



Sustainable Diamond Jewellery Guide

Towards a sustainable value chain



Sustainable Diamond Jewellery Guide

Within the diamond and jewellery sector ABN AMRO recognises many initiatives and attention for this topic from different participants in the value chain. ABN AMRO supports and strives to contribute to the value chain responsibilities. We understand that this secures the future of the sector. This guide is intended to stimulate dialogue between different initiatives, organizations and companies within the diamond and jewellery value chain, including ABN AMRO and its staff.

Introduction

How does the Sustainable Diamond Jewellery Guide work?

This guide consists of 20 questions that can help create or improve your sustainability awareness and strategy. By referring to the term sustainability we mean creating healthy business performance whilst ensuring a positive social and environmental impact (people, planet and profit). The guide provides insight into the sustainability aspects of the diamond jewellery value chain. Each question has a tip to help formulate sustainability activities and targets.

ABN AMRO: partner for responsible diamonds

ABN AMRO has a clear strategy: being a better bank contributing to a better world. For ABN AMRO, respecting human rights is an integral part of responsible business conduct. This also means we want to support our clients in becoming more sustainable and in meeting their responsibilities in the value chain.

A better bank contributing to a better world



Three-phase strategy

ABN AMRO Diamond & Jewellery Clients (D&JC) defined a three-phase strategy to incorporate sustainability in its business.

- 1** Increase awareness: all D&JC staff participates in sustainability training.
- 2** Create dialogue: D&JC acts as a strategic sparring partner on sustainability issues for clients.
- 3** Monitor sustainability progress: in addition to general processes and procedures (client acceptance and credit reviews) D&JC monitors the sustainability activities of clients and stimulates further development.

The Guide

This guide, created by D&JC in cooperation with the ABN AMRO Sustainable Banking Department, provides guidance for your sustainability activities. Whether you are a producer, trader, diamond (jewellery) manufacturer, wholesaler, retailer, bank or sector stakeholder, value chain responsibility is a shared responsibility. This goes beyond your own segment in the value chain or direct influence. The main aim of the guide is to help meet this responsibility and show the possibilities and opportunities of sustainable business models in the diamond and jewellery sectors.

First steps to determine your sustainability strategy

The importance of developing a sound sustainability strategy

A sound sustainability strategy is more than just taking responsibility for your supply chain. It can benefit your business and meet your stakeholders requirements. It addresses the most important environmental, social and economic issues in the value chain. You probably can't fix all the issues at once. That is why it is important to have ambitious long-term goals, leading to step-by-step improvements. This commitment and progress should be made transparent to stakeholders.

Benefits of sustainability in the diamond and jewellery sector

Research shows an increasing awareness of sustainability among consumers of diamond jewellery. This awareness requires transparency regarding the origin and authenticity of the diamond, as well as environmental and social conditions at various stages in the value chain. With an active sustainability policy you can set yourself apart from competitors by safeguarding and enhancing your reputation and building positive recognition among stakeholders. A solid sustainability strategy is a license to operate and provides other benefits such as risk reduction, a link to innovation, access to finance and international networks, and proud and involved employees.



“We see that our clients generate business opportunities by implementing sustainability in their core strategy. One of our clients in India for example, implemented social criteria exceeding local regulations. This improved the lives of workers and also provided access to a different and bigger group of customers. Another good example is a large retailer in the US that screens and scores its suppliers and their service providers, including their banks, on their sustainability activities and adherence. Fine examples of value creation by doing business in a sustainable way”.

Erik A. Jens

Head ABN AMRO Diamond & Jewellery Clients



1

What are the advantages of sustainability for your company?

Ask your employees, including (higher) management, which sustainability issues they believe influence the (future) business success of your company. The issues with the highest impact should be addressed in your sustainability strategy.

2

Do you know what your stakeholders require from you in terms of sustainability?

Regularly ask your stakeholders (employees, clients, suppliers, banks, investors, governments and relevant NGOs) what they consider to be important. What do they expect from you in terms of sustainability, which issues should your company address and how?

3

Do you have a sustainability strategy?

Formulate a focused strategy including measurable targets for the next 3 years and long-term goals as directives. Guidance on corporate social responsibility is provided by guidelines such as ISO 26000 (www.iso.org). A sustainability strategy should address those issues that have a substantial (future) influence on your business success and are considered important among stakeholders.

4

Did you translate your sustainability strategy into a supplier code of conduct?

Formulate a code of conduct to clarify what you expect from suppliers. This code should align with codes from other (best practice) companies and international standards such as ILO Conventions, the UN Guiding Principles on Business and Human Rights (UNGPR) and the Universal Declaration of Human Rights (see chapter: Overview of initiatives within the sector). Sharing this code of conduct with suppliers is a first step towards implementation. Integration of the code of conduct in your daily business practices is the best way to implement your efforts. External verification on the implementation of this code is required to properly validate efforts.

5

Do you have resources to implement your strategy?

Make sure you have a dedicated team of enthusiastic representatives from different departments, including a member of the board. Implement a management system that shows progress on targets which apply to every employee. And if you have a small number of employees share costs and efforts with other enterprises.





