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Dear Friends,

Good day and Happy New Year.

I am writing today regarding a study titled *Responsible Sourcing of Colored Gemstones*. This study is posted on the website of the [Responsible Jewelry Council](#) (RJC) and prepared in partnership with [Richemont](#) (a Switzerland-based luxury goods holding company whose holdings include Cartier, Monte Blanc, Van Cleef & Arpels, Piaget and many more). Many of the significant people in the RJC are also heavily involved with the Precious Stones Multi-Stakeholder Working Group (PS-MSWG). As some of you may remember, I reported on a study of the colored gemstone trade organized in what I believe was an unethical manner by the PS-MSWG group.

The intent of the PS-MSWG group was to present their study to the Organization of Economic Cooperation and Development (OECD). This is an international intergovernmental organization comprised of 34 almost exclusively Western countries). Their plan was to request the creation of new "guidance" or rules for the colored gemstone trade by the OECD. There is a long history of member countries, including the U.S. and E.U., using OECD "guidance" as a basis for creating new laws in their countries.

Catherine Sproule (COO of RJC) informed me of plans to start certifying the "ethics" of colored gemstone dealers starting in 2016. It is my opinion that they plan to use this study as a basis for deciding how to proceed and how to judge us. They believe the problems originate in the source nations of Africa, Asia and South America and those of us who work there.

As a colored gemstone dealer, I am outraged. If we wish to avoid having people and organizations outside of our trade making decisions from on high regarding what is the "correct", "moral" and "ethical" way to operate, it is incumbent on us to understand this study, these organizations, and what they are planning on our behalf and largely without our participation.

My review of the 71-page report follows. At the end you will find links to this study and other documents exposing their plans. Thanks for taking the time to read, understand and become involved in protecting our trade.

Dana Schorr

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Responsible Sourcing of Colored Gemstones¹

Partners: Richemont and Responsible Jewellery Council
Graduate Institute of Geneva Applied Research Seminar Report
Authors: Lea Collet, Laura Curtze, Kathrin Reed
Published 15 December 2013

The following quotes outline the **stated** purpose of this study...

“Our study seeks to first shed light on...the supply chain and the connected risks – in order to, as a second step, assess the opportunities and challenges for existing as well as potential initiatives aimed at increasing responsibility in the colored gemstone sector.” (Page 3 ¶ 5)

“Focusing on rubies, emeralds and sapphires, the study aims to present what is currently known about the supply chain of these stones and the issues they raise.” (Page 3 ¶ 5)

“Potential solutions and the remaining knowledge gaps will be identified...In order to fill these gaps, a set of interviews with key stakeholders was conducted...” (Page 3 ¶ 5)

After reading the document, I believe the authors did not come close to achieving their goals.

The study begins with the following unproved and false assumptions:

- Assumes the colored stone sector's level of responsibility is so bad that it needs new initiatives.
- Assumes that by understanding ruby, sapphire and emerald, they will be able to understand all colored gemstones

The authors further wrongly assume...

“Given the intuitive comparisons between colored gemstones and diamonds, an overview of the creation of the KPCS shall serve as a starting point and comparative base for the case of colored gemstones.” (Page 4 ¶ 3)

A proper study would not make assumptions, but would let the facts lead to conclusions. A proper study would first determine if there were problems, and only then proceed to discuss potential solutions.

This study makes no serious effort to determine if...

- Issues with ethical practices, fairness and human rights abuses currently exist.
- Issues that do exist are systemic across the world, or simply local or regional.
- New protocols and laws would be beneficial, or if they might have negative consequences.

The authors clearly are operating under the assumption that systemic issues needing systemic solutions exist – even though their own research indicates the opposite, as is clearly shown in their own report:

“Contrary to diamonds, gemstones are not generally directly linked to conflict.” (Page 38 ¶ 2)

¹ The entire report can be viewed at: http://www.responsiblejewellery.com/files/Responsible-Sourcing-of-Colored-Gemstones_ARF-Final-Report_-Collet-Curtze-Reed.pdf

“While diamonds have been mainly linked to conflict regions, financing violence and human rights abuses, the gemstone sector does not have one such main critical existing problem or risk.” (Page 34 ¶ 2)

“...the respective risks and problems seem to differ greatly from one country to another, which explains the existence of a series of case studies rather than comprehensive evaluations and renders comparative approaches difficult.” (Page 14 ¶ 1)

The retail sector

The authors claim a part of the purpose of this study is to *“...explore, map and compare the different paths a gemstone travels from the mine to the jewelry end-consumer...” (Page 12 ¶ 3)*

However, they leave a gaping hole, since there is no study of the gaps and risks within the retail sector itself.

