

Déjà Vu

diamond industry still failing to deliver on promises

BACKGROUND REPORT TO GLOBAL WITNESS
AND AMNESTY INTERNATIONAL SURVEY



OCTOBER 2004



global witness





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This study follows up Global Witness' survey and investigations carried out in January 2004 evaluating the US diamond jewellery retail sector's implementation of the self-regulation. The results showed that major players in the US diamond jewellery retail sector were falling short in implementing the basic measures of the self-regulation.¹ It also showed that the diamond industry as a whole and diamond industry trade associations like the World Diamond Council (the industry body responsible for coordinating the diamond industry's efforts to combat conflict diamonds) have not adequately monitored and assessed how self-regulation is working in practice throughout all sectors of the diamond trade on a global level. The report concluded that a large proportion of the diamond industry is still not taking the issue seriously and instead has focused attention on a public relations campaign to make the issue go away.

Given these alarming findings, Global Witness and Amnesty International carried out an extended survey in summer 2004. The aim of this survey was to further evaluate the effectiveness of the self-regulation in the

This survey follows the Global Witness report *Broken Vows*, released in March 2004, which found that major US and international diamond jewellery retailers were falling short in implementing the self-regulation.



THE KIMBERLEY PROCESS CERTIFICATION SCHEME

The Kimberley Process Certification Scheme (KPCS), negotiated by governments, civil society organizations and the diamond trade, in response to civil society campaigning against the trade in conflict diamonds, is an international governmental certification scheme aimed at preventing the trade in conflict diamonds. Launched in January 2003, the scheme requires governments and the diamond industry to implement import/export control regimes on rough diamonds to prevent conflict diamonds from fuelling conflict and human rights abuses. The KPCS, which is a political agreement and currently has 60 countries as members, requires its participants to certify that shipments of rough diamonds are free from conflict diamonds. Countries that are members of the Kimberley Process and export rough diamonds have put in place domestic certification systems, and passed enabling legislation, with varying degrees of effectiveness.

The system of warranties, which the diamond industry agreed to adopt to support the Kimberley Process, covers both rough and polished diamonds. However, it can only be considered effective in assuring that conflict diamonds have not entered the legitimate trade if all sectors of the diamond industry effectively implement the system of warranties. More importantly, the system that the industry has established must be audited or verified independently, and monitored by appropriate government agencies. Otherwise, unscrupulous traders will find loopholes, allowing conflict diamonds to enter the legitimate trade.



diamond jewellery retail sector in the US but also to focus on surveying the diamond jewellery retail sector in other countries, including the UK, Australia, Belgium, France, Germany, Italy, the Netherlands and Switzerland.

The major question this survey aims to answer is whether the self-regulation is being implemented effectively in the diamond jewellery retail sector. The survey should also give consumers important information about whether diamond companies can give assurances that diamonds are conflict free, how transparent companies are being about these efforts and what types of questions to ask when buying diamond jewellery.

How the survey was carried out in the UK and US

Company management survey

A total of 85 major diamond jewellery retailers were written to (21 companies in the UK, 64 companies in the US) including department stores, specialty jewellery chains and TV shopping networks as well as companies in the low-end, mid-range and luxury sectors of the industry.

In each country, formal letters were sent from Global Witness and Amnesty International to each retailer's management requesting information on the policies and system of warranties in place to ensure that the company is not dealing in conflict diamonds and is

supporting the Kimberley Process. The letter also requested samples of any policies, warranties, procedures and auditing measures along with examples of practical measures for implementation. In some cases, questionnaires were attached to the letter, asking specific questions about the company's policy and implementation of the self-regulation.

Global Witness and Amnesty International also followed up with all companies by telephone to bring the letter to their attention and to ask the status of their efforts to respond. This was done to give companies adequate opportunity to demonstrate what they are doing to combat the trade in conflict diamonds.

Retail survey

The survey also evaluated the level of awareness among company salespeople about their companies' policies on conflict diamonds. Amnesty International members visited diamond jewellery retailers to get a picture of how knowledgeable sales associates are about the conflict diamond issue and whether meaningful assurances are given to consumers that diamonds are not from conflict sources. In each store visited, Amnesty International members used a questionnaire to ask the same questions about the company's policy, whether the system of warranties was being used, and how the company could give consumers assurances that diamonds are conflict free. Amnesty International members stated that they were conducting a survey on behalf of the organization before asking the questions.