First steps to determine your sustainability strategy

Value chain responsibility

Individuals, companies and governments are increasingly challenged to take responsibility for their value chain and contribute to a better world. Value chain responsibility relates to responsible sourcing and distribution processes and includes stakeholder consultation and transparency. The UN Guiding Principles on Business and Human Rights (UNGP) encapsulate this responsibility by requiring companies to conduct due diligence. This is a process whereby companies identify and address the actual and potential negative impacts of their own operations and activities and those of their value chain. Companies are expected to engage in appropriate remediation activities and should prevent or take action when human rights are affected, see chapter: Overview of initiatives within the sector.

Diamond Jewellery Value Chain

10-15%

artisanal miners,
mostly from Africa

85%

Belgium

90%

India

USA

The USA has the highest
diamond consumption

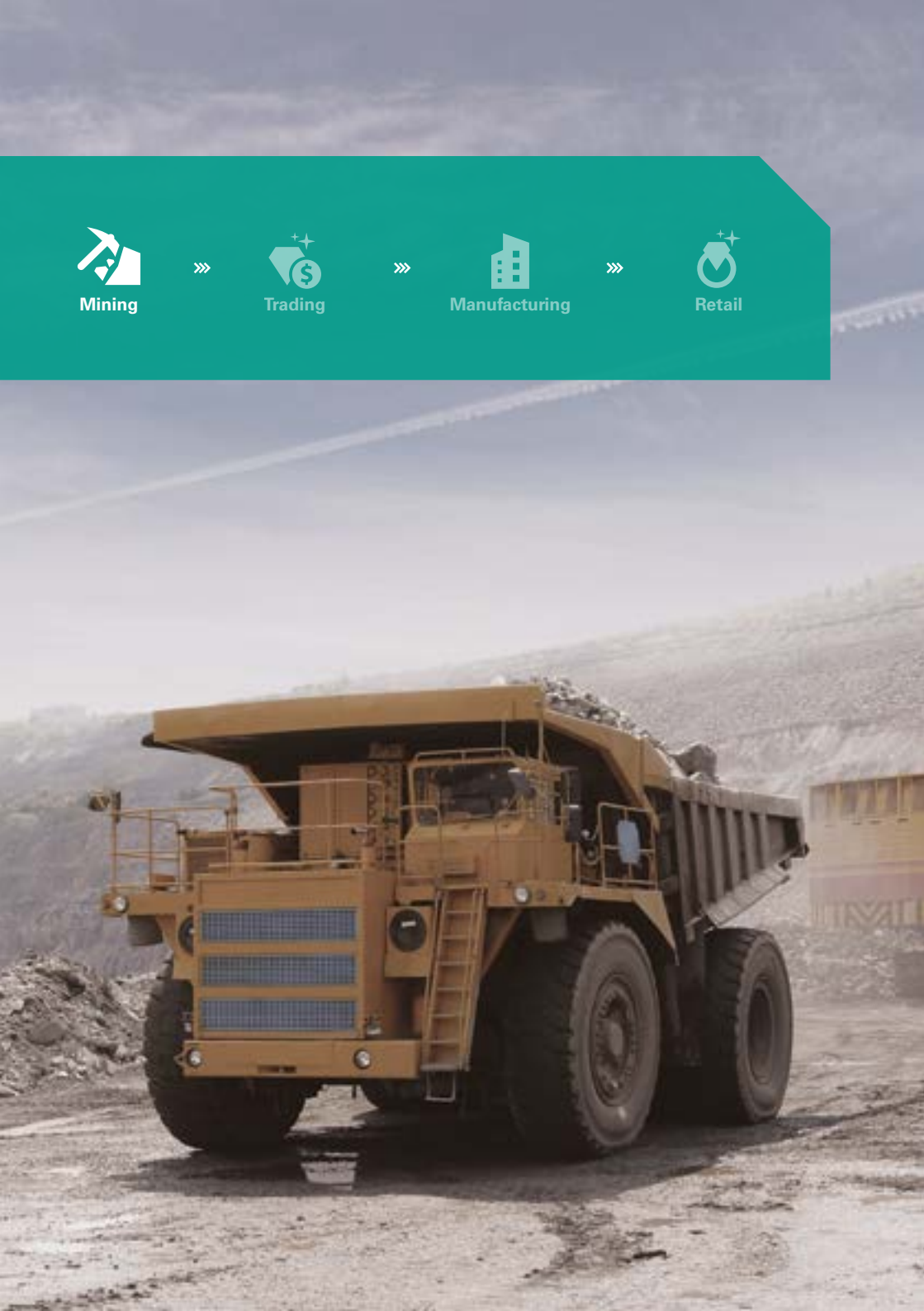


- >> Australia
- >> Canada
- >> Botswana
- >> Russia
- >> Zimbabwe
- >> Angola
- >> Congo

