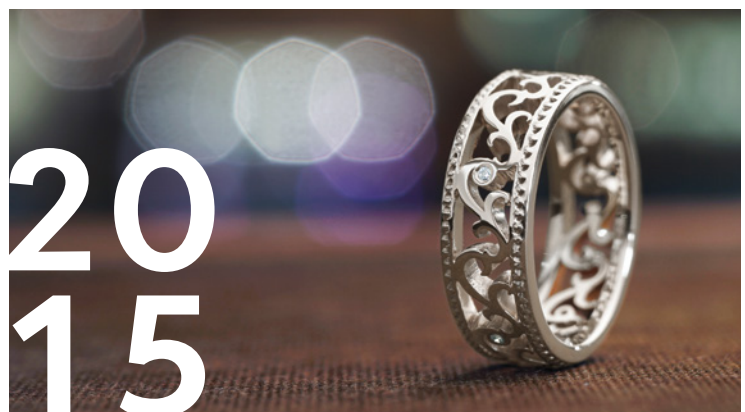
The RJC opens the Indian market with the hiring of a Country Head and establishes an ongoing presence in this vital market. The Board of Directors approved a feasibility study to expand RJC’s scope of materials to include coloured gemstones.

2012

**2012 – FIRST CoC**

RJC releases its CoC standard for precious metals. This had significant uptake in the refining and manufacturing sectors of the RJC’s Membership.

The structure of the Standard Committee’s consultative panel moved to duly elected status and is renamed “non-industry” members.



2015

2011

2012

2013

2014

2015





## 2015 ACTIVITIES AND ACHIEVEMENTS

### *India: Two Years On*

In 2015, RJC completed its long-term objective of opening an office in India. This coincided with the RJC convening its AGM in Mumbai, marking the first time this event has been held outside Europe.

Having a presence in India has been a priority for the RJC and allows us closer and more effective engagement with key stakeholders and institutions in the country, including the GJEPC. In mid-2015 a Country Head position was put in place to support the needs of the Indian industry and allow greater reconnaissance from this market.

Primary objectives achieved in 2015 included increasing Membership, expanding the audit community and further identifying challenges related to Certification in the market.

### *Cultivating our Culture*

RJC Members benefit from complimentary training provided to assist them through the RJC Certification journey and beyond. RJC is able to deliver boutique webinar sessions and additionally offers a helpdesk: this free service enables Members to email or call the RJC directly for answers to any queries and questions, large or small. During 2015 the RJC collaborated with an experienced human rights specialist to develop market-specific training. This was delivered in person in Mumbai in summer 2015.

IMAGE COURTESY OF VENUS JEWEL

### **E-Coffee Mornings Launched:**

In 2015 the RJC launched its e-Coffee morning webinar trainings. These tailored sessions are available to all new Members and are held on a monthly basis, with the availability of spanning global time zones.

### **What do the e-Coffee Mornings cover?**

The e-coffee mornings are designed to relay RJC's latest developments, outline the Certification journey and detail next steps towards RJC Certification. This includes an overview on how to conduct the self-assessment, how to select an accredited auditor and what to expect from the audit. This is to ensure new Members are confident on their way towards RJC Certification.

**All new Members are invited to participate in e-Coffee morning webinars.**



**3/10**

*members on average*

took advantage of these sessions in 2015

### *Sparkling Linguistics*

The RJC works to ensure all those who need to access the standards and supporting documents are able to do so, in the language that they require. Currently the RJC has translated the COP and most supporting documents into French, Italian, Spanish, Portuguese, Gujarati and Simplified Chinese.



## OUR FOOTPRINT

*The RJC collects data from its Members on an ongoing basis to monitor and evaluate the reach of the COP across the supply chain.*

### Certification coverage:



**348,600**

*employees*

### *The RJC and the Industry*

RJC takes a strategic approach to its outreach activities. It attends the major trade fairs including Baselworld, JCK Las Vegas, Hong Kong International Jewellery Show, and IJJS (India).

At these fairs RJC reaches a cross-section of its Membership as well as Member prospects through the execution of panel sessions, joint presentations with RJC Member companies, and one-on-one meetings.