RESULTS AND ANALYSIS OF THE SURVEY

Company management survey

Global Witness and Amnesty International sent letters to a total of 85 major diamond jewellery companies in the UK and the US.²

The results in the UK and the US found that some diamond jewellery retailers have policies to combat conflict diamonds, are implementing the self-regulation and have made efforts to be transparent about their policies. However, the results overall are very disappointing and show that a significant majority of diamond jewellery retailers continue to inadequately deliver on repeated promises made to stem the trade in conflict diamonds.

The results show the following:

- ◇ A total of 37 companies out of 85 companies surveyed (44%) informed Global Witness and Amnesty International in writing about their policy on conflict diamonds. Forty eight companies failed to provide any information in writing about their policies, including Asprey, Boodle & Dunthorne, Chisholm Hunter, Debenhams, and Theo Fennell Jewellers in the UK and Finlay Fine Jewelry, Costco Wholesale Corporation, Kmart and T.J. Maxx in the US.³ For the US, Global Witness and Amnesty International surveyed companies in the National Jeweler's Top 40 Plus Survey and the \$100 Million Supersellers survey, which together "constitute the most extensive summation of the retail jewelry business in the United States."⁴ For example, in 2002 the top 40 jewellery chains constituted a total of 6,603 stores and nine out of the top ten had combined annual sales of \$5.275 billion.⁵
- Many of these 85 companies are also members of trade associations that have endorsed the self-regulation and it is likely that some have policies to implement the self-regulation but did not respond to the request for information. Those companies that are not members may have adopted their own policies. However, their failure to respond despite follow up, even if they do have a policy, raises the question of how seriously they take commitments to combating the trade in conflict diamonds and to supporting the Kimberley Process.
- ◇ Thirty two out of 37 companies (86%) that responded state that they have a policy to combat conflict diamonds and that they are implementing the system

of warranties, receiving warranties from suppliers, as required by the self-regulation. However, thirty out of the 37 companies (81%) that responded did not provide adequate details on how the system of warranties is being implemented and what policies, procedures and auditing measures companies have in place to back them up.

- ◇ As part of their written responses, 7 out of 37 companies (19%) that responded provided samples to demonstrate their compliance, including copies of invoices with a warranty statement, samples of agreements with suppliers that included requirements for implementing the system of warranties, and/or copies of educational memos/brochures prepared for staff and/or consumers. It is encouraging that some companies are being transparent about their efforts to comply with the self-regulation, which helps in giving consumers meaningful assurances that diamonds are conflict free.
- ◇ In the majority of responses, companies state that they would only purchase diamond jewellery or diamonds from companies that provided a warranty stating that the diamonds are conflict free. However, in most cases companies did not provide details on how the system of warranties is being implemented and what policies, procedures and measures companies have in place to back them up. A warranty simply stating that diamonds are not from conflict sources is meaningless unless it is backed up by concrete policies and monitoring to ensure that diamonds come from legitimate sources. Major retailers have a responsibility to carefully select suppliers and require them to demonstrate that they are taking adequate measures to ensure that they are not dealing in conflict diamonds. In addition, very few of the responses mentioned any type of auditing procedures in place, another requirement of the self-regulation, which is crucial to monitor whether a company's policies on conflict diamonds are being implemented effectively.
- ◇ Four major retailers, De Beers LV, Signet, Tiffany & Co. and Zale Corporation, outline detailed measures to implement the self-regulation, including strengthening sourcing procedures and control over its suppliers, auditing procedures to ensure that they are not dealing in conflict diamonds and education of

staff about the issue. These companies' responses indicate that they have some concrete policies and other measures in place to back up the warranty statements. For example, Tiffany & Co. stated that it has applied strict criteria for selecting suppliers, and has implemented a chain of custody for its diamonds which has been certified to ISO (International Organization for Standardization) 9001:2000 quality management system standards. De Beers has a warranty and verification process and its compliance with the Kimberley Process and self-regulation has been audited by Deloitte and Touche, its financial auditors. Deloitte and Touche carried out a stock audit, reconciling stocks at the start and end of the year by carat weight, and reviewing all sales invoices to check compliance with the Kimberley Process. While recognizing that large corporations like De Beers and Tiffany & Co. have significant resources to comply with the self-regulation, deal in rough diamonds and should be industry leaders on these issues, all retailers should apply consistent standards for screening suppliers and auditing procedures to make sure their policies are being effectively implemented.