- >> India
- >> Belgium
- >> Dubai
- >> Israel

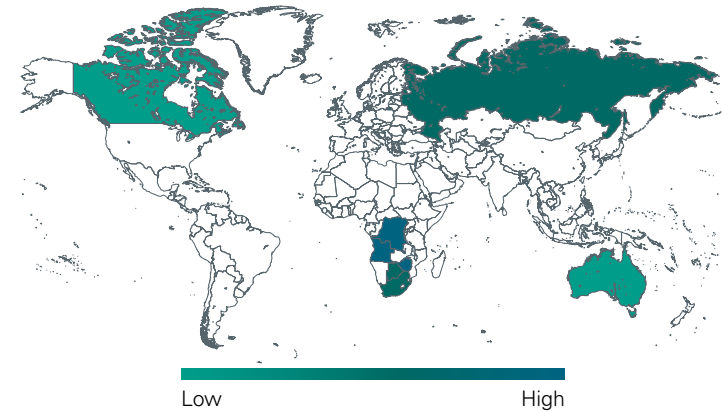
- >> Southern Africa
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- >> USA
- >> Belgium
- >> Thailand

- >> China
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- >> Europe
- >> Japan

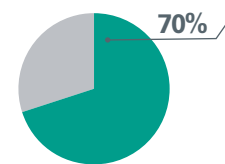


Mining

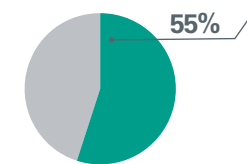
Some countries have higher risk for environmental, social and economic sustainability issues



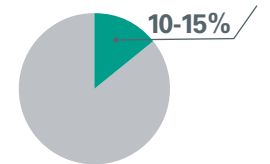
An estimated 10 million people worldwide are directly or indirectly supported by the diamond industry



5 mining companies are responsible for 70% of all mined diamonds.



Around 55% of the diamond production takes place in Russia, Botswana and Canada.



Is mined by artisanal miners, mostly from Africa.

Environmental impact of mining

Although efficiency is improving through new technology it still requires a large amount of energy and water to get diamonds out of the ground. In addition, the mining process causes water, soil and air pollution. Land restoration carried out to reinstate mining sites helps reduce the long-term environmental impact.

Social impact of mining

There are several social issues in the mining industry such as conflict diamonds (when used to finance armed conflicts) and violation of human rights, including child labour, forced labour, unsafe or unhealthy working conditions, underpayment and no right to collective bargaining. Furthermore, artisanal and small-scale mining is often illegal and usually goes hand in hand with poverty and violence, as the access to mining concessions is often controlled by security companies.

Economic impact of mining

Economic issues within mining companies can be bribery, money laundering, corruption, tax avoidance and mixing diamonds from an unclear origin (e.g. conflict diamonds with conflict-free diamonds). The industry needs to be clear about the mining location of every diamond and the conditions under which the diamonds are mined. This means mining companies need strong governance on, and transparency about their activities.

6

Do you know where your diamonds are mined?

Find out in which country your diamonds are mined, by which company and under what environmental and social circumstances. Ask experts, such as local NGOs, about the sustainability issues for the specific country and mining company. And make a policy (including a code of conduct) to address these issues with the mining company. Adopt a clear management system to measure progress, remain in dialogue with suppliers and stakeholders, and be transparent about the improvements.

7

Are you aware of the sustainability policy of the mining companies?

Be in dialogue with mining companies regarding their social, environmental and economic sustainability policy and ask them about the implementation of standards such as ISO 14001 (environmental), SA 8000 (social) or OHSAS 18001 (safety). For more information, see chapter: Overview of initiatives within the sector.

8

How do you address business interactions with artisanal and small-scale mining?

Actively strive to deliver and monitor local benefits by participating in economic and social development opportunities. Create guidelines for your company on how to deal with artisanal and small-scaled mining resources. Engage with local stakeholders, including local communities, NGOs and other organisations consisting of local employees.



9

Are you sure you don't use conflict diamonds?

The Kimberley Process Certification Scheme (KPCS) certifies conflict-free rough diamonds (see chapter: Overview of initiatives within the sector). Although 99.8% of rough traded diamonds are KPCS certified, this is still no guarantee that your diamonds are conflict-free (they can be mixed) or mined with regard for human rights. Ensure you know what is going on in your value chain by cooperating with high-quality standards and engaging with relevant stakeholders. See chapter: Overview of initiatives within the sector.

10

Is the mining company an active member of an external initiative to improve the environmental, social or economic impact?

Does the mining company cooperate with one of the following initiatives: Best Practice Principles (BPP) of De Beers, Responsible Jewellery Council (RJC), World Diamond Council (WDC) or World Jewellery Confederation (CIBJO). For more information, see chapter: Overview of initiatives within the sector.



Solidaridad

and project partner Minera Yanaquihua S.A.C. (MYSAC)

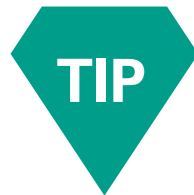
Non-profit organisation working on supply chain sustainability (Solidaridad) and gold mining company in Peru (MYSAC)



Solidaridad notices that sustainability at MYSAC supports the expansion of production projects, reduces the risk and costs of exploration and increases the grade of production.



