

MARCH 2022

RAPAPORTTM

SPECIAL REPORT[®]



WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?

Blood Diamonds are diamonds involved in physical torture.
Yes, they exist. Are you buying and selling them?

Social Responsibility in the Jewelry Industry



New Rapaport Website

A centralized source of information
about social responsibility
in the jewelry industry.

Visit

sr.rapaport.com



WHAT SHOULD WE DO ABOUT

BLOOD DIAMONDS?

COVER STORY

4 Analysis by Martin Rapaport

REPORTS

- 9 Torture in Zimbabwe
- 13 Blood diamonds in the supply chain
- 17 The Kimberley Process Civil Society Coalition

INDUSTRY VIEWS

- 19 World Diamond Council (WDC)
- 21 Global Witness
- 22 Responsible Jewellery Council (RJC)
- 23 De Beers
- 25 Signet Jewelers
- 25 Tiffany & Co.
- 26 Alrosa
- 27 United States Jewelry Council (USJC)
- 28 Dubai Multi Commodities Centre (DMCC)

LEGAL

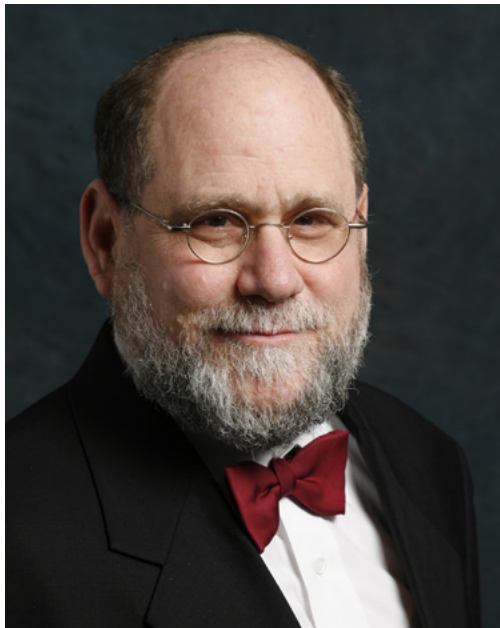
- 29 How US law intersects with human rights in the jewelry industry
- 31 US sanctions: FAQ on OFAC and customs regulations

DOING GOOD

- 32 Standards to live by: Tools from the RJC
- 34 Leading the positive charge: Groups making diamonds a force for good
- 36 Rapaport's social responsibility directory
- 39 Indian outreach: How the country's diamond sector is giving back

NOTE FROM THE PUBLISHER

BLOOD DIAMONDS



Martin Rapaport

PUBLISHER

MARTIN@RAPAPORT.COM

Blood diamonds are diamonds involved in torture or slavery.

There is no justification for the buying and selling of blood diamonds.

Yet that is what our industry is doing. We cover it up by pushing misleading terminology like “conflict-free” or “non-conflict,” which implies diamonds are legitimate when they are blood diamonds. As an industry we support evil governments through the Kimberley Process (KP), which certifies blood diamonds as legitimate, giving them direct and easy access to our trading and cutting centers. These KP certificates also legitimize the money received from the sale of these diamonds. The KP is the washing machine for dirty diamonds and dirty money. Shockingly, the KP is supported by the World Diamond Council (WDC) and its member organizations.

And so, the torture goes on and on. For years the diamond industry has been trading Marange blood diamonds. The torture, KP certifying, and trading has become routine, normal and acceptable. It’s no longer shocking. Just another day, another deal, another victim. This must stop.

In spite of this terrible situation, the diamond industry does much good. Thousands of people and dozens of organizations are working hard to make the world a better place. Our trade is doing good things for the disadvantaged members of our industry, including artisanal diggers who are getting effective support from organizations like the Alliance for Responsible Mining (ARM), De Beers GemFair and many others. We are a caring, loving industry with good people who intensely care about others.

So how do we solve the problem? How do we keep blood diamonds out of our legitimate diamond supply chains? What should we do? That is what this issue of *Rapaport Magazine* is about. We are all in this together. There are many views. I will present mine and so will others. So read on. Get involved with this issue. Visit our social responsibility website sr.rapaport.com. Contact me at sr@rapaport.com.

I believe in the goodness of our trade and its people. But I am worried about how we are handling the blood diamond issue. We must take action. We must stop trading blood diamonds.

WHAT SHOULD
WE DO ABOUT

BLOOD

DIAMONDS?

Blood Diamonds are diamonds involved in physical torture.
Yes, they exist. Are you buying and selling them?

BY MARTIN RAPAPORT

Blood diamonds are diamonds involved in torture or slavery.

This Blood Diamond Report includes sections about severe human rights violations, industry views, legal comments, and good things the jewelry industry is doing. I thank all those that have provided information and appreciate their concern for human rights in the jewelry industry. Writing about blood diamonds is very difficult. Doing something about it is even harder. The purpose of this special report is to raise awareness and stop the trade in blood diamonds.

It's hard not to get emotional. To cry out. To name, shame and blame. But that will not solve the problem. We must provide solutions. As you read this, people are being tortured, yet we must take a rational approach and engage the industry leaders so they take necessary action. While I will express myself forcefully and even harshly, the goal is to solve problems, not criticize.

A lot of good people are doing a lot of good things. We need to encourage them, recognize them, support them and be them. But doing good alone does not solve the problem of blood diamonds. We must understand that just because many of us are doing good things, it does not excuse us or others from trading blood diamonds.

THE COVID-19 COMPARISON

Think of blood diamonds as a new Covid-19 virus. Even though there are good people doing a good job curing cancer — that does not solve the Covid-19 problem. We don't blame the people working on cancer for not solving Covid-19. Yet we know we must find a solution. We can try to cure Covid-19, but in the meantime we must protect ourselves from getting it and our community from spreading it.

We wear masks to protect ourselves from Covid-19 and isolate ourselves so as not to spread it. We don't assume everyone is OK; we take tests before boarding planes or entering countries. When it comes to Covid-19, you are guilty until proven innocent.

So too with diamonds. Due to human rights abuses, diamonds have lost their innocence and presumption of goodness. We are moving to a new reality where diamonds are guilty until proven innocent. Sure, most diamonds do good and most people

are healthy, yet as a society we ask the question: Are you OK? Consumers are now being trained to question: Are your diamonds OK? Where did they come from?

20k

Approximately 20,000 people live in Zimbabwe's Marange region

FIXING THE SYSTEM

The requirement to know where every diamond comes from is an emerging process. Brands such as Tiffany & Co., Forevermark and others already source identify all

“
DUE TO HUMAN RIGHTS
ABUSES, DIAMONDS
HAVE LOST THEIR INNOCENCE
AND PRESUMPTION
OF GOODNESS
”

the diamonds they buy. However, most of the trade does not yet do this. We trade diamonds from unknown sources. Some identify bad diamonds and exclude them. For example, the US government and RapNet ban diamonds sourced from Zimbabwe's Marange fields but don't insist that all diamonds imported into the US or listed on RapNet be source identified.

Ten companies mine about 84% of the world's diamonds. We must identify the good companies and their good diamonds. We must publish a list of “good” mines. Then we must trace the diamonds through production using blockchains and source certify the polished diamonds.

Our initial goal should be to identify bad diamond sources and exclude them from our supply chains. At the same time, we should expand our identification, documentation and certification of good diamonds from good sources. It's a two-pronged effort: Exclude the bad diamonds and document the good ones. That's the key to legitimizing the diamond supply chain.

The ability to document and certify good diamonds requires compliance with standards that include three basic elements. 1) A legal commitment related to the sale of the specific product, 2) independent auditing of implementation and 3) enforcement if standards are violated.

The World Diamond Council (WDC) suggests a three-layer approach to ensure ethical supply chains. The first is the WDC System of Warranties (WDC-SoW). The second is the Responsible Jewelry Council Code of Practices (RJC-COP). The third layer is additional company standards such as the Signet Responsible Sourcing Protocol (SRSP) and additional standards from organizations such as the Initiative for Responsible Mining Assurance (IRMA).

A key question is the effectiveness of the SoW and COP standards relative to blood diamonds. While a thorough analysis of the SoW and COP standards is beyond the scope of this report, we plan to publish a detailed report about how these standards relate to the three basic elements defined above and their ability to exclude blood diamonds from the diamond supply chain.

MARKET IMPACT OF NEW STANDARDS

Edward Asscher remarked at the 2021 Kimberley Process (KP) intersessional that “in the not-too-distant future, there will be a difference between rough diamonds that can be guaranteed to have fulfilled the consumers’ demands and expectations, and other diamonds. Responsibly sourced diamonds will be more in demand. They will obtain better prices in the marketplace, and buyers at jewelry stores will demand proof that they are indeed responsibly sourced before purchasing them as polished.”

Asscher pleaded for the establishment of KP standards that would meet consumer expectations so that “all natural diamonds from all participating countries” would be acceptable to consumers and that “no one should be left behind.” But that’s not going to happen. The KP will not change the definition of conflict diamonds and/or create standards that eliminate blood diamonds from their supply chain. It’s not in their interest to do so.

The diamond market will split between responsibly sourced diamonds and diamonds from unknown sources. This presents political problems for the bourses. Speaking to the KP on June 25, 2021, Asscher said, “Small and medium-sized enterprises [SMEs] will experience difficulties selling natural diamonds, because they do not belong to the elite group of polishers that

“
THE DIAMOND MARKET
WILL SPLIT BETWEEN
RESPONSIBLY SOURCED
DIAMONDS AND DIAMONDS
FROM UNKNOWN SOURCES
”

“
THERE IS NO ASSURANCE
THAT CONFLICT-FREE
DIAMONDS OR KP-CERTIFIED
DIAMONDS ARE NOT
BLOOD DIAMONDS
”

can guarantee that the diamonds they source and polish are responsibly sourced. That will create an unlevel playing field in the polished centers, and threaten the livelihoods of thousands who own, are employed [by] or service SMEs.” Asscher is correct, but he is asking the wrong people for help. The KP will not eliminate blood diamonds from the diamond supply chain.

The SME problem we face will require the development and implementation of new tracing and tracking technology that assures an ethical supply chain. It will be an added-value proposition, given the fact that buyers are willing to pay more for documented diamonds.

CERTIFYING BLOOD DIAMONDS

This brings us to a very difficult discussion. When asked, “What should we do about blood diamonds?” the title of the WDC response was “Position of the diamond industry organizations in relation to the Kimberley Process.” The first paragraph states, “We the undersigned diamond industry organizations, all represented by the World Diamond Council (WDC), are categorically committed to protecting the ethical integrity of the natural diamond and the diamond supply chain, doing all within our power to prevent them from being associated with violations of fundamental human rights. As part of this ongoing effort, we affirm the critical role being carried out by the Kimberley Process (KP).”

But the KP has nothing to do with blood diamonds. Asscher was honest when he stated in his blog of September 2, 2021, that “the KPCS is unfortunately limited in scope. Unless that is expanded, it cannot be expected to be a panacea to other challenges afflicting artisanal diamonds, including human and labor rights violations, bribery and corruption.”



**THE KIMBERLEY PROCESS IS THE
PRIMARY FORCE PROMOTING
THE SALE AND DISTRIBUTION OF
BLOOD DIAMONDS.... IT IS THE
WASHING MACHINE FOR DIRTY
DIAMONDS AND DIRTY MONEY**



If blood diamonds are outside the scope of the KP, why do all the diamond industry organizations, including the WDC, RJC, World Jewellery Confederation (CIBJO), World Federation of Diamond Bourses (WFDB), International Diamond Manufacturers Association (IDMA) and Natural Diamond Council (NDC), “affirm the critical role being carried out by the Kimberley Process?” In fact, what role does the KP play regarding blood diamonds?

The KP is the primary force promoting the sale and distribution of blood diamonds. It certifies blood diamonds as legal and legitimate. Blood diamonds with KP certificates have direct and easy access to the diamond trading and cutting centers. KP blood diamonds are mixed with legitimate rough and polished diamonds and then sold on to consumers. The money that is then paid for these KP-certified blood diamonds also becomes legitimate. The KP is the diamond market’s dirty back door. It is the washing machine for dirty diamonds and dirty money. It is run by governments for governments, some of which are corrupt.

Some leaders deny that the KP certifies blood diamonds. Consider Zimbabwe. According to the KP, in the five years from 2016 through 2020, Zimbabwe exported 10,393,517 carats of diamonds worth \$550,129,022. It is estimated that 80% of those diamonds originate in Marange. That’s \$440,103,218.

If Zimbabwe’s KP-certified diamond exports did not come from Marange, where did they come from? And where did the money go? How much of Zimbabwe’s KP exports are from Marange? Does the KP certify blood diamonds — yes or no? The WDC must answer these questions.

Denying the role the KP plays in legitimizing blood diamonds is dishonest, unacceptable, unethical, and totally wrong. It goes against everything decent our trade stands for.

The WDC can no longer ignore the trade in Marange blood diamonds and make believe they don’t know what is going on.

The WDC has been asking the KP to help stop the flow of blood diamonds. Doesn’t the WDC realize that government officials make and launder millions of dollars on the sale of KP-certified blood diamonds?