This type of engagement allows RJC to present its value proposition for Certification.

RJC was honoured to work with the GJEPC and the Bharat Diamond Bourse (BDB) when it held its AGM in Mumbai in 2015. This was the first time the AGM was held outside Europe and RJC was pleased to offer a platform of engagement with this market.

This platform included panel sessions, presentations from the GJEPC, as well as onsite market visits to Surat, Mumbai and the SEEPZ zone. Also included was a face-to-face meeting of its Standards Committee. This comprehensive program gave RJC's international guests a first-hand glimpse into how RJC has impacted practices in this vital market.



**7,400**

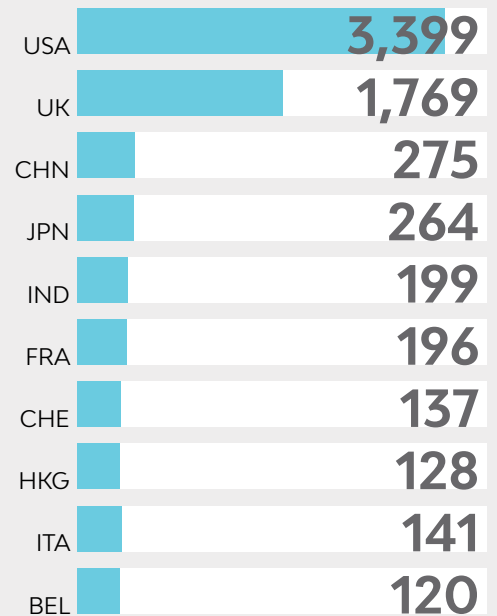
*facilities*



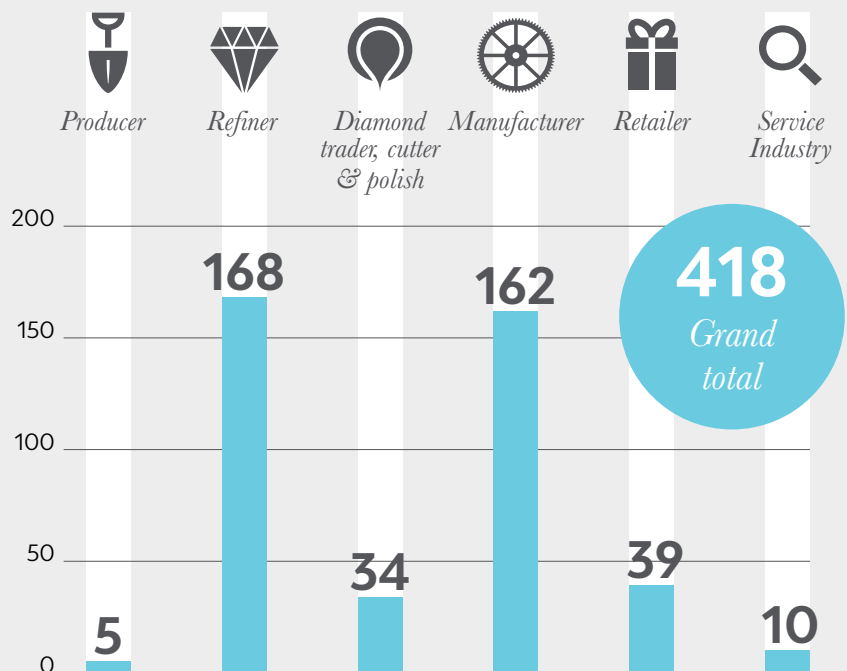
**65**

*countries*

### Top 10 Countries for RJC Certified facilities:

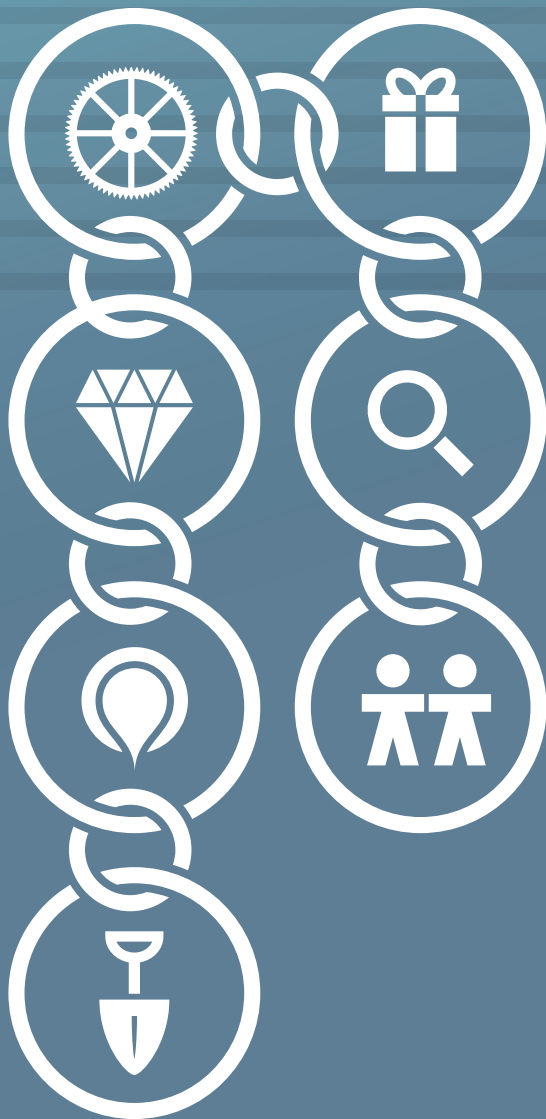


### COP Certification coverage across the supply chain:



# A SUPPLY CHAIN PERSPECTIVE

*We joined the RJC because...*

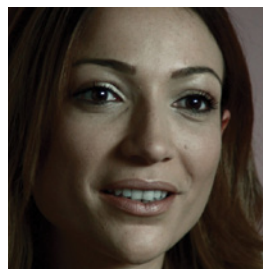


## PRODUCER

*The De Beers Group of Companies*



De Beers is committed to supporting industry-wide initiatives that reinforce stakeholder and consumer confidence in the diamond industry. To this end, De Beers is a founding member of the RJC and not only commits to meeting RJC requirements in its own operations, but also focuses on ensuring its customers adopt standards that enable them to meet the RJC requirements. Membership of the RJC is not only an opportunity for businesses in the jewellery industry to demonstrate credible commitment to ethical business practices, but the standards themselves are extensive and support our business in managing key and emerging risks in a practical way, and play an important strategic role in securing the long-term sustainability of the diamond industry.



**Ferial Zerouki**  
Head of Government  