The retail sector is also avoided in the PS-MSWG study (Precious Stones Multi-Stakeholder Working Group – many of the same players are involved with both studies). The retail sector is the most important sector, the last 18 inches to the consumer. Why are they avoiding studying the retail sector, which is rife with significant problems such as following?

- Fraudulent advertising, labeling and disclosure.
- Fraudulent grading reports and valuations.
- Discrimination in hiring, pay and advancement based on gender, race and religion.
- Money laundering and tax evasion.
- Unethical treatment of suppliers.
- Not supporting livable wages.

This gap in the study indicates a significant bias by the authors. Why? Perhaps by asking the large retailers who authorized, paid for and are promoting this study, we might find our answers.

Therefore, I attempted to contact the following people...

- Ashish Deo – CEO of RJC.
- Catherine Sproule – COO of RJC.
- Fiona Solomon – RJC Director – Standards Development. Reviewed the study and approved its posting on the RJC website.
- Matthew Kilgarriff – Richemont Secretary of the Board.
- Lea Collet, Laura Curtze and Kathrin Reed – The authors.

I specifically asked them for the following...

- Copy of Fiona’s review.
- List of suggested trade people to be interviewed and those interviewed.
- Copy of written or verbal outlines or Terms of Reference (TOR) for the study.
- Cost of the study and who paid for it.
- Description of the working relationship between the authors, RJC and Richemont and copies of any contracts.
- One of them to contact the authors, provide their contact information and request that they speak to me openly.

Here are the answers I received...

- *“RJC had nothing to do with the project... it was a study solely created and funded by Richemont. RJC (Fiona) was only asked to review it...” – Catherine Sproule*
- Richemont’s Matthew Kilgarriff disagreed stating: *“The partnership envisaged publication*

of the Graduate Institute study on the RJC website, happily that took place." (via email)

- Even the study contradicts RJC by stating "An initial list of stakeholders was provided by the partners Richemont and the Responsible Jewellery Council to the researchers." (Page 19 ¶ 2)
- Fiona's review of the study has disappeared! (Probably the authors have a copy)
- All the sources refused to provide contact information for the authors.
- The School sent an email to the authors, but all the authors refuse to reply.
- I located one author, Kathrin Reed, but she refuses to talk.

If you were a student and were contacted about a study you put your heart into, wouldn't you be excited and want to answer questions? The refusal to communicate begs the question: what is being hidden?

As you can see, satisfactory answers were not provided. We are being kept in the dark; so much for "transparency" by the self-proclaimed leader – the RJC (as well as their partner, Richemont).

Even the report's "expert" sources are being kept secret

The authors use approximately 94 anonymous "expert" quotes obtained via interviews. Since these students presumably know nothing about our trade, how did they determine who was an expert? Further, it is curious that they could not find a single person confident enough with their expertise to allow their name to be used. I personally know experts who would be willing to speak publicly on these issues.

This is what the authors say about the interviews:

"Interviews are the best approach to this study because there is such little knowledge on the colored gemstone sector." (Page 18 ¶ 2)

"In cases where direct access to the respective actors is limited or even impossible, such as local, small-scale miners ... experts on the issue have been included..." (Page 19 ¶ 3)

Since "interviews are the best source for this study" it is vital that the trade knows who provided the information used. As with the PS-MSWG study, 100% of the interviews are anonymous. I suspect the issue is not with the interviewees or authors, but with the sponsors. So, I ask, why do RJC and Richemont want to hide the names of the sources they recommended?

The study never defines any of the terms they deem important

For example:

- Sustainable (an oxymoron – by definition mining is never sustainable)
- Conflict
- Fair (trade & pay)
- Ethical
- Best Practices
- Transparent

Why is it important to define these terms? Because this study is judging our trade based on our ability to meet certain standards. If the criteria are not defined in advance, how does one determine if standards are being met or how conclusions are reached?

Conclusion

This study was produced by three graduate students from the Graduate Institute of Geneva and sponsored via a partnership with RJC and Richemont.

No doubt the students did their best to explain a difficult topic with no previous knowledge,

extreme time constraints (three months), no travel budget and possible bias imposed by the sponsors.

I am not against RJC or its staff; my problem is with how RJC operates. It appears the purpose of these studies is solely to support the growth of RJC, not to uncover the truth. Unfortunately RJC does not practice what it preaches. RJC and its supporters have been trying to force their personal ideas upon the gemstone trade from the top down.

RJC posted this study on their website, giving it their stamp of approval. The study will be presented at the Sustainable Luxury Forum in Geneva on February 5th. If anyone attempts to use the opinions and conclusions in this study to set policy, the consequences could be disastrous for the colored gemstone trade.

Colored Gemstone Dealers – Please Take Note:

- The lead author Lea Collet now works for the OECD!
- As per Catherine Sproule, RJC plans to start certifying the “Ethics” of the gemstone trade in 2016. I am sure this study will play a part.