We must face the fact that the KP has blood on its hands and still enjoys WDC support and legitimization. What must happen before the WDC stops supporting KP certification of blood diamonds and their distribution in our supply chains? When will the WDC and all its member organizations ban the trade in Marange diamonds and expel members who trade them? Does the WDC have any red lines? If so, where are they?

NAME GAMES

The definition of “conflict diamonds” is limited to diamonds that fund civil war. It does not include diamonds involved in human rights violations such as torture, rape, or slavery. The use of terms like “non-conflict” or “conflict-free” to imply that diamonds are not involved in human rights abuses is misleading, dishonest and unethical.

When we guarantee that diamonds are “conflict-free,” we are relying on a legal Kimberley Process technical definition to fool ourselves and our customers. There is no assurance that conflict-free diamonds or KP-certified diamonds are not blood diamonds.

If we want to stop the trading of blood diamonds, we must communicate honestly about them. If diamonds are legitimate or ethical then that is how we should describe them. It’s time to stop the misleading name game.

WHO IS RESPONSIBLE FOR BLOOD DIAMONDS?

Is it the guard or police officer who pulls the trigger or sets the dogs on the victim, the company that hires the guards, the government that allows its army or police to torture people, the rough diamond buyer, the cutter, the polished dealer, the retailer, the consumer — who is responsible?



**BUYERS ARE WILLING TO
PAY MORE FOR DOCUMENTED
DIAMONDS**



The WDC position is that addressing “human rights risks...is the individual responsibility of every business that operates in the diamond sector.” The RJC “believes that supply chain due diligence is the responsibility of each and every company in the global jewelry industry.”

So everyone is responsible. That is, everybody except the trade organizations that set standards and fail to enforce them, or governments that encourage human rights abuses. It’s not fair, but the bottom line is that you and you alone are 100% responsible for what you buy. You can’t pass this responsibility to trade organizations or governments.

WHAT SHOULD A US JEWELER DO?

The first step is to recognize that money is power and you can use it to transition to a more ethical supply chain. Next, recognize the world is not perfect and it will take time and effort to improve your supply chain. While doing this be careful to maintain the profitability of your business. Review your customers’ appetite for social responsibility and the costs involved. Don’t be afraid to charge more for what costs more. Communicate your social commitment, market the benefit you are providing and charge a fair price.

Review your suppliers and decide who can help you transition. Tell them to help you exclude blood diamonds from your supply chain. A good place to start is by requiring them to provide a written guarantee that the diamonds they are selling you are not from Marange. Encourage them to get similar written commitments from their suppliers.

Recognize that even good, ethical suppliers are not going to be able to document every diamond they sell you. At this stage they might not know where all their diamonds come from. You should still make sure you get written documents ensuring legitimacy. They can give you information such as whether their supplier is an RJC member or a De Beers sightholder. Recognize that transitioning to a more ethical supply chain is a process. You need to partner with suppliers and communicate honestly and openly as you develop relationships. Suppliers should be as interested in transitioning to an ethical supply chain as you are. Work with them.

How is a jeweler in California to know about human rights violations in Zimbabwe? Stay informed. Visit srrapaport.com for resource information and contacts. We strongly recommend that you join the RJC at responsiblejewellery.com and interact with its members.

CONCLUSION

This article raises many important issues. Chief among them is the setting of standards that ensure the diamond industry does not trade blood diamonds. These standards must be well defined so as not to leave room for greenwashing. They must include independent auditing, and be enforced by excluding members that violate the standards.

The role of the KP in relation to the certification and legitimization of blood diamonds and corruption must be

“
**YOU AND YOU ALONE ARE
 100% RESPONSIBLE FOR
 WHAT YOU BUY. YOU CAN’T
 PASS THIS RESPONSIBILITY
 TO TRADE ORGANIZATIONS OR
 GOVERNMENTS**
 ”

investigated and publicized. If the KP does not stop certifying blood diamonds, the WDC must disengage from the KP.

The role of the WDC and the RJC standards must be clarified to ensure there is no greenwashing of blood diamonds through the use of misleading standards or terminology. The WDC should be encouraged to transcend the KP and focus on its goal of ensuring a legitimate diamond industry. This should include the exclusion of bad actors and bad diamonds from their member organizations.

This has been a difficult article to write and experience. The suffering of blood diamond victims cries out. The banality of blood diamond business as usual is unsettling. The continuous flow of blood diamonds into the diamond supply chain horrifies me and makes me question the legitimacy of our diamond trade.

I know most diamonds do good and the leaders of our industry are good people doing good things. I know we must not blame our leaders for trying their best to solve difficult situations. Our leaders need to be thanked, not criticized.

So let’s not take this article as criticism. Let’s consider it an urgent request for change from someone with a different perspective.

Friends, we have to do more. The cries of suffering and injustice call out to us. We are responsible for what we buy. We are responsible for the unintended consequences of our actions. There must be less talk and more action. We must do something, anything, and everything to stop the cycle of blood diamond violence and injustice.

There is a reason G-D gave diamonds to the poorest people in the world and made the richest desire them. The role of the diamond trade is to bridge this gap. That is why we exist. Our trade is doing G-D’s work. *Tikkun olam* — fixing the world. ■

TORTURE IN

ZIMBABWE

This report was obtained through confidential sources. All names and initials have been changed to protect the identity of the people involved. Many people are afraid to disclose what happened to them for fear of retribution by the authorities. Additional evidence about human rights in the diamond industry is available at *sr.rapaport.com*

The people of Marange, Zimbabwe, have seen little good from the enormous diamond wealth that was discovered in their lands. In 2006, a diamond rush by thousands of artisanal miners met with a violent crackdown on government forces, resulting in the loss of over 200 lives and the forcible eviction of 1,500 families. The government then restricted access to this 795,000-hectare zone by designating it a protected area. It awarded most of the land to a range of mining companies in dubious deals that served to conceal governmental elites' siphoning of diamond revenues.

The approximately 20,000 people still residing in Marange live a difficult life. Their freedom of movement and association is curtailed, with roadblocks on all access roads and complete militarization through widespread police, army and private security patrols. Their livelihood options have been drastically reduced, as mining concessions occupy the land where they used to grow crops, herd livestock, or fetch water and firewood. They live in constant fear that they or their family members will become victims of the regular assaults, harassment and intimidation that security brigades inflict on locals, including women and children.

These difficult conditions have led many — mainly young men — to look for diamonds in their ancestral land, from which they derive little or no benefit now that it has been awarded to mining companies. With public and private security forces known to use brutal violence, intruders are aware that they're risking their lives, but they see no other options to make ends meet.

The cruelties have given Zimbabwean diamonds a bad reputation internationally. Various major retailers have banned them from their supply chains, and in 2019, US Customs and Border Protection issued a withhold-release order for Marange diamonds over suspicions of forced labor. This prompted the Zimbabwean government to launch a charm offensive, which culminated most recently in the acceptance of its bid to chair the Kimberley Process (KP) in 2023.

Claims by the government are difficult to verify, as access to Marange is restricted, with civil society and independent observers particularly unwelcome. Yet in the first weeks of 2022, we managed to collect direct testimonies from locals in Marange. These reveal that little has changed there, and human rights violations continue unabated.

Most of the reported violations were committed by private security guards of the Zimbabwe Consolidated Diamond Company (ZCDC), but also by police and military officers. They have predominantly targeted those looking for diamonds or panning inside and outside the concessions. Their testimonies reveal that the rule of law does not exist in Marange.

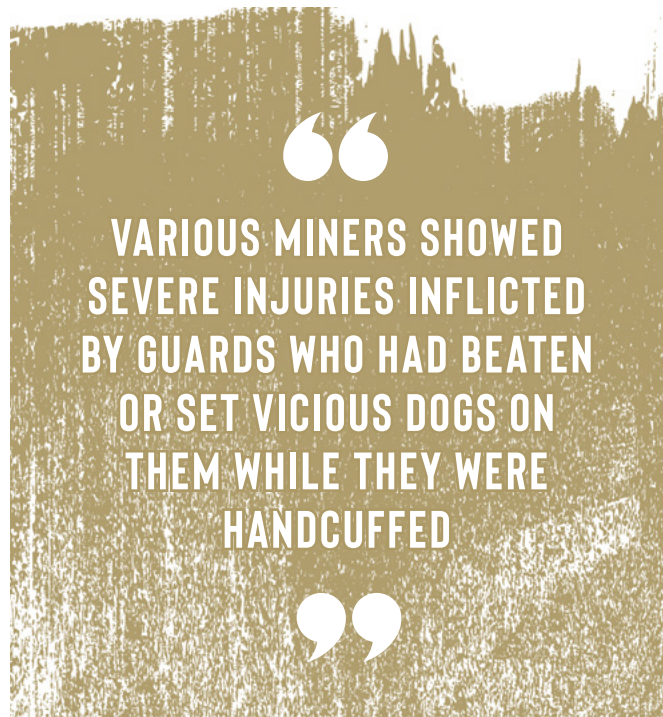
Public as well as private security forces play a dubious role, as they both organize illegal syndicates that mine for diamonds and impose brutal punishments on those who do not play by their rules. They severely torture artisanal miners who have not paid protection money. Various miners showed severe injuries inflicted by guards who had beaten or set vicious dogs on them while they were handcuffed. After long sessions of torture, victims said, they were loaded onto trucks and abandoned

deep in the forest. The most notorious security guards whose names the miners mentioned were Gumbo, Lewis, Bepete and Matanda, who is now disabled after artisanal miners crushed his leg in a revenge mission.

As this scare campaign is presumably authorized by the highest echelons of power in Zimbabwe, perpetrators enjoy total impunity, while victims have no recourse to a remedy. Spreading even more fear, ZCDC guards, army and police reportedly raid public markets in search of diamonds on occasion. They indiscriminately and extrajudicially arrest locals and take them to detention centers at the so-called Diamond Security Bases, where they must pay a fine or bribe their way out. Those

men and women who fail to pay are subjected to forced labor and detained for days in a cramped and mosquito-infested 5- by 2-meter cage that only provides partial shade and has no toilet.

Artisanal miners and state security officials interviewed during the investigation estimated that between five and 10 people are either bitten by dogs or tortured every day, while over 30 are rounded up and detained per week across the diamond field. Most cases go unreported and remain undocumented because the miners are afraid of being identified and arrested for trespassing. Those who have suffered injuries do not even seek medical treatment at health facilities, because nurses ask them to produce police reports before staff will attend to them.





INJURIES: Wounds from dog bites on the arm.

TESTIMONY

NAME OF VICTIM: ANESU KASEKE (FORM 4 STUDENT)

AGE: 18

TIME OF OCCURRENCE: JANUARY 5, 2022, 2 P.M.

PLACE OF OCCURRENCE: DEBMAR (ZCDC CLAIM)

BRIEF DESCRIPTION:

On January 5, Anesu Kaseke and three other youngsters were searching for diamonds at Debmar, a site within the ZCDC diamond field. While they were working on the pits, two ZCDC security guards pounced on the young artisanal miners, who included two in grade 7 at Chiadzwa Primary (aged 11 and 12 years) and two who were sitting for Ordinary Level examinations at Gandauta Secondary School (aged 17 years) at the time the incident happened. The youngsters tried to run, but only three succeeded in escaping as the guards focused on Kaseke, whom they apprehended and set a dog on. He was bitten on the arm as he tried to fight off the dog. Kaseke identified two of the security guards as Lewis and Bepete. He was later released to nurse the injuries at home.

TESTIMONY

NAME OF VICTIM: MAYFORD JANI

AGE: N/A

TIME OF OCCURRENCE: NOVEMBER 15, 2021, 3 P.M.

PLACE OF OCCURRENCE: ZCDC CLAIM

BRIEF DESCRIPTION:

On November 15, 2021, Mayford Jani was shot in the leg by a soldier while fetching firewood around the diamond field. He was seriously injured and rushed by friends to Victoria Chitepo Hospital in Mutare, where he was admitted on November 16. This soldier, who had accused Jani of trespassing in the diamond fields, disappeared from Marange when the case was being investigated.

INJURIES: Gunshot wounds.



INJURIES: Wounds from dog bites on arms and hands.

TESTIMONY

NAME OF VICTIM: COLLEN (POLICE OFFICER) AND SIX OTHERS

AGE: 33

TIME OF OCCURRENCE: DECEMBER 23, 2021, 2 A.M.

PLACE OF OCCURRENCE: CRUSHER 2 (ZCDC CLAIM)

BRIEF DESCRIPTION:

As a police officer, Collen was deployed to the Marange diamond fields sometime in 2021. In October 2021, his group was recalled and another group from a different station brought into Marange as a replacement. Like many police and military officers deployed in the diamond field, he had established his own syndicate that he was working with. Upon returning to his station, which was further from Marange, he immediately applied for vacation leave. He left his workstation and sneaked back into Marange. On December 23, 2021, Collen and his syndicate of six artisanal miners were apprehended by ZCDC security guards at the Chitubu area within the diamond field. The guards set dogs on them, and five sustained deep injuries on their arms and hands. They never reported the incident to the police or sought treatment from any health facility.