260 employees
(MYSAC)



**Together
you achieve more**

Sustainable practices

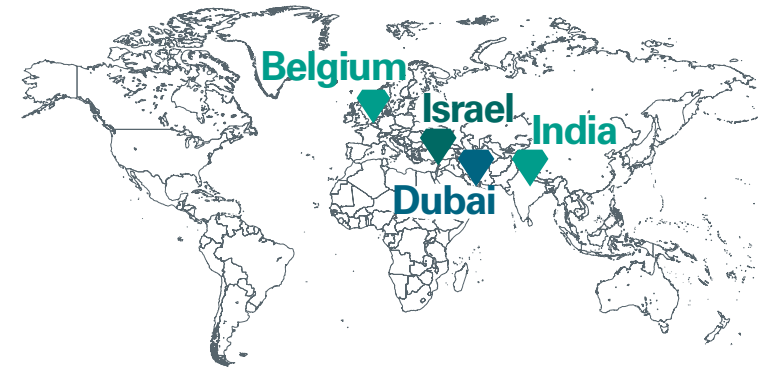
Solidaridad and MYSAC established a unique partnership for Responsible Jewellery Council certification at MYSAC, and better practices among artisanal miners. Around 1,000 informal artisanal miners work on and around MYSAC grounds. Solidaridad and MYSAC established formal agreements with these miners, focusing on sustainable practices. One of the most important results of the partnership is a training programme. Solidaridad and MYSAC expect to assist 600 artisanal miners to become legal and complete training in better practices in 2016. MYSAC buys the artisanal miners' ore at fair prices.

Impact evaluation

Solidaridad and RJC plan to carry out an independent impact evaluation with MYSAC. Results will be published in 2016 and the project partners will be able to share lessons learned at that time.

Trading

The large diamond trading hubs are



Over 80% of all rough diamonds pass through Belgium

Trading of diamonds is highly diversified

- 1 Rough and polished.
- 2 Directly from the mining company, sight-holders, other traders and auctions.
- 3 Significant differences in size (carats), clarity, (potential) cut and color explains variations in price.



Mining



Trading



Manufacturing



Retail

Economic impact of trading

Non-sustainable behaviour in trading includes document falsification, mixing goods to disguise the origin, selling synthetic diamonds as natural diamonds without disclosure, money laundering, tax evasion and round-tripping. Round-tripping is the activity of importing and re-exporting diamonds to inflate the trade volume in order to receive more financing. In some cases, changing the value of imports and exports of the same goods is a way to minimize tax liabilities. Finally low transparency and poor governance are not sustainable behaviors in the longer term. It puts the viability of traders at risk and undermines the trustworthiness of sustainability activities within the entire sector.

Environmental and social impact of trading

The process of trading diamonds has social and environmental implications. Value chain responsibility ensures a trader understands this and acts upon it. For example, by setting up a management and monitoring system focused on the implementation of improvements in the value chain.

11

Is a trader transparent about its business activities and governance?

The trader has a policy on sustainability that addresses the most important issues. This policy should include minimum compliance and sustainability standards. The company uses a management system to administer and measure progress on mitigating actions. Activities can be: sharing a code of conduct with suppliers, selecting externally audited suppliers, training staff to show the relevance of sustainable business practices.

12

Is the trader an active member of an external initiative to improve the environmental, social or economic impact?

Does the trader cooperate with one of the following initiatives: Best Practice Principles (BPP) of De Beers, Responsible Jewellery Council (RJC), World Diamond Council (WDC), World Federation of Diamond Bourses (Code of Conduct) or World Jewellery Confederation (CIBJO). A trader should report whether this cooperation is on group level or local company level (see chapter: Overview of initiatives within the sector).





“By providing a proven track-record on sustainability our clients minimize risk and maximize their access to innovations and networks. This makes them interesting partners for banks, governments and other stakeholders and benefits the reputation of the entire industry”.

Richard Kooloos

Head ABN AMRO Sustainable Banking

Star Sock



Raw materials

We want to make sustainable, good quality products for the European mass market. Our activities range from reducing our environmental footprint, using sustainable raw materials, and setting up the Healthy Seas Initiative, in which we transform discarded fishing nets into new socks.



19 employees

(14 NL, 5 China)

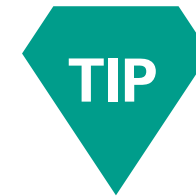


€75,000

Investment 1.5 FTE, €75,000 per year

Rethinking

Sustainability is about rethinking your old ways and trying to find better options. We have increased the quality of our company by implementing sustainability in our core business. This made us more competitive, and provides added value for our customers. New clients, that previously would be out of our reach, are now interested in our products.



Proud and motivated

Try not to see sustainability as a side-issue, but fully integrate it into your core business. This requires the management to be convinced that this is the way to go. The return on investment might take a while, but will be significant. Proud and motivated employees are more valuable than the slightly higher costs of your sustainable business practices.

Manufacturing

Cutting and polishing of rough diamonds



Around 90% of the cutting and polishing of rough diamonds takes place in India

The remaining diamond manufacturing mostly occurs in:

▼ Southern Africa ▼ China ▼ Israel ▼ Belgium ▼

0.7 million

Over 0.7 million people are employed in diamond manufacturing (formal sector).



Mining



Trading



Manufacturing



Retail

Environmental impact of manufacturing

Compared to the mining segment the environmental footprint of manufacturing is small. However, attention should be paid to waste management, the safe use of toxic chemicals and the efficient use of resources such as water and energy.

Social impact of manufacturing

The social impact differs per location. Local regulations are not always enforced, which can result in poor working conditions, including child labour, forced labour, unsafe or unhealthy working conditions, underpayment and no right to collective bargaining. Due to seasonal work peaks, outsourcing to subcontractors can occur which makes working conditions difficult to measure.