and Industry Relations

IMAGES COURTESY OF  
THE DE BEERS GROUP  
OF COMPANIES



## REFINER

*Republic Metals Corporation*



Republic Metals Corporation is committed to maintaining a world class compliance department and ensuring its business practices, along with those of its clients, are carried out in the highest ethical manner. Certification from the RJC, for both the Chain-of-Custody and Code of Practices Standards, has been instrumental in acknowledging and conveying our dedication to sustainable and responsible sourcing of precious metals. The RJC has done an excellent job in raising awareness to social injustices, as well as promoting the need to set standards for socially responsible due diligence practices. Republic Metals Corporation wears its RJC Certification with much pride.



## DIAMOND TRADING, CUTTER AND POLISHING

*Rubel & Ménasché*



When we became the fifth RJC Member to be certified in January 2011, we found an organization that shares our core values. As a partner with the highest jewelry and watch brands, we thrive in challenges and seeking excellence. Our motto is: "Always go further...Together" and this is exactly what we found joining RJC. A totally independent initiative sanctioned by a third-party, it links the pipeline from top to bottom. RJC is inclusive to the point where Members are expected to review the Code of Practices themselves. "For the industry, by the industry" is the ideal recipe for the snowball effect our industry needed. Being a member of RJC helps us stay relevant regarding responsibility and keeping up in terms of sustainability and finally, stirs our appetite for continuous improvement. And last but not least, as we led the way towards this new standard and promoted it to our own partners and suppliers, we gained clients that came to us due to our RJC Certification. Another brick in the wall of Rubel & Ménasché's credibility!