Collen confirmed that state security officials (police officers and soldiers) deployed in the diamond field run numerous syndicates. However, he said, generally, state security officers do not trust the artisanal miners because there is no guarantee that they will always be honest and declare all the diamonds they would have found.

"Each syndicate will have two or three state security officers, and they take turns to accompany artisanal miners. This helps in monitoring and ensuring transparency," he said. Collen said this was the reason he sneaked back into the diamond field, because he feared that people whom he sponsored might discover a diamond and sell it without informing him.

Asked about the exact instructions they get on deployment as police officers, Collen said their group was never told to beat, torture or harass people within the diamond field: "When we were deployed, we were told to guard the diamond field against trespassers and apprehend all offenders. This is the only instruction. I believe this is the same instruction given to soldiers, except that they do not arrest anyone. However, security officers are human beings. We get tired of the routine of chasing away the same people from these spots; hence, they have resorted to use of force."



INJURIES: Wounds from dog bites on the arms, hands, thighs and knees.

TESTIMONY

NAME OF VICTIM: BATSIRAI MTETWA AND FOUR OTHERS

AGE: 44

TIME OF OCCURRENCE: DECEMBER 22, 2021, 2 A.M.

PLACE OF OCCURRENCE: GRAVEYARD (ZCDC CLAIM)

BRIEF DESCRIPTION:

Batsirai Mtetwa and his four colleagues were caught at the ZCDC diamond mining fields known as "graveyard" by eight ZCDC guards with six dogs. They were working on a pit within the ZCDC claim when the guards arrived. Three of his colleagues managed to run away, leaving two behind. The two who were caught were first beaten and told to roll on thorny shrubs. Mtetwa said that as they were rolling, ZCDC guards released their dogs and ordered them to attack. As a result, he and his colleague were bitten on the hands, arms and legs. After realizing that they were injured and were bleeding, the guards chased them out of the diamond field. The victims did not seek medical help and have been using traditional medicines to treat their wounds.



INJURIES: Swollen head, deep wounds from dog bites on the hands, thighs and legs.

TESTIMONY

NAME OF VICTIM: T. S.

AGE: 39

TIME OF OCCURRENCE: DECEMBER 23, 2021, 6 A.M.

PLACE OF OCCURRENCE: BOUNDARY CLOSE TO SHAMIRAI (ZCDC CLAIM)

BRIEF DESCRIPTION:

The victim was found by ZCDC security guards at a place called Shamirai, allegedly looking for a herd of cattle that had been lost the previous day. The place is close to the ZCDC fence. He revealed that he met five security guards who had six dogs, and was asked to produce a letter of permission giving authority to move around the area. T. S. told them that he was a villager and had no need to prove anything. Despite his introducing himself as a villager, the guards beat him. He, however, recognized two guards as Lewis and another one nicknamed "Chief." T. S. said he asked them why they were beating him, but that only worsened his situation. The two security guards whom he had positively identified immediately set their dogs on him. He sustained cuts on the arms, hands, thighs and legs, and the guards bundled him into their company vehicle and dumped him 23 kilometers away from the scene, at a place in Mutsago, which is outside the protected area. He was treated at Chakohwa clinic and later at a private health facility in Mutare town.

BLOOD DIAMONDS

IN THE SUPPLY CHAIN

The industry must devote more resources to uncovering and stopping human rights violations.

BY HANS MERKET, INTERNATIONAL PEACE INFORMATION SERVICE (IPIS)

Diamonds do good. This is not in dispute; the industry has invested considerable resources in documenting and marketing the benefits associated with diamond mining. A recent example is the “Thank You, By the Way” campaign from the Natural Diamond Council (NDC) and the Responsible Jewellery Council (RJC), which showcases natural diamonds’ contribution to supporting health care, access to education, job creation, biodiversity and infrastructure across the globe.

Much less is known, however, about situations in which diamond mining does serious harm to lives and livelihoods — not because these situations are less real or important, but because fewer resources have been devoted to documenting and addressing them. Communities living in the typically impoverished and remote places where diamonds are extracted have little agency or voice to bring their grievances to the world’s attention. The abuses they face only come to light when civil society organizations — generally working in difficult circumstances with limited resources and capacity,

and often at risk to their own lives — manage to document them, and even then, their findings do not necessarily reach a global audience.

The cruelties in Zimbabwe’s Marange diamond fields have been covered elsewhere in this magazine issue. Below, we will discuss some of the other worrying cases of severe human rights abuse that have surfaced in recent years.

CONFLICT DIAMONDS FROM THE CENTRAL AFRICAN REPUBLIC

The only case where the international community still recognizes the existence of “conflict diamonds” as defined by the Kimberley Process (KP) Certification Scheme is the Central African Republic (CAR). Since the outbreak of a protracted civil war in 2013, this country has been subject to a KP embargo on rough-diamond exports.

In 2015, the embargo was partially lifted, allowing exports from a limited number of compliant zones in the west of the country. These are areas where the central government has, despite considerable pressure from rebel groups, managed to maintain a degree of control over the diamond sector. In

the nation's east, various armed groups have held the upper hand and continue to exact revenues from diamond mining and trading through direct involvement, looting, extortion, illegal taxation and forced labor. They rule with a heavy hand, and human rights abuses such as torture and assault are commonplace.

Diamonds and gold are mined purely artisanally in the CAR. This provides direct employment to an estimated 150,000 to 300,000 workers. In this country, which has the lowest life expectancy on earth, at least 10% of the 4.7 million people who live there depend on artisanal mining as a vital source of income. The world has paid strikingly little attention to the impact of the conflict and the KP embargo on these communities.

While the KP is presented as a conflict-prevention mechanism, its leading preoccupation is maintaining consumer confidence through an embargo that on paper prevents the trade in conflict diamonds, but in practice just pushes this commerce underground. The situation has attracted international criminal and terrorist networks that thrive in such shrouded circumstances, and smuggling has become the norm in the CAR's diamond trade, even in so-called KP-compliant zones. This has caused increased suffering for artisanal miners, as it pushes them into the hands of predatory criminal groups that pay drastically reduced prices for the diamonds the miners manage to extract.

In 2021, the situation further deteriorated as Russian mercenaries from the Wagner Group, a private military contractor with alleged links to the Kremlin, intensified their deployment across the CAR. The mercenaries are fighting alongside government forces in a counterinsurgency campaign, with a notable focus on economically important mining areas. Combined with leaked documents revealing that Lobaye Invest, a company with reported links to Wagner, obtained rights to explore for diamonds and gold at seven sites in the CAR, the deployment has fueled suspicions that Russian elements are out to violently secure control over the CAR's mineral wealth.

United Nations experts have accused the Russian mercenaries and CAR government troops of grave human rights abuses and violations of international humanitarian law.

10%

At least 10% of the 4.7 million people in the Central African Republic depend on artisanal mining for income

So did a joint investigation by news station CNN and US anti-corruption group The Sentry, which found that these forces were using mass summary executions, rape, torture, looting, forced displacement and arbitrary detention to frighten locals away from lucrative mineral deposits.

The KP embargo clearly did not stop diamonds from fueling conflict, but is it at least preventing them from



being traded internationally? UN and civil society monitoring groups have revealed that 80% to 95% of the CAR's rough-diamond production — on average, around 245,000 carats per year, with a value of \$35 million to \$50 million — continues to be smuggled out of the country. These diamonds reportedly enter the KP-certified chain through neighboring producer countries and trading hubs, and thus continue to sell in major consumer markets like the United States.

It is striking that after eight years of KP and UN oversight, as well as enhanced industry vigilance — making this arguably the most monitored diamond market segment in the world — we know very little about who is facilitating and profiting from this conflict-diamond trade.

Since September of last year, the country has been even more opaque to the international community, as Russia has been delaying the renewal of the UN Security Council mandate for the UN Panel of Experts on the CAR. This panel, which the UN Sanctions Committee appointed in 2014, has been one of the few and most vital sources of intelligence for the KP and other observers, particularly regarding the link between diamond trafficking and conflict financing. Also, the few international NGOs that have managed to navigate the CAR's tense and complex security situation face increased restrictions today, as Russian mercenaries are reportedly detaining and expelling foreigners who try to visit the areas where they are active.

BEYOND ANGOLA'S GOOD-NEWS SHOW

In the past year, Angola's diamond sector has regularly made the news due to its success in attracting major players like Rio Tinto and De Beers. The country has gone to great lengths to convince investors that it has shaken off its troubled past and entered an era of transparency that will enable transformative socioeconomic growth. However, this good-news show leaves

little room for the lived realities of communities residing in Angola's increasingly industrialized diamond fields.

It is not easy to get updates from these isolated communities, particularly since Angola restricts civic space and press freedom. Nonetheless, some reports seep through, and these contain reasons for serious concern and increased scrutiny.

Among them are accounts of a violent confrontation in January 2021 between community members and public security forces in Cafunfo, a diamond mining town in Angola's Lunda Norte province. At least 13 people died in this confrontation, according to a new book by Angolan journalist and human rights defender Rafael Marquez. His research demonstrates how years of neglecting these communities, which live with hunger and severe poverty amid lucrative diamond mining operations, created the conditions for this violence to erupt.

In May, the archbishop of Saurimo — the capital of Angola's Lunda Sul province — raised additional concerns. On the country's Catholic radio, he bemoaned that people were living not only in misery despite the diamond wealth, but in fear because of it, as security guards at diamond mines were using deadly force. Human rights defenders working in the area are collecting gruesome testimonies, including various cases of torture. One instance led to the death of a 47-year-old man. In another instance, mine security guards allegedly shot a 25-year-old man in the head in the municipality of Cuango.

July and August saw a massive tailings leak at the Catoca mine, and the governmental and corporate response further belied the country's portrayed transparency. Catoca is the biggest diamond deposit in Angola and the fourth-largest globally. The Angolan and Russian state diamond miners, Endiama and Alrosa, each hold a 41% stake in this mine, which produces more than 7 million carats worth \$800 million per year. The purportedly toxic spill contaminated hundreds of kilometers of rivers in Angola and the neighboring Democratic Republic of Congo (DRC), with a devastating impact on aquatic life and human health. In addition to a massive number of fish deaths, 12 people died due to the contamination, and thousands got sick, according to DRC authorities.

Yet despite the scale of the disaster and the high profile of the mine and its owners, the cause of the damage remains shrouded in obscurity seven months after the leak erupted.

Catoca denied that any toxic material would have been released by the spill, but neither the company nor the Angolan government disclosed any test results. DRC officials have not been allowed to test the water in and around the mine to scrutinize these claims. Even more worrisome is that hardly any action has been taken to mitigate the immediate and potentially long-term damage to the hundreds of thousands of people whose main source of water and nutrition has become contaminated.

DEMOCRATIC REPUBLIC OF CONGO: INHUMAN WORKING CONDITIONS

Little is known about the circumstances of diamond mining in the DRC, the world's fourth-largest diamond producer by volume and 11th by value. Problems are generally associated only with the largely unregulated artisanal mining sector, where there are reports of armed predation, child labor, unsafe working conditions and environmental destruction. However,

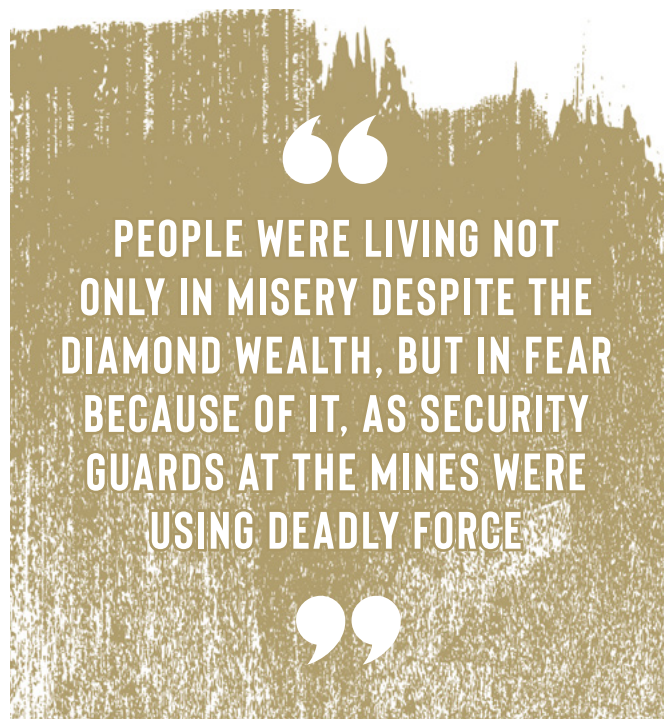
the country's only operative industrial diamond miner, SACIM, is a source of serious concern as well.

SACIM is a joint venture between the DRC government and Chinese construction and mining company Anhui Foreign Economic Construction (Group) Co. (AFECC), with each holding half the shares. AFECC also has a 50% stake in Zimbabwe's controversial Anjin diamond mine. SACIM operates a concession in the DRC province of Kasai Oriental and produced nearly 4.4 million carats in 2020, which were tendered in Antwerp, among other cities.