Links to previous communications:

[Http://www.schorrmarketing.com/public/Ethics/AGTA-Letter-to-PSMSWG.pdf](http://www.schorrmarketing.com/public/Ethics/AGTA-Letter-to-PSMSWG.pdf)

[Http://www.schorrmarketing.com/public/Ethics/AWDC-Letter-to-PSMSWG.pdf](http://www.schorrmarketing.com/public/Ethics/AWDC-Letter-to-PSMSWG.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Authorship-Selection-Process.pdf](http://www.schorrmarketing.com/public/Ethics/Authorship-Selection-Process.pdf)

[Http://www.schorrmarketing.com/public/Ethics/CIBJO-Congress-2014-Opening-Address.pdf](http://www.schorrmarketing.com/public/Ethics/CIBJO-Congress-2014-Opening-Address.pdf)

[Http://www.schorrmarketing.com/public/Ethics/CIBJO-Eight-Questions-Presented-2014-Congress.pdf](http://www.schorrmarketing.com/public/Ethics/CIBJO-Eight-Questions-Presented-2014-Congress.pdf)

[Http://www.schorrmarketing.com/public/Ethics/DIB-807-PSMSWG.pdf](http://www.schorrmarketing.com/public/Ethics/DIB-807-PSMSWG.pdf)

[Http://www.schorrmarketing.com/public/Ethics/DIB-837-Tyler-Gillard-Interview-Review.pdf](http://www.schorrmarketing.com/public/Ethics/DIB-837-Tyler-Gillard-Interview-Review.pdf)

[Http://www.schorrmarketing.com/public/Ethics/DIB-837-Tyler-Gillard-Interview.pdf](http://www.schorrmarketing.com/public/Ethics/DIB-837-Tyler-Gillard-Interview.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Dealers-Letter-to-AGTA-and-ICA.pdf](http://www.schorrmarketing.com/public/Ethics/Dealers-Letter-to-AGTA-and-ICA.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Gem-A-Editorial.pdf](http://www.schorrmarketing.com/public/Ethics/Gem-A-Editorial.pdf)

[Http://www.schorrmarketing.com/public/Ethics/How-did-PSMSWG-spend-\\$60.000-donations.pdf](http://www.schorrmarketing.com/public/Ethics/How-did-PSMSWG-spend-$60.000-donations.pdf)

[Http://www.schorrmarketing.com/public/Ethics/ICA-letter-to-PSMSWG.pdf](http://www.schorrmarketing.com/public/Ethics/ICA-letter-to-PSMSWG.pdf)

[Http://www.schorrmarketing.com/public/Ethics/IDCA-Letter-to-PSMSWG.pdf](http://www.schorrmarketing.com/public/Ethics/IDCA-Letter-to-PSMSWG.pdf)

[Http://www.schorrmarketing.com/public/Ethics/PSMSWG-STUDY-TOR.pdf](http://www.schorrmarketing.com/public/Ethics/PSMSWG-STUDY-TOR.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Requests-for-changes-by-PSMSWG.pdf](http://www.schorrmarketing.com/public/Ethics/Requests-for-changes-by-PSMSWG.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Responsible-Sourcing-of-Colored-Gemstones-Study.pdf](http://www.schorrmarketing.com/public/Ethics/Responsible-Sourcing-of-Colored-Gemstones-Study.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Schorr-Letter-to-PSMSWG-Leadership-Olive-Branch.pdf](http://www.schorrmarketing.com/public/Ethics/Schorr-Letter-to-PSMSWG-Leadership-Olive-Branch.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Schorr-Letter-to-PSMSWG-Participants.pdf](http://www.schorrmarketing.com/public/Ethics/Schorr-Letter-to-PSMSWG-Participants.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Schorr-Letter-to-Tucson-Meeting-Attendees.pdf](http://www.schorrmarketing.com/public/Ethics/Schorr-Letter-to-Tucson-Meeting-Attendees.pdf)

[Http://www.schorrmarketing.com/public/Ethics/South-African-Minister-Letter-to-PSMSWG.pdf](http://www.schorrmarketing.com/public/Ethics/South-African-Minister-Letter-to-PSMSWG.pdf)

[Http://www.schorrmarketing.com/public/Ethics/Tamida-letter-to-PSMSWG.pdf](http://www.schorrmarketing.com/public/Ethics/Tamida-letter-to-PSMSWG.pdf)

[Http://www.schorrmarketing.com/public/Ethics/responsible-sourcing-of-colored-gemstones-review-part-1.pdf](http://www.schorrmarketing.com/public/Ethics/responsible-sourcing-of-colored-gemstones-review-part-1.pdf)