

Social, Ethical, & Environmental Initiative

In 1997 Jewelers of America developed and gave emphasis to a Code of Ethics for members. The JA Code is backed by an effective grievance process. We did so because we recognized that as consumers scan the numerous merchandising channels available to them today offering jewelry and watches, a commitment to integrity remains a compelling reason for a customer to select a jeweler. By demonstrating a commitment to national standards of jewelers business ethics, any JA member could convey a serious commitment to professionalism.

While the initiative is succeeding - together with certification of skills in accordance with national standards for sales professionals, bench jewelers and store managers – at the same time we have come to recognize that in the eyes of our customers ethics in the retail business isn't just about what goes on in stores – accurate representations of total weight, disclosure of gemstone treatments, karat gold that meets plumb standards, etc. These practices do distinguish a professional jeweler from others selling jewelry.

JA has come to recognize that U.S. consumers today also attach greater importance than ever before to the social, ethical and environmental reputations of the products they purchase and the businesses they patronize. One need look no further than the aisles of retail outlets in communities across the country to find numerous examples of products marketed by companies acknowledging their responsibility to explicit social, ethical and environmental standards: a pair of sneakers, a cotton sweatshirt, a wool carpet, a wood-handled garden rake, a can of tea, a candy bar, a bottle of aspirin – all today bear testimony to the fact that responsibility for sound social, ethical and environmental business practices throughout the supply chain resides at all levels of the supply chain – from the supplier of natural raw materials through the manufacturer of products to the retail merchant on main street – the direct connection with consumers.

In an effort to assist our members in being prepared to address questions or concerns from their customers, we have developed a Social, Ethical and Environmental Statement of Principles that all of our members can adopt in their businesses.

Recent experience has shown that our member retailers can be held accountable by their customers for ensuring that the products they sell in their stores, and the raw materials from which they are fabricated, came from reputable sources that themselves are conscious of their social, ethical and environmental responsibilities. While this would be an enormous task for any single retailer to undertake on his own in his own business, nonetheless the need for responsible initiatives remains.

Our members' individual reputations are intrinsically linked to the reputation of the entire jewelry industry. We know that for many of our members to undertake a similar process alone, in their own business would be time and cost prohibitive. Because we recognize our responsibility to assist all of our members, our multi-year goal is to undertake a process that is easy to understand, easy to adopt to your own business, but still addresses concerns that might be raised by your customers.

In 2001, we engaged the services of PricewaterhouseCoopers, a nationally recognized consulting firm that has extensive experience in providing social, ethical and environmental management advice to companies worldwide. PWC has practical experience in developing and implementing these types of programs and they employ more than 200 people worldwide with a myriad of extensive experience in this area.

The process started with a review of the potential issues that our members, and the industry as a whole, may have to deal with now and in the future, as well as identification of the “stakeholders” that play a role in the entire supply chain, from the earth, where the metals and gemstones originally come from, all the way to the consumer where they are sold as finished products. A “stakeholder” is defined as a customer, an employee, a shareholder, a business partner, a supplier, the local community where you do business and even society as a whole.

PricewaterhouseCoopers identified some key stakeholders and interviewed them on behalf of JA. This included members, other trade organizations in the industry, government agencies, politicians and representatives from Non-Governmental Organizations (NGO’s). The valuable information they gained helped them to define for JA what potential issues our industry might face and how we can go about making sure that the reputation of our members and the industry, remain intact and grow.

The first step was to lay out the design of a “framework” that is the guide for building and implementing a program such as this. The framework defines what steps need to be taken and in what order, to achieve the desired result of program all of our members can utilize and benefit from.

The process involved looking at our mission statement and updating it to include social and environmental consciousness, along with our existing commitment to ethics and business practices.

The next step was the development of a Statement of Principles that JA and all of our members can live by. This statement includes expectations that we will be aware of and support human rights, labor rights, help protect the environment, invest in our local communities, promote business integrity and promote equitable economic development along the entire supply chain of our industry.

As we move forward with the program, activities for implementing and supporting the Statement of Principles will be defined and communicated to our members. JA is fully committed to this program and to assisting our members in representing themselves to their stakeholders. We will continue to keep all of our members informed of our progress and to seek input from them.

We have in place an Ethical Initiative Committee, which has met and defined two key areas that will have subcommittee support. They are labor rights, which encompasses human rights, and the environment. These subcommittees will now start the process of

communicating with key stakeholders on these issues and develop detailed statements of principles for the issues.

The Social, Ethical and Environmental project is an on-going one that will always be integrated in the programs and services that JA provides, as well as all of our communications to our membership. Continued input from members, affiliates and key stakeholders at all levels, including industry, government and non-governmental organizations, will be sought and incorporated at every step of the process.