However, this mine not only failed to benefit the Congolese population, but seriously damaged the human rights of its workers, according to a recent study by Southern Africa

Resource Watch (SARW), an advocacy and research NGO with headquarters in South Africa. SARW documented how Chinese managers would beat and abuse their Congolese staff, with no one held accountable. Moreover, the report exposed serious discrimination against Congolese workers, who were allegedly assigned to separate, inferior and overcrowded dining, sanitary and sleeping arrangements. They reportedly had their salaries withheld as well, and were confined on-site for months. They also had to work 12-hour shifts without the necessary protective equipment, which is illegal and dangerous.

The neglect of their rights, health and safety became painfully clear when a worker was crushed by a machine and died; his wife reportedly received a mere \$5,000 in an out-of-court settlement. These workers' grievances led DRC President



Félix Tshisekedi, during a visit to the mine in December 2021, to demand that management implement humane working conditions and augment workers' salaries.

CRIMINAL GANGS IN VENEZUELA AND BRAZIL

In recent years, there have been regular reports of armed gangs running gold and diamond mines in the Brazilian and Venezuelan Amazon. This is causing considerable distress and suffering among the many indigenous communities living in these rainforests; it is destroying their land, contaminating rivers, ravaging fragile ecosystems and increasing the spread of diseases. These gangs impose their rule through violence and extortion of locals, including young children, whom they recruit to work in the mines.

A Brazilian police investigation that ran from 2018 to 2020 uncovered a transnational criminal network that was gaining about \$20 million per month through such practices. They made huge profits by selling illegal diamonds from the Roosevelt Indigenous reserve to diamond dealers and jewelry shops domestically in São Paulo, and abroad in countries such as France, Switzerland and Italy.

A 2020 investigation by the Office of the UN High Commissioner for Human Rights (OHCHR) provided a detailed account of the severe violence that criminal and armed groups were perpetrating in Venezuelan diamond, gold and bauxite mines. Government security forces were allegedly paid to look away or participate in the cruelties. At least 149 people, including miners and members of armed groups, died between 2016 and 2020 in the fight for control over minerals in the Orinoco Mining Arc, according to the OHCHR. This zone, where lawlessness prevails, spans 12% of the national territory; President Nicolás Maduro designated it a national strategic mining zone in 2016.

The report also exposes criminal groups' horrific abuse of miners, including accounts of labor and sexual exploitation, human trafficking, child labor, and harsh corporal punishments. In one case, it says, a young man was shot in both hands for stealing a gram of gold, and another had his hand cut off for failing to declare a gold nugget.

MORE VIOLENCE BELOW THE RADAR: PETRA'S WILLIAMSON MINE

The uncovering of cruelties around the Williamson diamond mine in Tanzania indicates that there are likely additional cases of severe human rights abuses in the supply chain that remain below the radar. In 2018, while doing surveys on community perceptions of nearby industrial mining operations in Tanzania's Lake Victoria zone, Belgian NGO IPIS stumbled almost by accident upon reports of killings and assaults by the mine's private security company.

These had remained largely unnoticed for years, despite the fact that this was not some obscure mine, but one world-renowned for its rare pink diamonds. Moreover, it belongs to Petra Diamonds, one of the world's largest diamond miners. Petra is a member of the NDC, the industry's main vehicle for advocating the good that diamonds do, and was a constituent of the FTSE4Good, an index of the London Stock Exchange

supposedly reserved for companies that meet strict environmental, social, and corporate governance (ESG) criteria.

IPIS collected reports of Tanzanians who had died or suffered life-changing injuries after the mine's security beat or shot them, either in captivity or on the run. This involved not only locals who had intentionally entered the mine in search of diamonds, but also those who knowingly or unknowingly trespassed on the mine's large and non-demarcated concession to herd their livestock or collect drinking water or firewood.

UK-based corporate watchdog Rights and Accountability in Development (RAID) started a deeper investigation and published details of at least seven deaths and 41 brutal assaults by the mine's security guards. RAID described shocking mistreatment of trespassers, who were stripped, stabbed, beaten with batons and even shot at close range after their capture by this private security brigade. Some were incarcerated for days in the mine's filthy and cramped private detention center or handcuffed to hospital beds at Williamson's medical facility, deprived of food and adequate medical treatment.

These alarming accounts led law firm Leigh Day to file a claim against Petra Diamonds in the UK high court on behalf of victims and their families, alleging human rights abuses that included sexual violence. This action induced Petra to reach out-of-court settlements with a total of 96 claimants in May and October 2021. While making no admission of liability, Petra agreed to a settlement package of over \$6 million for victim compensation, community projects, and the establishment of an independent grievance mechanism. It also hired a new security company, ended contracts with implicated employees, and closed its detention center.

SETTING PRIORITIES STRAIGHT

Diamonds associated with such grievous human rights abuses are luckily only a small minority. They are, however, part of the global supply chain and therefore concern the industry as a whole. The Williamson case is a clear illustration of how allocating adequate resources to the problem can uncover and mitigate human rights abuses; without such resources, it can seem as if these violations do not exist.

Problematically, the latter situation is facilitated by the KP Certification Scheme — the one system on which consumer confidence is built. The scheme's narrow scope and substandard oversight allow diamonds tainted by the above-mentioned violence to get certified as conflict-free and sell to unwitting jewelry consumers who rely on its assurance.

ipisresearch.be ■

149

At least 149 people died between 2016 and 2020 in the fight for control of minerals in Venezuela's Orinoco Mining Arc, according to the UN

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?

BY THE KIMBERLEY PROCESS CIVIL SOCIETY COALITION

Countries where diamond mining is associated with severe human rights abuses, in particular the Central African Republic, Zimbabwe, Angola and Venezuela, need to enable independent investigations and uphold the rule of law to ensure accountability for perpetrators and remedy for victims.

The Kimberley Process (KP) Certification Scheme needs to undergo serious reform to make sure it holds relevance to the current conflict and human rights challenges facing the sector. Without such reform, it becomes ever more irrelevant and undeserving of the considerable time and resources allocated to it by the 85 participating governments, as well as industry and civil society observers. Today, it even falls short in its narrow focus on diamonds that fuel civil war, for two main reasons. Firstly, its approach fails to stop the trade in conflict diamonds from the one country that meets its narrow definition, namely the Central African Republic. Secondly, the KP's noncommittal and substandard system of rules and oversight allows these conflict diamonds — together with blood diamonds associated with other types of widespread or systematic violence — to get KP-certified and thus “whitewashed” as conflict-free for unwitting jewelry consumers.

India, the United Arab Emirates (UAE), Israel, China and Botswana need to seriously tighten controls on the diamond trade, building on the European Union's best practices. Together, these are home to the six diamond trading hubs through which the overwhelming majority of all rough diamonds

produced globally enter the market. Antwerp is the only one of these centers that has adequate rules in place to stop the trade in conflict diamonds as defined by the KP. However, none of the six major hubs takes measures to prevent diamonds associated with other kinds of widespread violence or human rights abuse from contaminating the legal trade.

Diamond mining companies should commit to undergoing independent auditing against robust social, environmental and human rights standards. Such standards exist today — in particular those developed by the Initiative for Responsible Mining Assurance (IRMA), which offers third-party certification — but no diamond mining companies have yet formally committed to this scheme. Such a commitment should go hand in hand with support to professionalize and source from artisanal and small-scale mining. Given the millions of people who depend on this for their livelihoods, this is the diamond sector's best guarantee of enhancing its development impact.

Diamond mining, manufacturing, trading and retail companies, with the help of industry associations such as the World Diamond Council, the Responsible Jewellery Council, the International Diamond Manufacturers Association, and the World Federation of Diamond Bourses, need to start implementing genuine due diligence measures in diamond supply chains, a process that is already long ongoing for other conflict minerals like gold, tin, tantalum and tungsten. Such measures should enable the sector to identify, mitigate and prevent human rights abuses associated with diamond purchases.

kpcivilsociety.org ■

“
THE KIMBERLEY PROCESS...
NEEDS TO UNDERGO SERIOUS
REFORM TO MAKE SURE IT
HOLDS RELEVANCE TO THE
CURRENT CONFLICT AND
HUMAN RIGHTS CHALLENGES
”

EST.

JVC

1917

GUIDANCE • EDUCATION • COMPLIANCE

Did You Know?

Most jewelry businesses are required to implement an Anti-Money Laundering (AML) program to comply with federal law!

The JewelPAC® program has you covered:

- Avoid stress by using our proprietary software program that automatically creates customized AML program documents.
- Save time by administering employee education and training directly to your staff.
- Create peace of mind with a program that auto updates if anything changes.

Get yours today!

jvclegal.org/services/aml-services/

FOLLOW US ON SOCIAL



JVCLEGAL.ORG

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?



FROM THE WORLD DIAMOND COUNCIL (WDC)

Position of the diamond industry organizations in relation to the Kimberley Process

We the undersigned diamond industry organizations, all represented by the World Diamond Council (WDC), are categorically committed to protecting the ethical integrity of the natural diamond and the diamond supply chain, doing all within our power to prevent them from being associated with violations of fundamental human rights. As part of this ongoing effort, we affirm the critical role being carried out by the Kimberley Process (KP).

The Kimberley Process Certification Scheme (KPCS) was first implemented 19 years ago to address a specific challenge facing the diamond industry. This was no small feat – a UN-mandated scheme created by a tripartite forum including governments, industry and civil society. It united members that today represent 85 countries, all of which enacted legislation in support of a common purpose – to prevent the flow of conflict diamonds.

The civil conflicts which the KPCS was established to address are now a thing of the past – in no small part due to the ongoing effectiveness of the KP. But this does not mean its job is done, nor is the work of the WDC, which is industry's representative in the body. Like any business sector, we always face new challenges.

Beyond the mandate of the KP, WDC has a duty to continually review the effectiveness of the systems and tools at our disposal to uphold

the integrity of the diamond value chain. While it would be impossible for any industry to claim airtight protection from bad actors, what we can and must do is commit to a policy of continuous improvement. As WDC, this includes relentlessly advocating for standards across the supply chain to ensure human rights are protected.

From the outset, we, the industry, understood that the KP provided limited solutions for protecting human rights, and that complementary tools would need to be developed. We did not wait for governments to act; we did so ourselves. Associations and companies across the industry collaborated and partnered to develop tools with additional protective layers beyond those provided by the KP. And so, with the KP Certification Scheme as a foundation, the industry adopted a considerably more comprehensive approach, which today is aligned with OECD Due Diligence Guidance.

In essence, we have adopted a strategy, requiring companies throughout the industry to address human rights risks in their own supply chains – recognizing that, ultimately, this is the individual responsibility of every business that operates in the diamond sector. Our self-administered system includes three layers of protection, starting with the WDC's self-regulatory mechanism, the System of Warranties (SoW). The SoW has existed for many years to verify that not only rough diamonds, but

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?

also polished diamonds and diamond jewelry, are KP-compliant. It was recently upgraded to explicitly cover human rights, labor rights, anti-corruption and anti-money laundering. In other words, SoW now also requires compliance with a wider set of standards than the KP.

The second layer is the Responsible Jewellery Council's Code of Practices, which also requires compliance with internationally-recognized human rights standards, as well as a wider set of business integrity, social and environmental supply chain standards that are monitored, audited and certified.

Then there is the third layer – the individualized due diligence systems and criteria created by industry leaders, among them WDC members ALROSA, De Beers and Signet. While each system is customized to the respective company's supply chains and clients, they are all grounded in fundamental principles which protect human rights. Collectively, they help ensure ethical supply chains right throughout the diamond industry.

Our approach is inclusive. Every industry-created layer has been purposefully built as open source, and all are reliant on the foundation provided by the KP. This means that all companies can freely refer to them when conducting their own due diligence, and in doing so, enhance the integrity of their supply chains. Our approach is also flexible. We can adjust and evolve to address new risks, when we become aware of them. This is essential, for there is always the potential for isolated breaches.

Let's be clear – there are no bad diamonds, but rather bad actors who exploit diamonds, looking for flaws in the system. The KP has the capacity to filter some of them out, as it does in the Central African Republic with a dedicated monitoring team. Thereafter, it is the responsibility of each company throughout industry to adopt, practice and disclose what they are doing to protect consumers from any goods associated with bad actors. Individual industry participants must also be responsible for reviewing their own systems and policies, and, when necessary, upgrading and improving them.

Nothing is more important for the diamond industry than ensuring consumer confidence. Beyond the above-mentioned assurances relating to human rights and responsible sourcing, we can achieve this by demonstrating that natural diamonds are a resource that support millions, providing individuals, communities and countries the promise of sustainable economic growth and development, and a better future.

With its ability to enact decisions that are legally enforceable at the national level, KP remains a uniquely solid foundation upon which to protect the integrity of our value chain. It's not perfect, but just as the continued incidence of traffic accidents along a dangerous stretch of road does not mean that the authorities should remove the traffic lights that it had installed to control the problem, neither should the KP be disbanded. That would only result in chaos. The WDC has an important role to play in pushing for continuous improvement – both within the evolving KP and independently beyond it.