Economic impact of manufacturing

The economic aspects also differ per location. Issues can be corruption, tax-avoidance, round-tripping, mixing synthetic with natural diamonds, low transparency and poor governance.



13

Do you know the manufacturer of your diamonds?

Find out in which country your diamonds (jewellery) are manufactured, by which company and under what circumstances. Ask experts such as NGOs or other sustainability initiatives about the specific sustainability issues per country and company. Make a policy to address these issues and adopt a management system to implement and measure progress on the issues.

14

Does the manufacturer have any policies and systems in place to address social, environmental and economic issues?

Be in dialogue with the manufacturer regarding their social, environmental and economic sustainability policy and ask them to implement standards such as ISO 14001 (environmental), SA 8000 (social) or OHSAS 18001 (safety). For more information, see chapter: Overview of initiatives within the sector.

15

Is the manufacturer an active member of an external initiative to improve the environmental, social or economic impact?

Does the manufacturer cooperate with one of the following initiatives: Best Practice Principles (BPP) of De Beers, Responsible Jewellery Council (RJC), World Diamond Council (WDC), World Federation of Diamond Bourses (Code of Conduct) or World Jewellery Confederation (CIBJO). For more information, see chapter: Overview of initiatives within the sector.

Yasin Knittex Industries Ltd



“The Cleaner Production program and the Partnership for Cleaner Textile saved us already a lot of money: \$ 30,000 and \$ 80,000 respectively”



3,500 employees

Pillars of sustainability

We want to lead our business in a positive direction. Therefore we are involved in all three pillars of sustainability: social, environmental and economic. An important focus of our environmental sustainability activities is our membership of the Cleaner Production (CP) program of the United Nations. Furthermore we take part in the Partnership for Cleaner Textile (PaCT), which was initiated by (among others) Solidaridad and several companies. The PaCT partners strive for systemic, positive environmental change for the Bangladesh textile wet processing sector, including improvements for workers and local communities.



Next generation

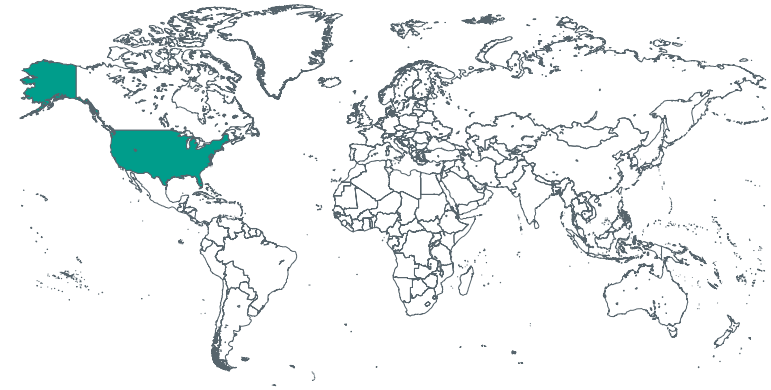
As resources are getting scarcer every day, we should all try to use them efficiently and avoid damaging the ecology. Everybody should do their own bit with the ultimate goal: a happy, healthy and engaged next generation.





Retail

Diamond jewellery consumption



The USA has the highest diamond consumption, followed by China, India, Europe and Japan



50% of all diamonds are used for jewellery, which contributes to 95% of the total value.



50% of all diamonds are used for industrial purposes.



Mining



Trading



Manufacturing



Retail

Economic impact of retail

The main sustainability issue in the retail segment is transparency. The exclusivity of the brands depends on the trust of the (end) consumer. And the consumer is asking more and more questions about the social and environmental impact of the diamonds they buy. However, the push for sustainability by consumers differs from country to country. Consumers in the USA value the sustainability aspect of their diamonds more than consumers in India or China. But this can change rapidly. Sustainability is an increasingly important topic for consumers buying diamond jewellery. As a consequence the retail sector puts pressure on the entire value chain, in order to offer consumers sustainable diamond jewellery.

Environmental and social impact of retail

Diamonds sold to consumers also have a social and environmental impact. Value chain responsibility ensures that a retailer understands how and where the diamond is sourced and what path it travelled through the value chain.

16

Is the retailer aware off and transparent about the sustainability issues in the value chain?

Know what consumers expect of diamonds in terms of sustainability. Find a clear and concise way to communicate the issues and sustainability activities.

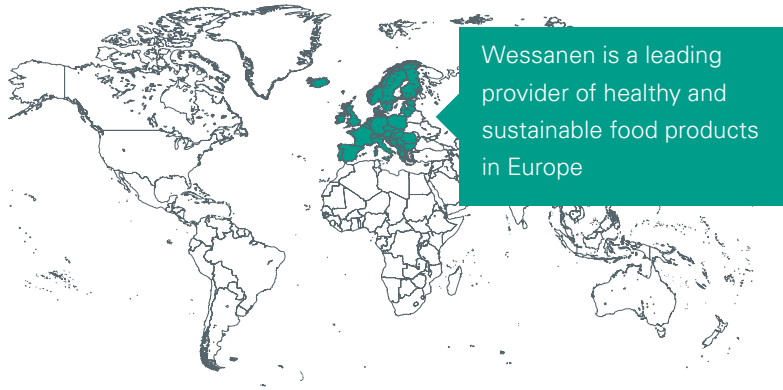
17

Is the retailer an active member of an external initiative to improve the environmental, social or economic impact?