**Jason Rubin, Esq.**  
President & CEO

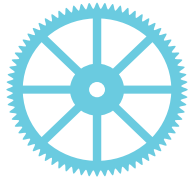
IMAGES COURTESY  
OF REPUBLIC METALS  
CORPORATION



**Stephan Wolzok**  
CEO at Rubel & Ménasché

IMAGES COURTESY OF  
RUBEL & MÉNASCHÉ





## MANUFACTURER

*Richline Group*



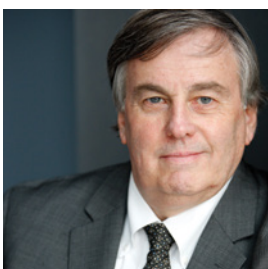
## RETAILER

*Lux Bond & Green*



Richline believes that our Corporate Social Responsibility programs must be authentic. We pursue a “Return on Responsibility” model that considers our investment in responsible practices by examining all the positive effects on our future viability. Transparency and trustability are real goals. Our RJC Membership and participation is a catalyst for the guidance and verification of our corporate commitments. RJC’s certified Members clearly exhibit this responsible commitment; one that is meaningful to the jewelry industry’s reputational value and consumer positioning. RJC Membership and certification is an investment in harmonized, responsible initiatives. As responsible leaders in our industry, RJC devotes time, effort and money to do work that, in many cases, is not easy to measure. Our RJC Membership keeps up on track and the network of RJC Members ensures a “best in class” framework for initiatives.

Lux Bond & Green is proud to be a certified Member of the RJC for almost four years. As an independent retailer in the United States, we believe it is our responsibility to be ahead of the curve on protecting our companies reputation and industry as well as assuring the soundness of business practices and the jewelry industry’s supply chain. For many years our industry has been misunderstood and an easy target for the media and the government on international mine to market issues as a luxury business. The RJC has been a leader and great resource to the organizations within in our supply chain for improving communications on the hard work and solutions that our industry has developed. Always having the goal to improve our own business practices as a 118 year old family business, Lux Bond & Green has recognized the Certification process and audit as a test to our success for all aspects of our business. This success centers on being truthful, and a leader within the diamond and jewelry industry – to our professional staff, our customers and community as well as our hardworking management team.



**Mark Hanna**  
CMO at Richline Group

IMAGES COURTESY OF  
RICHLINE GROUP



**John Green**  
President and CEO  
of Lux Bond & Green

IMAGES COURTESY OF  
LUX BOND & GREEN STORE



## SERVICE INDUSTRY

*International Gemological Institute*



International Gemological Institute (IGI) considers RJC Membership and Certification an essential recognition in the jewelry industry and believes the Council's standards align with the Institute's principles and mission to provide accurate and trustworthy product information. With that shared foundation, IGI has collaborated with RJC for years to promote responsible industry practices and gemological education initiatives, all while striving to ultimately reinforce consumer confidence. The Institute embraces the importance of maintaining credibility and high industry standards through respected independent external audits. RJC Certification benefits IGI in North and South America tremendously, as it attests to our long-term commitment to high-quality service and strengthens the value of the Institute's offerings.



**Jerry Ehrenwald**  
President and CEO of  
International Gemological  
Institute

IMAGES COURTESY  
OF INTERNATIONAL  
GEMOLOGICAL INSTITUTE



## TRADE ASSOCIATION

*International Diamond  
Manufacturers Association*



The global nature of our industry coupled with increased and justified demand for ethical processes is at the center of the International Diamond Manufacturers Association (IDMA) support for the RJC. Together with the mining, diamond manufacturing involves a variety of actors and processes each with its own specialities and vulnerabilities. Having a global Certification system establishes a level playing field and so reduces overall reputational risks. But all these efforts are only valuable if generating over time, a positive and lasting impact within and outside each organization, ultimately protecting all those involved and their investments. Responsible business practices are the "normal" state of affairs. The issue is that too many are not cognizant of the impact that lack of compliance generates. Through the development of global standards, our members are confronted with their own internal processes, which gives them a unique opportunity to take corrective actions to build more sustainable, efficient and profitable organizations. The IDMA expect more and more of its members worldwide to embark on this journey. A step-by-step process that is making our industry simply better.