Edward Asscher, WDC President



Gaetano Cavalieri, CIBJO President



Yoram Dvash, WFDB President



David Kellie, NDC CEO



David Bouffard, RJC Chair



Ronnie VanderLinden, IDMA President



WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?



global witness

FROM GLOBAL WITNESS

For decades Global Witness has exposed how diamonds and other minerals have fuelled armed conflict and human rights abuses. When the industry was forced to act, it set up voluntary codes, standards and practices which are supposed to guide companies towards ethical conduct, help manage risks and promote responsible sourcing. However, we continue to see the persistent link between gemstones, violent conflict and human rights abuses and these gemstones still make their way to international markets.

Since 2015, we have documented the connections between jade mining, armed conflict and continued military control in Myanmar, exposing the rogue actors at the heart of Myanmar's billion dollar trade. What is less well known is how the brutal Myanmar military and other armed actors also profit from gemstones, including rubies, sapphires and other coloured stones. In just the past few months, we've shown that it is currently impossible to source gemstones responsibly from Myanmar. Yet leading jewelry brands still source high-priced rubies and other likely conflict-affected precious stones from Myanmar and remain nevertheless fully compliant members of industry schemes.

This raises the key question: why have the existing standards and industry schemes seemingly not been able to break the connection between armed conflict, human rights abuses and gemstones?

When Global Witness left the Kimberley Process in 2011, it stated that the scheme "was unwilling to take serious action in the face of blatant breaches of the rules [...and it] has become an accomplice to diamond laundering." The reason behind the lack of action in the Kimberly Process but also related to many other industry initiatives is the simple truth that voluntary standards often run counter to companies' aims to maximise profits. Not always, but too often these

schemes are not willing to exclude members who violate their standards, instead allowing companies to burnish their reputation through association, and providing inadequate remedies for those impacted by their sourcing among other challenges. This is not to say these schemes cannot play a role in responsible sourcing; if fit-for-purpose and fully aligned with the OECD Due Diligence Guidance, which puts risk identification, mitigation and reporting at their centre.

However, a self-regulatory approach cannot work on its own. Only through strong laws, robust implementation and legitimate accountability and redress mechanisms, can we ensure that customers can buy ethical gemstones.

One such example of a law meant to address the need to regulate corporates is a new EU mandatory corporate environmental and human rights due diligence legislative proposal, part of the Sustainable Corporate Governance initiative. The proposal aims to reset the power imbalance between corporations, people and the planet by regulating the supply chains that feed into Europe's single market.

Apart from links to armed conflict, Global Witness has documented how communities have lost their land, seen their rivers and drinking water polluted and mountains turned into wastelands by destructive mining projects, and how environmental and land rights defenders have been murdered after protesting against corporate abuses.

The supply chains that make up our globalised economy are largely invisible to consumers in wealthy countries. But they were never invisible to those living in producer countries which suffer from its harmful consequences and too often see few benefits.

Charmian Gooch

Co-Founder and Board Member, Global Witness

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?



RESPONSIBLE
JEWELLERY
COUNCIL

FROM THE RESPONSIBLE JEWELLERY COUNCIL (RJC)

We write in response to your letter of January 11, 2022. As you know, the integrity of the jewellery supply chain is the *raison d'être* of the RJC, and we continue to support the industry through our rigorous standards, compliance assurance and educational outreach programmes. The RJC believes that supply chain due diligence is the responsibility of each and every company in the global jewelry industry, should be aligned with international standards, and is therefore the key to mitigating the risk of human rights violations associated with the diamond and jewellery supply chain, just as other sectors and industries have pursued.

Responsible supply chains are a shared responsibility for all companies in every sector, and our industry is no different. For that reason, the RJC Code of Practices (COP) includes all parts of the jewellery supply chain, from mine to retail, and is reviewed constantly to ensure the provisions remain relevant and are amended where appropriate.

The RJC Code of Practices & Human Rights Due Diligence

Sustainability requires a robust set of standards. The RJC is the leading standards authority for the global jewellery and watch industry, with more than 1550 member companies across 71 countries; 70% of these members are SMEs. Our members represent every aspect of the supply chain, from mining to retail, and supporters from financial institutions and trade associations.

The mandatory COP is a comprehensive manual for a sustainable and responsible jewellery supply chain, covering all aspects including mining, refining, cutting and polishing, manufacturing and retail. Member companies must complete a third-party, independent audit to verify their compliance. COP provisions include labour and human rights due diligence, health and safety, gender equality, non-discrimination and product integrity and disclosure. The COP is also aligned with the OECD Due Diligence Guidance for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas and the UN Guiding Principles on Business and Human Rights.

The human rights due diligence requirements are detailed in COP Provision 6 (Human Rights Due Diligence), Provision 7 (OECD Due Diligence), and Provision 23 (Health & Safety). Risk assessment related to these provisions is a mandatory requirement for all members.

The RJC actively and constantly promotes human rights due diligence through webinars and training sessions. The RJC has a number of guidance materials and tools covering risk assessment, human rights due diligence and OECD due diligence in addition to the comprehensive COP Guidance. Furthermore, the RJC has launched an additional Due Diligence Member Toolkit for sourcing from conflict affected and high-risk areas for diamonds and coloured gemstones members.

Civil Society Engagement & Transparency

The RJC believes that the perspectives of civil society are extremely important in advancing the cause of human rights in the jewellery industry. To that end, we meet regularly with Global Witness, Human Rights Watch, and the Kimberley Process Civil Society Coalition. We recently followed up on this engagement by including remarks from Global Witness in our newsletter that went out to all members. In addition, the RJC is developing more transparent and detailed reporting systems for our member companies.

The SDGs and 2030 Agenda

The RJC has committed to the 2030 Agenda and launched an SDG Task Force. The goal of this work is to align the RJC COP with the SDGs and enable members both to assess sector specific costs and measure their progress in implementation and reporting against key performance indicators. The RJC itself places particular emphasis on SDG 5 (Gender Equality), 8 (Decent Work and Economic Growth) and 16 (Peace, Justice and Strong Institutions).

Conclusion

The overall RJC approach of due diligence builds upon individual company systems and integrates a wide array of international standards. We firmly believe this is ultimately the most effective and sustainable approach to addressing human rights and other concerns. We should be open and honest about the issues, and we need to develop viable and implementable solutions over the long term in the spirit of continuous improvement.

Iris Van Der Veken, Executive Director, RJC

David Bouffard, Chair, RJC

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?

DE BEERS FROM DE BEERS

Industry's focus must be on building new tools to address new challenges, not tearing down old ones

Diamonds and responsible diamond producers have helped transform economies and livelihoods in diamond producing communities. As an industry, we can be proud that the vast majority of the world's diamonds are produced by reputable businesses in accordance with international human rights standards, and in a way which undeniably benefits the people and places where they are discovered.

Like any large scale industry, there are individuals actively working to exploit people for profit. Significant progress has been made over the past two decades to exclude these individuals from the legitimate diamond industry. While this effort began with the Kimberley Process, it certainly has not ended there. As the threat has evolved, the tools at our disposal have expanded. And while the challenges are complex, the industry has demonstrated that the threats are addressable if it continues to invest in innovative solutions, grounded in an understanding that, no matter their numbers, bad actors anywhere are bad for businesses everywhere.

The industry has worked tirelessly to enhance practices, right across the value chain, to ensure

trade participants and consumers can have confidence in the diamonds they buy. Beyond the KP, which should be considered the baseline of responsible sourcing, industry has introduced various compliance programmes – aligned with international best practice pertaining to human rights and ethical sourcing – which trade members can participate in. These include the RJC Code of Practices, the WDC System of Warranties and De Beers Group's own Best Practice Principles to name a few. As with any industry, trade participants must be responsible for conducting due diligence on their own supply chains and for passing that assurance on to customers and consumers.

Key to providing this assurance will be traceability and provenance programmes which help consumers better understand where and how their diamonds were sourced. At De Beers, we've committed to providing the origin and impact of every diamond we discover and sell by 2030 as part of our Building Forever sustainability goals. An ambitious commitment, particularly when considering the complexities involved in tracing a product that often changes both form and hands throughout its journey. Our recently launched De Beers Code of Origin pilot programme, which provides consumers

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?

with proof their diamond was discovered by De Beers and responsibly sourced, will help us achieve this. The programme is supported by the Tracr blockchain platform – a truly unique traceability platform, underpinned by artificial intelligence, Internet of Things and high-grade security features, which can immutably trace a diamond as it travels through the value chain. These initiatives are evidence of hard actions for real solutions. They're not easy, but we're investing significantly in them as we recognise that enhanced transparency will be the foundation for preserving long term consumer trust in diamonds – while also limiting the potential for bad actors to realise profits.

The artisanal diamond mining sector presents unique human rights risks due to its lack of formalisation. We believe industry has a responsibility to support formalisation of this sector and in 2018, introduced our GemFair programme to provide a secure-route-to-market for ethically-sourced ASM production. The programme now has 211 participating mine sites in Sierra Leone and continues to expand in line with our 2030 Building Forever goal to deliver scalable solutions to improve the livelihoods of artisanal miners.

When it comes to the Kimberley Process, we support the WDC (as industry's representative on the KP and of which De Beers is a proud member) and its long-held position that the best way for the KP to evolve is to expand the conflict diamond definition. And we share the frustration of many at the pace of progress in this regard. But we must also remember why the KP was established and all that it has achieved in delivering on its mandate. It is undeniable that the KP has been a force for good and a catalyst for ending the devastating civil conflicts that were underway in parts of West Africa in the early 2000s. And it remains an important mechanism for ongoing peace keeping

in these regions. Moreover, the KP's requirements for the import and export of rough diamonds over international borders means it provides an additional layer of protection against risks relating to money laundering – risks which persist in other sectors without such a mechanism. Abandoning the KP is not the answer. But we must develop new solutions for what the KP is not structured to address.

As an industry, we must be intentional about maintaining the foundational frameworks that have enabled diamonds to be a force for positive development in the world, while empowering participants across the value chain with new tools to address new challenges. We have made significant progress over the past two decades and, we believe as the industry continues to address emerging challenges while maximising the development potential of diamonds, we will see more consumers wearing diamonds not in spite of their reputation, but because of it.

Stephen Lussier

Executive Vice-President, Consumer Markets; Chairman, De Beers Jewellers and Chairman, De Beers Forevermark

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?

SIGNET
JEWELERS

FROM SIGNET JEWELERS LTD.

Signet's rigorous approach to transparency ensures every diamond we sell is conflict free and free from human rights abuse. As the world's largest retailer of diamond jewelry and a purpose-driven and sustainability-focused company, Signet is a participant in the United Nations Global Compact and adheres to its principles-based approach to responsible business. As retailers, we are uniquely positioned in the supply chain with an unequalled imperative to ensure consumer confidence, standing behind everything we source and sell.

Historical industry issues are not issues for Signet because we use a four-layered system of checks and balances to continuously improve the integrity of our global diamond supply chain:

- 1.** Signet created the award-winning, open-source Signet Responsible Sourcing Protocol (SRSP) 10 years ago. Mandatory for all Signet suppliers, this audited Protocol incorporates best-in-class principles that build on existing industry standards including the KP, WDC SoW, the UN Guiding Principles on Business and Human Rights, and the OECD's Due Diligence Guidance for Responsible Supply Chains.
- 2.** Signet is a Founding Member of the Responsible Jewellery Council since 2005 and a participant in its SDG Taskforce, actively ensuring responsible business that

includes human rights, labor practices, environment and anti-corruption. Signet's Vice President of Corporate Affairs is the Chair of RJC's BOD, serving the second of his elected 3-year terms.

3. Signet is an active member of the World Diamond Council (WDC), a non-profit trade association established in 2000 to combine efforts of the global diamond industry to support the Kimberley Process in preventing conflict diamonds from entering the legitimate diamond trade. We audit the implementation of the WDC's System of Warranties (SoW), which extends the effectiveness of the KP beyond the export and import of rough diamonds to the polished diamonds we sell.

4. Signet adheres to The Kimberley Process which is an international certification program that regulates trade in rough diamonds. It aims to prevent the flow of conflict diamonds, while helping to protect the legitimate trade in rough diamonds.

We urge everyone with a stake in our industry to continue with or join us in this pursuit of integrity, transparency, and accountability. In that spirit, we encourage others to leverage our Signet Responsible Sourcing Protocol that prioritizes human rights along the entire global jewelry supply chain, and actively engage with the KP, the WDC and the RJC.

TIFFANY & CO. FROM TIFFANY & CO.

Tiffany & Co. remains strongly committed to the responsible sourcing of all our diamonds. We believe that responsible sourcing practices can help promote the protection of human rights, fair and safe labor practices, protection of the environment and ethical business conduct. Tiffany continues to focus on advancing the diamond supply chain with a commitment to responsible mining through high-bar standards, transparency, and advocacy. When sourcing our diamonds we go above and beyond the Kimberley Process by asking more from our suppliers and sharing more with our clients about our diamonds' origins.