Does the retailer cooperate with one of the following initiatives: Best Practice Principles (BPP) of De Beers, Responsible Jewellery Council (RJC), World Diamond Council (WDC) or World Jewellery Confederation (CIBJO). For more information, see chapter: Overview of initiatives within the sector.



Royal Wessanen



Chosen strategy

We see that the market for our brands continues to grow (revenue now is over €400 million). This growth is the confirmation of our chosen strategy.



850 employees

Nutritional standards

Our motto 'healthier food, healthier people, healthier planet' is translated into sustainability targets such as organic certified, water use and green energy. Our brands like Bjorg, Clipper, Zonnatura, Tartex and Allos are well-known in their local markets. Total revenue consists of 67% organically certified, 20% fairtrade certified and for 97% made of vegetable resources. Furthermore we implement strict nutritional standards. We strive to use few ingredients and process our products as little as possible.

TIP

Veggie Thursday

Practise what you preach! One of the things we do at Wessanen is our 'Veggie Thursday' for employees. This particular activity is intended to create awareness of, and appetite for vegetarian food.

Core business

Sustainability is part of our core business, which means every investment is a sustainable investment.

How to communicate your sustainability activities

Value chain responsibility

Honest communication enables you to demonstrate whether you meet your responsibilities. Sharing your continuous commitment and progress will help gain recognition for your sustainability efforts. Various segments of the value chain, such as mining and retail, put pressure on the entire chain to implement sustainability improvements. Value chain responsibility is an increasingly important concept, not only for companies, but also for stakeholders. To show the level of your value chain responsibility you need to communicate.

18

What do you want to communicate?

Communicate your sustainability strategy and provide an annual update on the progress you have made on measurable targets. Key words for proper communications are: authentic, honest and verifiable facts.

19

Do you communicate with your employees about your sustainability initiatives?

Start communicating with your employees: they are your ambassadors and can help you reach your sustainability targets. Ask them how they want to contribute.

20

Do you communicate with your external stakeholders?

Select the stakeholders with whom you want to communicate and choose the right means to reach them. Some suggestions are:

Dialogues: potentially affected stakeholders, all stakeholders. Website: all stakeholders. Tag on products: clients. Sustainability or integrated reporting: experts, shareholders, investors, NGOs. PR: media. Communicate with your ABN AMRO relationship manager.

Overview of initiatives within the sector

General

Several initiatives in the diamond sector seek to help companies improve their impact on society. Working together with an objective (multi-stakeholder) initiative or certification standard enables the diamond industry to remain trustworthy, and attract new customers, suppliers and investors. Initiatives and standards share their knowledge and networks, provide codes of conduct or guidelines, offer practical tools and, in some cases, verify or certify your efforts.

A certificate is not a 'sustainability stamp'. Taking responsibility for your value chain by identifying sustainability risks, monitoring progress, working on improvements and transparent communications regarding progress is required (see chapter: How to communicate your sustainability activities).

Regulations and legislation

Compliance with international rules and regulations is a minimum responsibility for every company. A general understanding and step-by-step implementation of these standards should be the basis of every sustainability strategy. The most common rules and regulations in the diamond sector are included in this part of the guide.





UN Guiding Principles on Business and Human Rights

The United Nations Guiding Principles established a global standard on the roles of governments and businesses. This standard ensures that companies respect human rights in their own operations and through their business relationships. The Guiding Principles outline the corporate responsibility to respect human rights. Companies are expected to incorporate a human rights policy, to proactively take steps to prevent, mitigate or take action and engage in appropriate remediation activities when human rights are affected. Companies should do so by conducting due diligence. This is a process whereby companies identify and address the actual and potential negative impacts of their own operations and activities and those of their value chain. Companies should also be transparent and communicate their activities on addressing human rights risks. The corporate responsibility to respect human rights is reflected in the updated Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD) and other leading sustainability standards. www.ohchr.org



UK Bribery Act 2010

The UK Bribery Act 2010 was introduced to update and enhance UK law on bribery. This act includes foreign bribery in order to address the requirements of the 1997 OECD anti-bribery convention. It is one of the most rigorously enforced international legislations on bribery. It introduces a new and strict corporate criminal offence for companies and partnerships failing to prevent bribery. This places the burden of proof on companies to show they have adequate procedures in place to prevent bribery.



International Labour Organisation (ILO) Core Conventions

Since 1919 the ILO promotes decent labour conditions for all women and men. ILO aims to promote rights at work, encourage ethical employment opportunities, enhance social protection and strengthen dialogue on work related issues. Workers, employers and governments pooled their experience and knowledge and consulted experts from different continents to create a system of international labour standards. The core ILO conventions focus on themes including forced labour, freedom of association and minimum age. Companies should incorporate these standards in their sustainability strategy, for example as social criteria for their value chain. Most initiatives and certification standards integrate ILO conventions in their methodology and tools. www.ilo.org



Foreign Corrupt Practices Act (FCPA) of 1977

The FCPA is a USA federal law known primarily for two of its main requirements. One addresses accounting transparency requirements under the Securities Exchange Act of 1934. The second concerns bribery of foreign officials. The FCPA law makes it illegal for companies to influence anyone with personal payments or rewards. The FCPA applies, among others, to any person who has a certain degree of connection to the USA and engages in foreign corruption practices. Whenever businesses decide to follow the unethical road, there are consequences including high financial penalties.