**Stephane Fischler**  
Treasurer at International  
Diamond Manufacturers  
Association

IMAGES COURTESY OF  
INTERNATIONAL DIAMOND  
MANUFACTURERS  
ASSOCIATION

# 2015 CERTIFICATION HIGHLIGHTS

*Upon joining, RJC Members have two years to achieve Certification.*

## HUNDREDS OF RJC AUDITORS AVAILABLE

The RJC community of audit firms has continued to grow and at the end of 2015 the RJC had 17 audit firms accredited worldwide. In 2015 this represented a 30% increase from the previous year. This creates more choice for our Members with hundreds of individual auditors on-hand across these firms to provide services to RJC Membership.

**2015 the RJC had 17 audit firms accredited worldwide**



**30%**

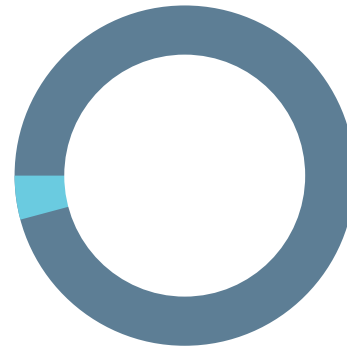
*increase from previous year*

## AUDIT OUTCOMES

**COP Certificates issued in 2015**

**4%**

*1-year certificate*



**96%**

*3-year certificate*

**29%**

*of the COP audits*

Auditors identified Member good practices in 29% of the COP audits conducted in 2015, particularly in the areas of strong management systems, employee recognition and remuneration, local community development and investment in improved working conditions.



**40%**

*COP Certifications*

were issued in 2015 with zero non-conformances

*Top 5 areas of non-conformances in 2015*

<b>Health &amp; Safety</b>	<b>39%</b>
<b>Money Laundering Risks</b>	<b>15%</b>
<b>Policy &amp; Implementation</b>	<b>12%</b>
<b>Hazardous Substances</b>	<b>9%</b>
<b>Legal Compliance</b>	<b>8%</b>

Average number of non-conformances per COP certification issued in 2015 = 2.3

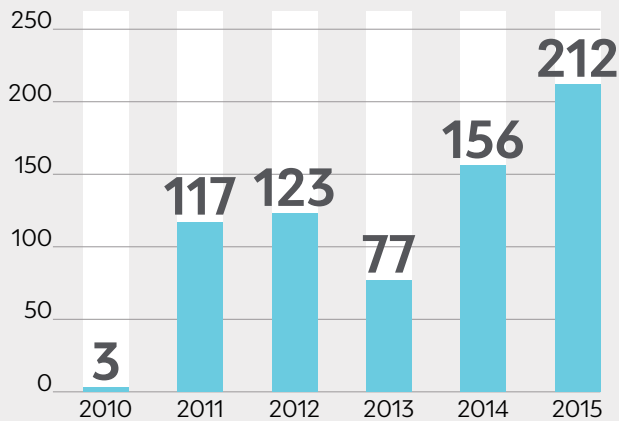
*% represents the percentage of non-conformances of all certification processed for 2015*



## Code of Practice Certification

In 2015, 19% of certificates issued against the 2009 COP, and 81% of certificates issued against the 2013 COP. The transition period for Certification against the 2009 COP ended during 2015.

Number of COP certificates issued per year (including re-certifications)



**36%**

increase in  
COP certificates  
issued in 2015  
compared with 2014



**153 days**

average time  
taken by members in 2015 to  
become COP certified after  
joining as a member

## Provenance Claims

Provenance claims certified by the RJC in 2015

### Material



**31%**

*Diamonds*



**63%**

*Gold*



**6%**

*Platinum Group  
Metals*

19% of COP  
certificates issued in  
2015 included certified  
provenance claims.

Since the provenance claim  
provision was introduced in the  
COP in 2013, 41 member claims  
have been certified.