Although we do not own or operate any mines, we are committed to improving mining standards around the world. We will continue to work with industry leaders, civil society and government to support the development of mining industry standards that aim to respect the environment and the people who work in and live around mines. We believe that the Initiative for Responsible Mining Assurance (IRMA) Standard for Responsible Mining has the potential to strengthen mining industry practices, and we hope more mining companies will engage with IRMA as part of their commitment to building responsible mining value chains.

The entire diamond industry must continue to demand transparency from its sourcing partners. The mining sector must have robust systems that respect and uphold human rights and enable safe, dignified work. It is up to the leaders within the diamond industry to discontinue partnerships with sources where there is a lack of transparency or known conflict.

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?



FROM ALROSA

“Take the word of experience, I speak the truth: inaction is safest in danger”

Silius Italicus

Instances of misuse of mineral resources causing human and labour rights violations, ML/TF and corruption occur in any sphere of humankind's economic activity. Each industry creates its own tools to mitigate risks in its supply chain and create conditions to root out such violations. Unlike many other consumer-facing sectors, the diamond industry has always been at the forefront of such work and over the years has evolved tremendously in terms of its supply chain regulation and integrity.

This integrity starts with the KP, the baseline and backbone of the diamond trade. The limitations of the KP are known. This said, the KP brought peace and stability to many African nations and remains a unique trade regulation scheme, signed off by the UN and the WTO. No other mineral has that. The KP is also a capacity building mechanism, especially helping the ASM sector. At the 2021 Moscow Plenary the KP endorsed the “Frame7” Principles – industry's pathway towards best practices in human and labour rights, environmental protection, development of local communities, product information disclosure, anticorruption, AML/CTF, responsible diamond sourcing.

Soon it will be 20 years of the KP's Interlaken Declaration, and the 2021 KP Chair made a call to summon the second Ministerial meeting to resolve most pressing items on the KP agenda, with the awaited new “conflict diamond” definition just around the corner.

Now about self-regulation. WDC renewed the System of Warranties and launched it last September. The SoW extends the KP beyond rough diamond trade, covering the supply chain from mine to retail.

Then we have third-party verification. The most comprehensive standard is the RJC's Code of Practices that incorporated the OECD Due Diligence Guidance for

Responsible Supply Chains. RJC also helps the industry progress on sustainability.

So what can one do? Implement industry standards that give tools to address your supply chain risks. There are no quick solutions and no silver bullet to justify inaction. Lack of integrity and transparency is not just a matter of a country, government, continent or industry but rather of an industry player handling diamonds.

Of course, one can opt to sit back and “relax” in serving one's own commercial interests at the expense of the others, especially vulnerable communities whom many claim to be interested in helping.

Disengagement solves nothing, but leads to steep aggravation of people's lives at the source.

ALROSA's greenfield project in Zimbabwe is a proud example of promotion of strict governance and community engagement that is driven by ALROSA ALLIANCE Guidelines on Responsible Business

Practices. ALROSA stands committed to expanding its regulatory and sustainability principles of work by including our new assets in our RJC certification scope, thus making ALROSA (Zimbabwe) Ltd the first ever entity in the country to be RJC certified. This is done prior to the exploration stage and long before the mining stage to make sure that whenever those diamonds enter international markets there is no doubt as to their responsible origin.

Martin, it is time for you to come to Zimbabwe. We would be happy to show our operations and share our story, including diamond provenance programs aimed at protecting the reputation of our industry.

Peter Karakchiev, Head, International Relations, ALROSA

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?



U.S. JEWELRY COUNCIL

FROM UNITED STATES JEWELRY COUNCIL (USJC)

As members of the United States Jewelry Council (USJC), we appreciate the opportunity to share the steps that the USJC and all its members are taking to keep conflict diamonds and diamonds connected to human rights violations out of the legitimate diamond and jewelry supply chain in the United States.

The USJC strongly recommends that its member associations have rules for diamond-trading members requiring compliance with the Kimberly Process Certification Scheme (KPCS) and the new updated World Diamond Council (WDC) System of Warranties (SoW).

The USJC's steps include:

1) Adhering to the WDC's revised SoW and SoW Guidelines to help address risks not covered by the KP. The new revisions to the WDC SoW strengthen it, so that it not only addresses the minimum requirements and recommendations of the KPCS, but requires additional areas of compliance related to human rights, anti-corruption, and anti-money laundering. Under the updated WDC SoW Guidelines, companies must understand and voluntarily implement universally accepted principles on human and labor rights, anti-corruption and anti-money laundering & counter-terrorism funding (AML/CTF) as per the following international documents:

- i. UN Guiding Principles on Business and Human Rights;
- ii. ILO Declaration on Fundamental Principles and Rights at Work;
- iii. UN Convention Against Corruption;
- iv. AML/CTF laws in line with FATF guidance for Dealers in Precious Metals and Stones.

2) Recommending members educate themselves on and use the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas. The guidance offers detailed recommendations to help companies respect human rights and avoid contributing to conflict through their diamond purchasing decisions and practices.

3) Requiring adherence to the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) Sanctions, including those connected to diamonds, and ensuring that their business partners are not named on the Specially-Designated Nationals list or other government-issued watch lists.

Finally, the USJC has been consistently recommending the utilization of the USJC Source Warranty Protocol. This voluntary inventory management tool, developed by members of the USJC, is used to empower companies to prioritize responsibility and ethics in their sourcing decisions. It is publicly available on the USJC website.

In complying with the above, the USJC Board of Directors believes that the USJC and its collective members are at the forefront of industry efforts to protect consumers from conflict diamonds entering the US diamond supply chain.

David J. Bonaparte, USJC Chair

USJC members include:

American Gem Society
 Cultured Pearl Association of America
 Diamond Council of America
 Diamond Club West Coast
 Diamond Dealers Club of New York
 Diamond Manufacturers & Importers Association of America
 Indian Diamond and Colored Stone Association
 Jewelers of America
 Jewelers Vigilance Committee
 Manufacturing Jewelers & Suppliers of America
 National Association of Jewelry Appraisers
 Natural Color Diamond Association
 Silver Promotion Service

WHAT SHOULD WE DO ABOUT BLOOD DIAMONDS?

DMCC

FROM DUBAI MULTI COMMODITIES CENTRE (DMCC)

When approached to write an opinion piece for *Rapport Magazine* that was squarely focused on answering the question, "What should we do about blood diamonds?" my initial reaction was to decline. Not because the topic isn't extremely important, but because the question is so broad that a 500-word op-ed wouldn't do it justice. Secondly, I feel the moniker "blood diamonds" isn't a constructive term to continue brandishing as a way of highlighting the serious plight of a very small part of an industry which is otherwise fastidiously monitored and policed by its stakeholders. Diamonds are certainly not the only commodity to have a tainted past where illicit trade and financing is concerned, however we are yet to hear of commodities such as oil and minerals such as cassiterite, coltan and wolframite being branded with the same negative connotations. For this reason, I will use the term, "conflict diamonds" for the remainder of this piece.

Having chaired the Kimberley Process (KP) in 2016, I am very familiar with the challenges facing the diamond industry in terms of supply chains and sourcing, and even more familiar with how politics, economics, lobbying, corruption, smuggling, and in the worst of circumstances, slavery and murder have become an inseparable part of its story. It is important to emphasize that while no level of "conflict diamonds" should be considered acceptable, only a very small proportion (approximately 0.2%) ends up entering circulation thanks to the commitment of organisations such as the KP, a certification scheme with 85 countries working together with a mandate from the United Nations Security Council to regulate the trade of rough diamonds, and bring an end to their use in funding civil and territorial war.

Outside of my role as the former KP Chair, I am also an Ambassador for the World Diamond Council's Systems of Warranties initiative, a programme that verifies the compliance of any rough or polished diamond, loose or set with the Kimberley Process Certification Scheme (KPCS). In my capacity as chairman of the Dubai Diamond

Exchange, I have not only integrated the SoW into the DDE's bylaws, but also created a series of online awareness sessions and campaigns that educate our 1,100+ members about the initiative and how they can adhere and promote its policies.

In line with the new System of Warranties, which was launched on the International Day of Peace 2021, under the theme of "recovering better for an equitable and sustainable world," we have also adopted the expanded scope which includes a revised warranty statement that sellers adhere to the updated WDC SoW Guidelines, which expressly support universally accepted principles of human and labour rights, anti-corruption, and anti-money laundering. It also includes an annual self-assessment requirement which requires all users to register on a dedicated website, and once a year successfully complete an online self-assessment to gauge their compliance with the WDC SoW Guidelines.

To quote WDC President Edward Asscher on the occasion, "It reflects our vision for a diamond industry that is not only free of conflict, but through its actions also promotes safe and secure working environments, equal opportunity and proper governance."

Another key initiative which DMCC has been proud to work with is the Diamond Development Initiative and its work with NGO, Resolve. Since joining forces in 2020, both organisations have helped to bolster capacity to support responsible sourcing of artisanally-mined diamonds, with a focus on conflict prevention and resolution, poverty reduction, biodiversity protection, supply chain due diligence and ethical products.

With Dubai anticipated to become the world's largest centre for diamonds in 2022, it is not only our duty to continuously raise industry standards, but to ensure that all nations and businesses with whom we cooperate adhere to the same. Once this is achieved, the diamond industry can fairly say it has done everything it can within its jurisdiction to end the spectre of "conflict diamonds" for good.

Ahmed Bin Sulayem, Executive Chairman and Chief Executive Officer, DMCC

HOW US LAW INTERSECTS WITH **HUMAN RIGHTS** IN THE JEWELRY INDUSTRY

The government has multiple regulations in place to prevent abuses in the supply chain.

BY SARA E. YOOD

In the pages of this magazine, many jewelry industry authorities have opined about what should be done to solve the problem of human rights abuses in the jewelry supply chain. Of course, the US government has been focused on this issue for a long time, both generally for US businesses and, in some cases, specifically for the jewelry industry. This guidance comes from a myriad of US federal agencies, each regulating a different link of the jewelry supply chain.

Understanding and complying with these laws and regulations can be challenging for any jewelry business; some of the largest businesses in the sector have entire departments devoted to ensuring compliance. These laws and regulations add up to a general business responsibility to consider the human costs of a company's supply chain.

ANTI-MONEY LAUNDERING

The fundamental building block of responsible sourcing in the jewelry industry is anti-money laundering (AML) regulations. These regulations, which come from the Bank Secrecy Act (1970) and the USA PATRIOT Act (2001), seek to prevent the use of the US banking system for money laundering or terrorist financing. The regulations require that dealers in precious metals, precious gems, and jewelry made from those materials set up an AML program in their businesses.

There are five parts to this process: appointing a compliance officer; conducting a risk assessment to identify where a business could be used for money laundering or terrorist financing; writing an AML program and policy; training business employees to recognize signs of money laundering; and periodically testing the program to ensure it is working as designed.

Having a compliant AML program also requires checking suppliers and customers against certain lists the government maintains of bad actors and known criminals across the world, with whom US businesses are forbidden to transact. The Office of Foreign Assets Control (OFAC) maintains the Specially Designated Nationals (SDN) list, which is how sanctions get placed on people and entities, blocking them from using the US banking system and doing business with US companies.

This mechanism is how the US government prevents businesses from transacting with known human rights abusers — for example, the military leaders who took over the government of Myanmar (Burma) in the violent coup of February 2021 and have murdered over 1,400 Burmese citizens in the ensuing protests. The state-owned gemstone mining and marketing agencies they now control are all on the SDN list.

MINERAL SOURCES AND FORCED LABOR

Another measure is Section 307 of the Tariff Act of 1930, which prohibits importing goods produced wholly or in part in a foreign country that uses forced labor. US Customs and Border



Burmese demonstrators gathered around the Myanmar embassy in Washington, DC, in March 2021 to protest the military coup of the Asian country.

Protection (CBP) enforces this law by investigating and acting on allegations of forced labor in supply chains. CBP will seize specific goods at a port, or will issue withhold release orders designating a particular foreign country known to be using forced labor. These orders mean products imported from a specific region will be held at a customs port until the importer can submit evidence that the goods were not produced using forced labor. For those looking to learn more about the use of forced labor in specific countries, the US Department of Labor has a downloadable educational app called Sweat & Toil: Child Labor, Forced Labor, and Human Trafficking Around the World.

Yet another important law to know is the Foreign Corrupt Practices Act, which makes it unlawful to offer, pay, or promise to pay money or anything of value to any foreign official for the purpose of obtaining or retaining business. This law is enforced by both the Securities and Exchange Commission (SEC) and the Department of Justice. The SEC, of course, also enforces the conflict-minerals provisions of the Dodd-Frank Act, requiring that any publicly traded company report its use of gold, tin, tantalum or tungsten originating in the Democratic Republic of Congo (DRC) or any of the nine surrounding countries. This rule exists because of concerns that the exploitation and trade of conflict minerals by armed groups is helping to finance conflict in the DRC region and is contributing to an emergency humanitarian crisis.

While these laws are complicated, and this article is not comprehensive of all laws intersecting with human rights, it's important to know that the US government is focused on this issue in global supply chains. Starting with a robust AML program, businesses can build out their compliance programs to ensure that they are not contributing to or financing human rights abuses around the world.