Zale Corporation provides a copy of its Vendor Code of Conduct which outlines that suppliers must comply with warranties and keep records of warranties for at least five years. The Vendor Code of Conduct also specifies that Zale has the right to conduct internal investigations on implementation of the code and that vendors must cooperate by making records available. Sterling Jewelers (a subsidiary of Signet) also outlines its policy for suppliers' complying with the warranties and an internal audit program to review how policies are working. Both Sterling and Zale outline staff education programs and Sterling included copies of educational materials prepared for staff in its response.⁶

Shop survey

Amnesty International members visited diamond jewellery retailers in the UK and US, to assess whether retailers are able to give meaningful assurances that diamonds are conflict free.

The survey of salespeople in jewellery stores showed that the diamond jewellery retail sector is largely unable to provide consumers with meaningful assurances that diamonds are conflict free. A total of 579 diamond jewellery retailers were visited in the UK and US at random, including department stores, specialist jewellery stores and small independent jewellers. Although at 59% of shops surveyed salespeople said that

they were aware of conflict diamonds, only 42 per cent of shops surveyed said they had a policy.

Below is a breakdown by country.

United Kingdom

A total of 333 retail shops were visited by Amnesty International members, across the UK, from Belfast to Canterbury and from the Orkneys to Jersey, including department stores such as Debenhams and John Lewis, as well as specialist jewellery stores including H Samuel, Fraser Hinds, and smaller independent jewellers. There appears to be a high level of awareness amongst retail staff about conflict diamonds, with 75% stating they were familiar with the term. However, there was a lower level of awareness regarding their companies' policy on conflict diamonds. Fifty four percent of stores visited stated they had a written company policy, with a further 13% saying they had an unwritten policy. However, only 18% of shops surveyed were able to produce a copy of this policy. Many of these were from retailers such as Ernest Jones and H Samuel.

When asked whether they have had any training on the issue of conflict diamonds, only 38% said they had, with a further 21% stating that although they had had no formal training on the issue, they maintained their awareness of it from reading company and industry association literature and briefings. However, just under a third claimed that neither they, nor their colleagues had had any training on the issue.

When asked how customers could be sure that their products do not contain conflict diamonds, only at 45% of shops surveyed did salespeople state that the assurance would come from the fact that the company or shop only deals with suppliers that guarantee diamonds are conflict free through use of warranties. Others stated that they had a company or shop policy, which either stated that they only bought from 'reputable sources' or only bought 'conflict free' diamonds. Finally, Amnesty International members found that 7% of the stores surveyed provide, as standard, a warranty certificate for customers confirming the origin of all diamonds sold in the store, 5% provide a warranty for larger/more expensive stones, 13% only provide one on request from purchaser, 10% said it was unnecessary because company buys 'conflict free' diamonds or sources diamonds from suppliers who provide warranty on their invoices and 7% had no comment or referred activists to their company head office.

The high level of awareness about conflict diamonds may partially be due to the active education programs carried out by diamond jewellery associations like the National Association of Goldsmiths and the British Jewellers Association.

United States

A total of 246 stores were visited by Amnesty International USA members on Amnesty's National Day of Action on Conflict Diamonds on 18 September 2004. Activists visited diamond jewellery stores, including department stores, specialty jewellery retailers and small independent jewellers, across the US to ask about their policies on conflict diamonds and the self-regulation. Amnesty International members visited a range of diamond jewellery stores, including Costco, Hecht's, Kay Jewelers, Macy's, Zales and Fred Meyers Jewelers, with varying results.

In preparation for the day of action, Jewelers of America (JA), the major diamond jewellery trade association that has endorsed the self-regulation and has 10,000 members, sent out an advisory to its members to: "remind all jewelers that it is imperative to respond promptly to questions from NGOs, media or consumers about conflict diamonds, as well as other social, ethical, and environmental issues should they be asked." It recommended that stores: "should emphasize their support of the Kimberley Process Certification Scheme for rough diamonds. Retailers should also explain that, in order to provide consumers with added confidence in their merchandise, they require written assurances of adherence to the Kimberley Process warranty system from their diamond and diamond jewelry suppliers."⁷