Kimberley Process Certification Scheme (KPCS)

The Kimberley Process Certification Scheme (KPCS) certifies conflict-free rough diamonds to prevent diamonds used by rebel movements to finance wars from entering the market. KPCS is a joint government, industry and civil society initiative. KPCS operates as an import-export certification scheme requiring participating governments to certify the origin of rough diamonds. It carries out controls to prevent conflict diamonds from entering the value chain. Participating countries must enact domestic legislation to implement the KPCS. These countries can only trade rough diamonds with other members. www.kimberleyprocess.com



EU Regulation on Integrated Reporting

On 29 September 2014 the European Parliament adopted the directive on disclosure of non-financial and diversity information by large companies and groups (over 500 employees). Companies concerned must disclose information on policies, risks and outcomes regarding environmental matters, social and employee-related aspects, respect for human rights, anti-corruption and bribery issues, and diversity in their board of directors. Enforcement will start as of 1 January 2017. Integrated reporting will enable companies to meet this directive, but is not mandatory. www.theiirc.org



Initiatives

A solid sustainability strategy should exceed compliance with legislation. To effectively monitor and improve conditions in the value chain a company could seek help from a third-party initiative. This will prevent a re-invention of the wheel as these initiatives have extensive knowledge and a (local) network of experts. They provide systems, certification schemes and tools that can be used to respect human rights and improve your environmental and economic impact. Initiatives can also serve as a platform to share best practices and challenges with industry players and other stakeholders. The following initiatives can help you to take your sustainability activities to the next level (this overview is not exhaustive).

Index

The four icons represent different stages of the value chain. A black icon indicates the initiative is active in this part of the value chain.



A black diamond icon indicates the sustainability focus of the initiative.



Source: publicly available information



De Beers Best Practice Principles

The BPP is an industry initiative aimed at evidencing ethical practices throughout the diamond value chain. Members: around 8,500 entities (De Beers Group entities, major contractors, clients, subcontractors).



Based on other initiatives

KPCS, World Diamond Council System of Warranties, SA 8000, GRI, and De Beers is working to align with the RJC System



Type of initiative

Business initiative

Binding

Specific targets for performance

Responsible Jewellery Council (RJC)

Non-profit standard RJC promotes responsible practices throughout the value chain. The RJC aims to harmonize other standards through the RJC certification system. Members: around 500 entities.



Based on other initiatives

US Dodd-Frank act, UN Global Compact, UN Declaration of Human Rights, ILO conventions, OECD, LBMA, GRI, SA 8000



Type of initiative

Multi-stakeholder industry initiative / Process certification scheme

Binding

Specific targets for performance

World Diamond Council (WDW)

Non-governmental body WDC represents the diamond industry in developing / implementing regulatory and voluntary systems aimed at controlling the trade in diamonds. Members: around 70 entities.

Value chain



Based on other initiatives

United Nations, KPCS

Focus



Type of initiative

Industry initiative

Binding

Implementation of all elements of the WDC System of Warranties is required for members

World Federation of Diamond Bourses (WFDB)

Protecting the interest of affiliated bourses and their individual members, promoting world trade, encourage the establishment of bourses. Members: around 30 bourses.

Value chain



Based on other initiatives

International Diamond Manufacturers Association (IDMA), World Diamond Council, CIBJO, The World Jewellery Confederation

Focus



Type of initiative

Industry initiative

Binding

To all affiliated bourses

World Jewellery Confederation (CIBJO)

Encouraging harmonization, promoting international cooperation in the jewellery industry. Focus is the protection of consumer confidence in the jewellery industry and the promotion of Corporate Social Responsibility, for example through education. Members: around 70 national and international jewellery trade organizations and commercial bodies (corporations and service providers).

Value chain



Based on other initiatives

International confederation

Focus



Type of initiative

Decision-making body

Binding

Non-binding

General standards

ISO 14001**

ISO 14001 provides practical tools for companies and organizations looking to identify and control their environmental impact and constantly improve their environmental performance.

SA8000*

The SA8000 standard is an auditable social certification standard for decent workplaces. Companies that want to comply with SA8000 adopt their policy and procedures aimed to protect the basic human rights of workers.

OHSAS 18001*

OHSAS 18001 is an internationally applied standard for occupational health and safety management systems. It exists to help all kinds of organizations put in place demonstrably sound occupational health and safety performance.

Value chain



Focus



Binding

Certification system

Trends & developments

In this section trends in the diamond and jewellery sector are outlined (not exhaustive). Awareness of the latest developments will help make your business sustainable.

New regulations

Financial regulations and laws are becoming more strict, including:

1

Markets in Financial Instruments Directive (MiFID), the EU legislation for investment intermediaries and trading of financial instruments, will introduce MiFID II to strengthen investor protection.

2

The implementation of Basel III will tighten capital requirements for bank lending.