Sara E. Yood is deputy general counsel of the Jewelers Vigilance Committee (JVC). jvclegal.org ■

US SANCTIONS

IN THIS FAQ, RAPAPORT EXPLAINS THE ROLE OF THE US TREASURY'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC) AND CUSTOMS REGULATIONS

This FAQ does not include the February 24, 2022, US sanctions on Russia. Please see the article from the Jewelers Vigilance Committee (JVC) on Page 12 for more information.

WHAT IS OFAC AND WHAT DOES IT DO?

The US Treasury's Office of Foreign Assets Control (OFAC) applies asset-freezing and other sanctions programs pursuant to congressional statutes and presidential executive orders. Programs related to diamonds include OFAC's Rough Diamond Trade Controls and its Zimbabwe-Related Sanctions. Another OFAC program that has recently implicated the Zimbabwe diamond trade is the Global Magnitsky Sanctions (GlobMag)¹, which target perpetrators of corruption and serious human rights abuse.

As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups and entities — such as terrorists and narcotics traffickers — designated under programs that are not country-specific. Collectively, such individuals and companies are called Specially Designated Nationals, or SDNs. Their assets are blocked, and US persons are prohibited from dealing with them.

WHO IN ZIMBABWE IS CURRENTLY SANCTIONED BY OFAC?

Under the Zimbabwe Sanctions Program, there are currently 120 named entities and individuals on the OFAC list. Going by location, there are currently 64 named entities and individuals located in Zimbabwe on the list. The president and vice president of Zimbabwe are on the OFAC list as SDNs. Several diamond-related companies that were on the list have changed their names.

WHO MUST COMPLY WITH OFAC?

All US persons must comply with OFAC regulations, including US citizens and permanent resident aliens, regardless of where they are located; all persons and entities within the United States; and all US incorporated entities and their foreign branches. In the cases of certain programs, foreign subsidiaries owned or controlled by US companies must also comply.²

Additionally, certain programs require foreign persons in possession of US-origin goods to comply.

CAN US CUSTOMS ENFORCE IMPORT RESTRICTIONS BASED ON HUMAN RIGHTS ABUSE?

US Customs and Border Protection (CBP) has enforced import restrictions due to human rights abuse in the form of forced labor.³

Section 307 of the US Tariff Act of 1930⁴ prohibits importing products of forced labor into the United States. CBP administers Section 307 through withhold release orders (WROs)⁵ and through other means that prevent suspect goods from entering the US.

Criminal violations of the Tariff Act (e.g., evading a WRO) are investigated and prosecuted by the US Department of Justice (DOJ). Any person can submit complaints to CBP or to the DOJ concerning alleged violations of the Section 307 forced-labor ban. Submissions to CBP for WRO review can be filed, with attribution or anonymously, using the agency's online Trade Violations Reporting Form.

CAN I IMPORT ROUGH DIAMONDS THAT WERE MINED IN MARANGE INTO THE US?

No. In September 2019, CBP issued a WRO that bans importation into the US of any rough diamonds from the Marange diamond fields in Zimbabwe.⁶

WHAT ARE THE OECD GUIDELINES?

Observance of OECD guidelines is voluntary and not legally enforceable.⁷ The OECD recommends guidelines for best practices and supply-chain due diligence to ensure that these respect human rights and do not contribute to conflict. It offers a five-step framework for doing so, and provides a Model Supply Chain Policy:

1. Establish strong company management systems.
2. Identify and assess risk in the supply chain.
3. Design and implement a strategy to respond to identified risks.
4. Carry out an independent third-party audit of supply-chain due diligence at identified points in the supply chain.
5. Report on supply-chain due diligence. ■

FOR MORE INFORMATION ABOUT OFAC SANCTIONS, PLEASE VISIT [HTTPS://HOME.TREASURY.GOV/SYSTEM/FILES/126/DIAMOND.PDF](https://home.treasury.gov/system/files/126/diamond.pdf)



1. <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/global-magnitsky-sanctions>
2. <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/11>
3. <https://www.cbp.gov/trade/forced-labor>
4. <https://crsreports.congress.gov/product/pdf/IF/IF11360>
5. <https://www.cbp.gov/trade/forced-labor/withhold-release-orders-and-findings>
6. <https://www.cbp.gov/newsroom/national-media-release/cbp-issues-detention-orders-against-companies-suspected-using-forced>
7. <https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>, Page 16

STANDARDS TO LIVE BY

The Responsible Jewellery Council (RJC) provides the industry with tools to step up its commitment to ethical behavior and working conditions.

BY DAVID BROUGH

For the Responsible Jewellery Council (RJC), human rights are a top priority. The standard-setting group requires its more than 1,550 members to enshrine respect for civil liberties in their business practices.

“Human rights are absolutely central to everything we do at the RJC,” says executive director Iris Van Der Veken. “We strongly believe we have a responsibility to lead the agenda on human rights for the jewelry industry in partnership with key stakeholders. How people are treated in the jewelry supply chain is what matters most.”

The organization’s Code of Practices (COP) incorporates human rights principles, she continues, and it “requires our members to embed human rights due diligence into their core business operations.”

The commitments RJC members must make in that area are relevant for all companies that work with the mineral and gemstone trade — from miners, refiners, traders, manufacturers and end users, to auditors, governments, civil society and other stakeholders, Van Der Veken explains.

The 2019 version of the COP was a milestone for the RJC in that it made human rights a much more prominent provision — and rightly so, she asserts. The requirements of COP 6 — the item that relates to this subject — align with the United Nations Guiding Principles on Business and Human Rights. Each RJC member must have a written policy on human rights, conduct due diligence, develop a grievance mechanism, remedy identified risks, and report annually on these efforts.

TRAINING AIDS

Additionally, the RJC has invested in member-training tools such as its Human Rights Due Diligence Toolkit, which is part of the organization’s efforts to achieve decent work conditions

and advance livelihoods for the people involved in the jewelry supply chain.

“We believe in a partnership model. The RJC regularly engages with a wide range of industry stakeholders,” Van Der Veken states.

Besides providing extensive guidance and tools for complying with its human rights requirements, the RJC has a human rights training page on its website and hosts regular training webinars. It also offers members a dedicated help desk.

The organization develops its standards in accordance with the International Social and Environmental Accreditation and Labeling (ISEAL) Standard-Setting Code. The RJC is the only ISEAL-accredited jewelry-industry standards organization.

“This is incredibly important because ISEAL provides independent assurance of the RJC’s governance systems for standards development and certification, and ensures that our standards have a positive impact on our industry and the communities it affects,” Van Der Veken says.

OPEN COMMUNICATION

To keep members and other bodies engaged, the RJC operates multiple communication channels and regularly participates in industry panels.

“Stakeholder engagement is critical to understanding the real situation on the ground,” Van Der Veken stresses. “This is why the RJC has continuous dialogue with organizations such as Human Rights Watch (HRW), Global Witness and the Kimberley Process Civil Society Coalition.”

Among the biggest challenges the group has encountered in conducting human rights due diligence is access to information. Another is helping companies understand how to manage the procedure.

“Companies need to acknowledge that conducting human rights due diligence is a process of continuous improvement, and they must demonstrate leadership from the top,” Van Der Veken declares.

Going forward, the RJC will continue to focus on education and guidance.

“We encourage people who have complaints about human rights to use our formal process to bring it to our attention, as we deeply care, and of course, we will investigate,” she says. responsiblejewellery.com ■



PRECISIONSET

FINE JEWELRY WORKS

HANDCRAFTED IN AMERICA

WWW.PRECISIONSET.COM

800 442 5693

LEADING THE POSITIVE CHARGE

While the industry's negative side may appear more prominent to the world, there are many companies and organizations making sure diamonds are a force for good.

BY LEAH MEIROVICH

Conflict or “blood” diamonds have been at the center of many a media article. They’ve been in the headlines of reports by human rights advocacy groups and — perhaps most prominently — in a 2006 movie starring

Leonardo DiCaprio.

But while it is crucial to highlight the presence of blood diamonds in the trade and to work toward eliminating them, we would be remiss to overlook all the good the industry does — not just for those in its own circles, but for those most in need.

Whether it's setting standards for responsible sourcing, promoting sustainability and social awareness, supporting human rights and labor issues, creating just and fair systems for small-scale operations, providing education and training, or simply donating funds, these efforts all represent the same thing: a desire to help.

GROUND RULES

Clear guidelines for diamond and jewelry businesses are the building blocks of establishing a fair and equitable trade. Organizations like the Responsible Jewellery Council (RJC) and the World Jewellery Confederation (CIBJO) set standards for social responsibility and promote international cooperation.

TEACH A MAN TO FISH

The old proverb says, “Give a man a fish and he eats for a day, teach a man to fish and he eats for a lifetime.” The latter is what groups such as Diamonds Do Good (DDG), the Artisanal Gold Council (AGC), the Emerging Designers Diamond Initiative (EDDI), Gem Legacy, the Young Diamantaires and the Mine Training Society aim to do. Not only do they provide education for disadvantaged people who want to enter the trade, they also establish programs for youth in underprivileged diamond communities.

FAIRNESS FOREMOST

Artisanal and small-scale mining (ASM) usually takes place in areas where access to a broader market and reasonable prices can be difficult to come by. De Beers' GemFair initiative connects the ASM sector with a secure and transparent route to the global market, and provides ethical working standards and fair prices. The Fairmined Initiative and Fairtrade International, meanwhile, certify products from artisanal miners, empowering them with better working conditions and more equitable deals.

A farmer collects maize from a recent harvest in Sierra Leone as part of a GemFair program.



CHARITY BEGINS AT HOME

Though money isn't everything, it can accomplish quite a lot. Columbia Gem House not only supplies the industry with fair-trade gemstones, but also donates many of those to auctions to raise money for poor mining communities. Meanwhile, India's Gem & Jewellery National Relief Foundation contributes financial support to schools, hospitals and medical camps, and runs orphanages and old-age homes in destitute areas.

“
**WHETHER IT'S SETTING
 STANDARDS, PROMOTING
 SUSTAINABILITY, OR SIMPLY
 DONATING FUNDS, THESE EFFORTS
 ALL REPRESENT THE SAME
 THING: A DESIRE TO HELP**
 ”

IMAGE: GEMFAIR

ENVIRONMENTAL CLEANUP

Keeping the planet safe for future generations is an important but often overlooked aspect of many trades. While the Mercury Free Mining organization is working on a method to eliminate use of the harmful chemical in gold extraction, NGO Pure Earth focuses on cleaning up the toxic pollution that mercury has already caused.

HONESTY IS THE BEST POLICY

Most businesses inherently want to be honest, but it can be difficult without knowledge of defined rules, such as how to market items properly, where to buy responsibly sourced goods and how to build sustainable supply chains. That's where the Jewelers Vigilance Committee (JVC) comes in. The group provides free legal education and compliance guidance for the trade to help it stay authentic and meet its goals.

LAW AND ORDER

As a society, it is our job to protect the rights of the less fortunate. The RJC puts time and effort into improving human and labor rights in diamond communities, while groups like IMPACT aim for gender equality in the trade. The International Peace Information Service (IPIS) offers research in support of entities trying to stem human rights abuses and prevent child labor, and Pact aims to create change by promoting entrepreneurship and by building knowledge and skills.