356% increase in  
certified Provenance  
claim since 2014

In 2015, 41 Members made claims  
about the provenance of their  
materials, with 21 of those claims  
representing a combined RJC  
and Signet Responsible Sourcing  
Protocol (SRSP) audit. In 2015, 36  
RJC Members conducted a joint  
De Beers Best Practice Principles  
(BPP) audit alongside an RJC audit.  
These figures speak to the strength  
of the RJC Certification system in  
reducing the audit burden for our  
Members by harmonising with key  
industry initiatives.

### Type



**27%**

*Origin*

Eg. country, region  
or mine



**41%**

*Source*

Eg. recycled, mined,  
artisanally mined



**32%**

*Supply Chain  
Practices*

Eg. conflict free,  
due diligence

## Chain-of-Custody Certification

Eligible materials covered by CoC certificates issued in 2015:



100%

Gold



31%

Palladium and/or Rhodium



44%

Platinum



25%

Mined



6%

Mined by-product



75%

Recycled



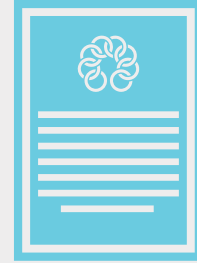
38%

Grandfathered



13%

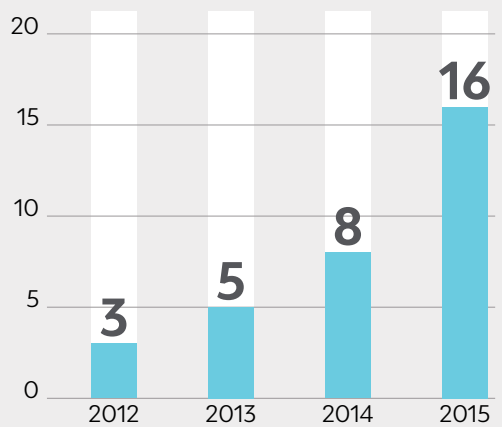
Mix



100%

increase in CoC certificates issued in 2015 compared with 2014

Number of CoC certificates issued per year (including re-certifications):



11

RJC Member Companies have achieved dual COP and CoC certification audits since 2012

(when the CoC standard was launched)

# JOINING THE RJC

*More than 700 businesses in the jewellery supply chain deliver on a commitment of responsible business practices. Why not join them?*

Despite economic and commercial challenges, RJC Membership grew by 28% in 2015, proving that RJC Certification is an invaluable benefit for any business active in the Diamond, Gold and Platinum Group Metals jewellery supply chain.

The millennial consumer and stakeholder expectations are increasing the pressure for businesses to operate responsibly. RJC helps its Members understand what these expectations are and how they can meet them.

## **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 your sector

## **What the RJC does:**

- RJC looks at the whole supply chain from mine to retail and build capacity for its Members
- RJC identifies corporate responsibility issues that affect your business
- RJC uses a multi-stakeholder approach to oversee its standards development
- RJC accredits and trains auditors who carry out independent, third party audit
- Grants RJC Certification if your company shows it applies responsible practices in accordance with its standards
- Works with other initiatives to harmonise standards, reducing audit duplication for your business
- Provides RJC Members:
  - training and peer learning opportunities,
  - toolkits that lead you step by step
  - comprehensive guidance documents
  - a Help Desk

IMAGE COURTESY OF RICHLINE GROUP



## *Membership fees*

Across the supply chain, Members believe that their fees provide good value for the end result. The annual subscription rate ranges from \$40 to \$60 per million dollars of Annual Relevant Sales (ARS). For example, if a Jewellery Wholesaler makes a \$100m in ARS, the annual Membership fee is \$4,000. Additionally, there are minimum and capped fees.



## THE NEXT 10 YEARS

*Poised for solid growth in 2016, the RJC will undertake the next incarnation of the COP and CoC Standards.*

Working alongside this R&D phase of both Codes will be the inclusion of coloured gemstones into the RJC scope of materials.

India will continue to be a market of priority as RJC looks to expand its Membership in the gold and retail sectors in this market.

RJC will present its AGM at the JCK Las Vegas show in June. This is the first AGM RJC will convene in the United States.

IMAGE COURTESY  
OF HARRIET KELSALL  
JEWELLERY





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