Liquidity in the diamond and jewellery sector

With regulatory requirements becoming more strict, traditional bank lending has become more scarce. To ensure a workable future for the diamond jewellery industry, stakeholders are pressuring for more transparency in the sector to attract banks and investors. Transparency regarding (sustainability) activities and cooperation with validated initiatives becomes increasingly important. Please refer to the latest Bain & Company report and the RBC Capital Markets Diamond Digest for more information.

Synthetic diamonds

Both consumers and producers are pressing for action to prevent undisclosed synthetic diamonds entering the natural diamond market. There is an increasing demand for the certification of diamonds and tools to help identify synthetics.

Initiative in development: IRMA

The Initiative for Responsible Mining Assurance (IRMA), is a new multi-stakeholder initiative focussing on industrial mining. This initiative is currently being reviewed, but will be the first standard to provide best practise performance requirements focused on general industrial mining worldwide. The requirements can be audited on site and are supported by leading companies and civil society organisations.

www.responsiblemining.net



Colophon

Design

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The Others

Text

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Main Sources

Bain & Company sector reports (www.bain.com)

De Beers Insights report (insightreport.debeersgroup.com)

ABN AMRO Sustainable Jewellery Value Chain

(insights.abnamro.nl/en/macro-focus-jewellery-chain-sustainability)

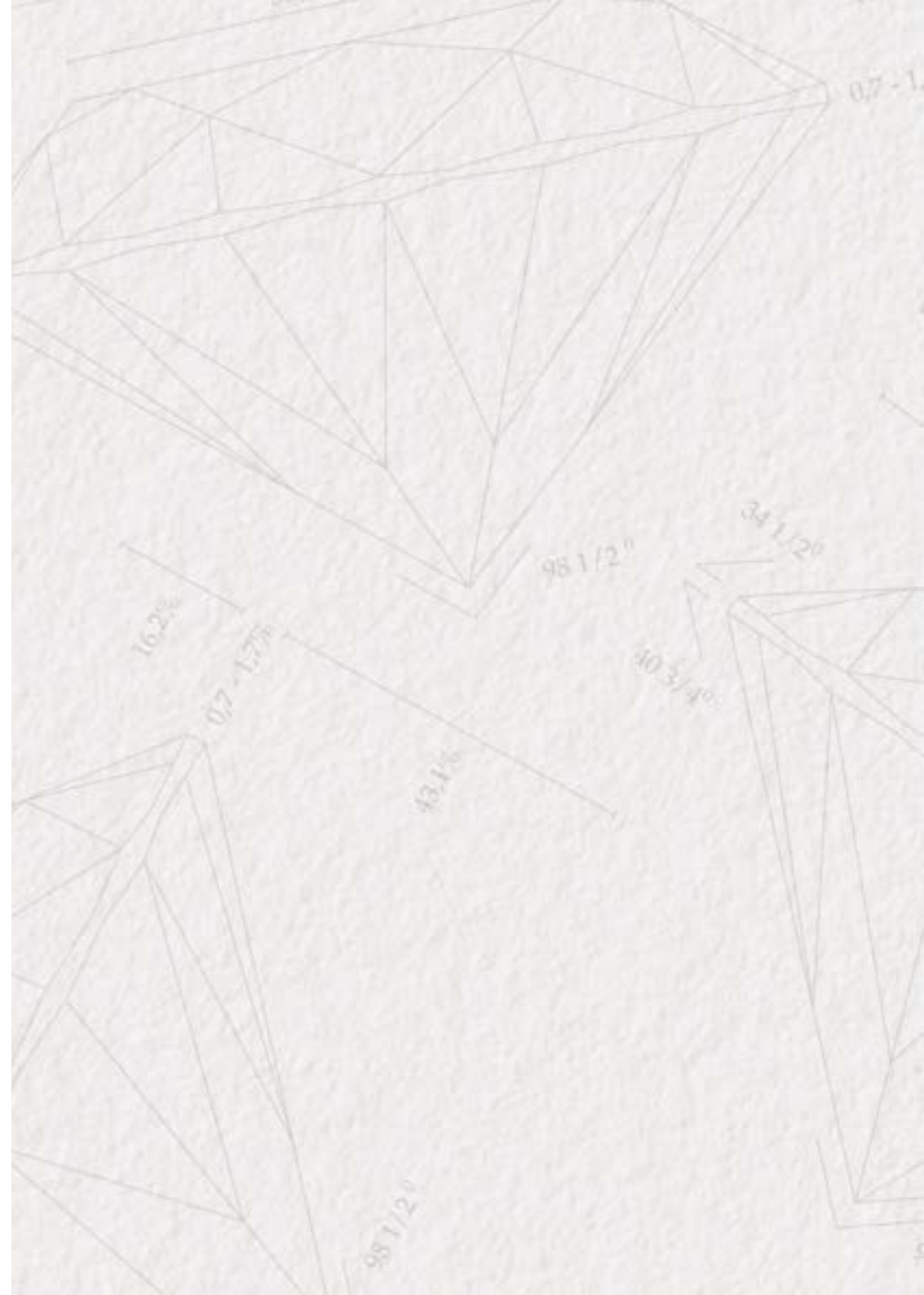
Diamond Facts (diamondfacts.org)

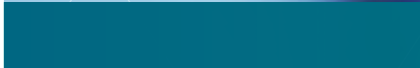
and many others...

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