Sadly, there are many atrocities connected with diamonds. But that's only part of a much bigger picture. So many diamond and jewelry organizations, businesses and communities work hard to make a lasting impact on society, to do right by their fellow humans, and to create a cleaner and more livable world. ■

RAPAPORT'S SOCIAL RESPONSIBILITY DIRECTORY

ALLIANCE FOR RESPONSIBLE MINING (ARM)

Facilitates the empowerment of artisanal and small-scale miners (ASM), their organization, and the adoption of good practices. Promotes favorable environments for the inclusion of ASM in the formal economy. Creates voluntary standard systems for production and trade, and provides support for the creation of responsible supply chains. responsiblemines.org

ARTISANAL GOLD COUNCIL (AGC)

Works directly with artisanal and small-scale gold mining (ASGM) communities and local experts to develop integrated and practical solutions for ASGM through awareness, training, education and capacity-building. Aims to improve practices, governance, livelihoods, health, the environment, gender equality, market access and development across the global ASGM sector. artisanalgold.org

WORLD JEWELLERY CONFEDERATION (CIBJO)

Promotes responsible trading and represents the interests of all individuals, organizations and companies in the jewelry, gemstone and precious-metals industries. Encourages harmonization, promotes international cooperation, and considers issues that concern the global trade. cibjo.org

COLUMBIA GEM HOUSE

Provides the industry with fair-trade gems, which are closely tracked to make sure they meet certain principles, including environmental protection, cultural diversity, fair wages, education, product integrity, protection of workers' rights in the mining, cutting and manufacturing processes, and a fully transparent supply chain. Donates gems for auction to raise money for underprivileged communities. columbiagemhouse.com

DE BEERS – GEMFAIR

Aims to connect artisanal and small-scale miners with a secure and transparent route to the global market through digital technology and assurance of ethical working standards. Offers fair prices and training opportunities, and works to improve miners' livelihoods and foster the ASM sector's development as a credible and trusted source of diamond supply. gemfair.com

DIAMONDS DO GOOD (DDG)

Supports initiatives to help people in countries with significant economic dependence on the diamond trade, including education, grants, community development projects, and the empowerment of local citizens. Promotes awareness of the positive impact of diamonds. diamondsdogood.com

EMERGING DESIGNERS DIAMOND INITIATIVE

Created by celebrity jeweler Lorraine Schwartz and the Natural Diamond Council (NDC), the project aims to support the Black, Indigenous and people of color (BIPOC) community through scholarships and access to industry education and resources. These include mentorship as well as introductions to diamond vendors, credit financing partners, and established networks. naturaldiamonds.com/council/industry-news/eddifund

ETHICAL METALSMITHS

Provides education and awareness about responsible jewelry practices. Connects the trade with dealers of recycled and cleanly sourced metals and gemstones, and helps to bring Fairmined gold to market. ethicalmetalsmiths.org

FAIRMINED INITIATIVE

An assurance label that certifies gold from empowered, responsible ASM organizations, and ensures social development and environmental protection. fairmined.org

FAIRTRADE INTERNATIONAL

Improves the way trade works, by achieving better prices, decent working conditions and a fairer deal for artisanal and small-scale miners in developing countries. fairtrade.net

GEM LEGACY

Supports education, vocational training and local economies in east African colored-gemstone mining communities through donations of money, food, mining toolkits and medical supplies, as well as providing meals for primary-school students who are the children of ruby miners in the area. gemlegacy.org

IMPACT

Transforms how natural resources are managed and empowers communities by providing access to regulatory and legal reform, supply-chain transparency, and environmental stewardship. Also works to promote gender equality and stem illicit trade and financing. impacttransform.org

GEM & JEWELLERY NATIONAL RELIEF FOUNDATION

Contributes financial support to schools, hospitals and medical camps in underprivileged areas of India. Runs orphanages, old-age homes, and centers for old and disabled animals, as well as providing disaster and crisis relief. gjepec.org/gem-&-jewellery-national-relief-foundation.php

INITIATIVE FOR RESPONSIBLE MINING ASSURANCE (IRMA)

Offers independent third-party verification and certification of social and environmental performance at mine sites to ensure they meet best practices. responsiblemining.net

INTERNATIONAL PEACE INFORMATION SERVICE (IPIS)

An independent research institute providing tailored information, analysis and capacity enhancement to support those working toward durable peace, sustainable development and the fulfillment of human rights. ipisresearch.be

JEWELERS FOR CHILDREN (JFC)

A group of US industry members raising money to aid programs that benefit children whose lives have been affected by illness, abuse or neglect. jewelersforchildren.org

JEWELERS VIGILANCE COMMITTEE (JVC)

Provides free legal education, compliance guidance, mediation and monitoring services to the jewelry industry. Encourages members to implement responsible and sustainable supply chains and practices. jvclegal.org

KIMBERLEY PROCESS CIVIL SOCIETY COALITION

Acts as an observer of the Kimberley Process (KP) on behalf of civil society. Represents communities affected by diamond mining and trade, and strives to improve diamond sector governance. kpcivilsociety.org

MERCURY FREE MINING

Works to eliminate the use of mercury in gold extraction in order to prevent environmental contamination and health issues for artisanal and small-scale miners who currently have no alternative methods. mercuryfreemining.org

MINE TRAINING SOCIETY

Provides scholarships, education and training in diamond industry jobs to lower-income and Indigenous communities. minetraining.ca

MOYO GEMS

An ethical gemstone collaboration that works with female artisanal miners in Tanzania and Kenya to ensure responsibly sourced supply. Empowers women miners to work safely, improve their financial security, and create markets for fair trade. moyogems.com

PACT

An international nonprofit that works in nearly 40 countries to help build resilience, improve accountability, and strengthen knowledge and skills for sustainable social impact. Aims to help communities combat HIV and AIDS, access electricity, build peace and democracy, fight poverty through entrepreneurship, protect local natural resources, adapt to climate change, and stop child labor and human rights violations. pactworld.org/our-expertise/mining

PURE EARTH

Partners with governments, NGOs, international funders, academia and community leaders to design and implement innovative, low-cost solutions to clean up toxic pollution from lead, mercury (used in gold mining), and other materials. pureearth.org

RAPAPORT SOCIAL RESPONSIBILITY

Designed to identify and certify diamond, gem and jewelry products that meet well-defined, transparent, documented and audited social responsibility standards. sr.rapaport.com

RESOLVE – DIAMOND DEVELOPMENT INITIATIVE

Works with industry, government and civil society bodies to bring about responsibly sourced artisanal diamonds and other minerals, free from conflict and human rights violations, and to build economic development in largely unregulated, informal sectors. Created the Maendeleo Diamond Standards for ethical artisanal diamond production and supply-chain security. resolve.ngo/ddi.htm

RESPONSIBLE JEWELLERY COUNCIL (RJC)

The leading standards authority in the global watch and jewelry industry. Works with companies to create responsible and sustainable supply chains. responsiblejewellery.com

NATURAL DIAMOND COUNCIL (NDC)

Works to advance the integrity of the diamond and jewelry industry, educate and protect jewelry consumers, promote sustainability, and improve employment, education, services, social programs and infrastructure in diamond communities. naturaldiamonds.com

US JEWELRY COUNCIL (USJC)

Brings together the views and actions of member trade associations, representing them collectively on issues related to responsible and sustainable sourcing on the national and international levels. jewelrycouncil.org

WORLD DIAMOND COUNCIL (WDC)

Represents the diamond trade at the Kimberley Process and supports efforts to prevent trade in conflict diamonds. Established a System of Warranties to extend the scope of the KP Certification Scheme and help provide education on human and labor rights, anti-money laundering and anti-corruption. worlddiamondcouncil.org

YOUNG DIAMANTAIRES PROJECT COMMITTEE

Raises funds to build schools for underprivileged children in diamond communities, provide them with meals, and offer financial assistance. ydts.org

ZIMBABWE ENVIRONMENTAL LAW ASSOCIATION (ZELA)

Helps poor communities in Zimbabwe assert and claim their environmental, economic, social and cultural rights within the natural-resources and environmental sectors. Ensures that environmental and natural-resources management policies, strategies and legal frameworks respond positively to the needs of marginalized women, men and youths living in urban and rural communities. zela.org

Welcome to the discussion,
we're glad you finally made it.

Ethics • Transparency • Fairness



COLUMBIA GEM HOUSE

Fair Trade & Responsibly Sourced

Over 20 years in responsibly sourced colored gemstones.

www.columbiagemhouse.com

INDIAN OUTREACH

The country's diamond sector has been aiding local communities for generations, helping out with everything from disaster relief to educational programs.

BY VINOD KURIYAN

The modern Indian diamond industry had its genesis just over a century ago in Palanpur, a former princely state that is now a city in the state of Gujarat. That's where the elders of eight Jain families met to decide on a course of action that would economically energize the region and help pull their people out of poverty. The diamond industry, they determined, was the best route to achieving this goal. In other words, the welfare of the community has been one of the motive forces driving the diamond sector from the get-go, coming from a people whose religion promotes caring for the well-being of others.

Today, almost every large Indian diamond company — and several medium and small ones — run social outreach initiatives. These include educational programs, hospitals, vocational training, funding for medical care, and even low-cost hospitality for those accompanying relatives getting life-saving treatments in cities like Mumbai.

The government has taken notice of these efforts. Surat-based firm Hari Krishna Exports, for instance, has gained official recognition for its community initiatives, with chairman Savji Dholakia receiving the Padma Shri award — one of India's highest civilian honors — from the nation's president (see sidebar).

EXPANDING AN ETHOS

The Jains' endeavors in Palanpur all those years ago were just the beginning. By the time World War II ended, the Indian diamond industry had several cutting and polishing facilities, mainly in Surat. The workforce came from outside the original Jain community, expanding the concept of social outreach to cover the region's populace at large. The trade spread even further, crossing over to the international trading hub of Mumbai in the adjacent Maharashtra state.

Other groups from Gujarat got involved, as did several companies belonging to ethnic groups from outside the state. These non-Jain and non-Gujarati groups have absorbed the ethos

of centering business around the welfare of their employees and the people who live in the outlying communities.

In 1999, the Indian gem and jewelry industry pooled its collective resources to help families of Indian military personnel, as the confrontation with Pakistan in the Kargil region of Jammu and Kashmir had left many without breadwinners. The financial, medical and material aid went through the newly-formed Gem & Jewellery National Relief Foundation (GJNRF). Spearheading the group were Pravinshankar Pandya — then chairman of the Gem & Jewellery Export Promotion Council (GJEPC) — and Ketan Parikh, who heads Ketan Brothers Diamondz Exports and was the first GJNRF chairman.

“For the first time, the whole country got to see the gem and jewelry industry as a single entity that was engaged in reaching out with a helping hand to the community at large,” relates current GJNRF chairman Sanjay Kothari. “While the individual outreach programs are all substantial and well-thought-out, it is important for us as an industry to be seen as having a community conscience...beyond our own industry and ethnic horizons.”

The group's initial efforts included creating a defense welfare fund at the military headquarters in Delhi, which provided scholarships for the children of military staff every year. The foundation extended financial aid to war widows, set up computer centers in 11 army schools around the country, supplied medical equipment to army hospitals, and built a student hostel in Mumbai for the children of defense personnel.

EARTHQUAKES, FLOODS AND COVID-19

The GJNRF has also helped out with natural and economic disasters. It offered cyclone relief in the eastern state of Orissa in 1999, aided earthquake-hit areas of Gujarat in 2001, and has provided financial and material support for people affected by flood, drought and even terrorist attacks around the country. In addition, it funded scholarships for 32,000 children of diamond artisans when economic recession sapped their livelihoods in 2008.

The earthquake relief measures were particularly impressive, according to Kothari. They included immediate distribution of food and other necessities, and the rehabilitation of three entire villages — a project that involved constructing 1,400 houses and three hospitals, and rebuilding three schools that catered to a total of 5,000 students.

Recently, the foundation has pitched in with Covid-19 support measures. It began by distributing food and extending financial aid to daily-wage migrant workers, who were severely affected by lockdown measures during the first virus wave in 2020. It also supplied personal protective equipment (PPE) kits, masks and hand sanitizer to hospitals and police stations. When the lethal Delta variant hit the country last year, the organization

helped strengthen medical infrastructure, providing ventilators, oxygen concentrators, multi-parameter monitoring and other life-saving equipment.

To date, the GJNRF has disbursed INR 800 million (\$10.7 million) in relief and welfare measures. Of that sum, INR 165 million (\$2.2 million) went toward pandemic aid. The foundation has the support of international organizations as well; the Gemological Institute of America (GIA) is a regular contributor.

With all of these efforts, the Indian diamond industry has remained firmly grounded in the concept that its progress rests not just on achieving milestones for itself, but also on promoting the greater good of society. ■

BRINGER OF WATER: HARI KRISHNA EXPORTS



Community outreach has been important to diamond and jewelry manufacturer Hari Krishna Exports since its inception, says company founder and chairman Savji Dholakia (pictured), who recently received India's prestigious Padma Shri award for 2022.

"We have been doing this work from the day we started the company," he states. "Working toward societal upliftment is at the foundation of our firm, as we believe that we have got everything from society, and we should give back whenever possible."

Those efforts started at home. "We began by aiming for the betterment of our employees. This then generated ideas for programs that would benefit society in general," he says, adding that "just as we have specialized teams for diamond

manufacturing, we have specific teams for our welfare programs."

Such programs range from blood donation drives and cyclone relief initiatives to Covid-19 aid and even wedding funds for the economically disadvantaged (marriages in India are major events requiring hospitality for extended members of the community, and often leave poorer segments of society deep in debt).

However, Dholakia sees large-scale water-conservation and greening initiatives as the major focus of Hari Krishna's welfare activities. The group's outreach in the water-deprived Saurashtra region of Gujarat includes the Mission 100 Sarovar project – which aims to construct 100 lakes in the region – as well as a tree-planting drive.

"These initiatives have been ongoing for some years now, and they are getting noticed because we have reached scale and there is a noticeable dent being made in the region's water scarcity," he relates.

Indeed, the group's efforts have been audited by the Indian Institute of Technology (IIT), the Indian Institute of Management (IIM) and Harvard University, which have determined that the company has made a measurable difference, according to Hari Krishna.

Welfare programs are not simply add-ons that a successful company must have, Dholakia stresses. "There is no question of why we should we get into social responsibility programs. This is how I want to do business – by helping others grow."

The company is reaping the benefits as well, he notes. "Development of society translates into development for our business, too. After the recognition that came from the Padma Shri, more people want to do business with us. It is great that we are able to build up our own business while giving people, especially the next generation, the chance to build a better tomorrow for themselves."

Social Responsibility in the Jewelry Industry



New Rapaport Website

A centralized source of information
about social responsibility
in the jewelry industry.

Visit

sr.rapaport.com