This warning by JA, which has more than 10,000 members across the US, was publicized in the trade press and is likely to have reached retailers that are not JA members as well. Despite this warning, the survey results show a low level of awareness among salespeople about conflict diamonds and their companies' policies to help prevent dealing in conflict diamonds. Thirty seven percent of stores visited claimed to be aware of the conflict diamond issue. Of those stores where salespeople said they knew about conflict diamonds, 54% reported an inaccurate definition of the crisis. Only 66 (27%) of stores visited stated that they had a policy on conflict diamonds. Twenty seven stores (11%) indicated that they had no policy at all. One hundred and forty five stores (59%) were unwilling to discuss whether or not their company had a policy on conflict diamonds. Of the 246 shops visited, only 13% provided warranties to demonstrate implementation to the self-regulation to their customers as a standard practice.

Even for some of the chains that claim to have staff education programs, there was little evidence of standardized education. Many retailers refused to participate in the survey, and others offered the organization's prepared statement as the sole answer to the survey and would not go any further. Many activists encountered resistance and resentment from retailers,

and were met with angry objections to their inquiries. One activist described resistance in one shop as follows: "[W]e went in very respectfully and they told us to get the 'hell' out of their store, and said we should be

spending our time on more useful things... This really bothered me because one of the employees said they didn't care about what happened in Africa." In another instance, an activist was told by an owner that, "our mission was not important and a pointless waste of time."

"They told us to get the 'hell' out of their store, and said we should be spending our time on more useful things...one of the employees said they didn't care about what happened in Africa."

Survey of diamond trade associations

Global Witness and Amnesty International also surveyed international and national diamond and jewellery trade associations that have made repeated promises to ensure adoption of the self-regulation throughout the diamond trade. Letters were sent to major trade associations on the international and national levels (primarily in the US and UK) to assess what activities they are carrying out to monitor implementation of the self-regulation.

The survey found that the World Diamond Council (WDC), the association formed to coordinate the diamond industry's efforts to combat the trade in conflict diamonds, continues to fail to adequately monitor the diamond industry's efforts to comply with the self-regulation on a global level. In a letter dated 21 September 2004 to Global Witness and Amnesty International, the WDC states that it has worked to develop and promote adoption of the self-regulation and has carried out an educational campaign, including the development and dissemination of a brochure outlining the Kimberley Process and the system of warranties, placing articles in trade associations' publications, giving presentations and seminars at jewellery trade shows and industry meetings and working to get its members to pass resolutions in support of the system of warranties.⁸ However, the letter does not outline activities it has carried out to monitor whether its members are implementing the self-regulation. The letter only states that the "constituent membership organizations that adopted these provisions into their standards for membership all have methods to ensure compliance with these provisions as well as all other membership requirements."⁹ The letter does not outline what these methods are and what the WDC is doing to ensure that they are being implemented. It

should also be noted that, to our knowledge based on this letter, the WDC has taken little action to address this problem since the release of Global Witness' report in March 2004 which found that the WDC had failed to adequately monitor the self-regulation.

The International Diamond Manufacturers Association (IDMA) and the World Federation of Diamond Bourses (WFDB), two major international diamond trade organizations that are members of the WDC, have also not taken adequate measures to monitor their members' compliance. In its letter, IDMA outlined educational activities it has carried out, including the development of the WDC guide. The letter states that its member organizations "have worked diligently in their home countries to ensure that where possible appropriate legislation is passed and their members are compliant" and that "it is our understanding that our member associations and their members have implemented the voluntary system of self-regulation."¹⁰ The letter also states that its member organizations can expel any members found to be in violation of the resolution but that no members have been found to be in violation to date. It states that "IDMA as an association does not have legally vested investigative powers".¹¹ However, the letter does not outline any concrete mechanisms for actively monitoring its member associations on implementation of the self-regulation. Such measures still can be done without having legal investigative powers, through reporting, establishing and promoting a common standard for demonstrating compliance with the self-regulation and promoting reviews of policies and procedures.

The WFDB's response to Global Witness and Amnesty International's letter states that it has asked its members (23 Diamond Bourses) to report on the implementation of the system of warranties at the World Diamond Congress meeting being held in October 2004 in New York and that a full report will be presented after this meeting.¹² While it is encouraging that the WFDB has asked for a report from its members, it should go farther and take concrete measures to ensure monitoring as was discussed above instead of only relying on general reports at annual or bi-annual meetings.

The WDC, IDMA and WFDB have all been deficient in developing a systematic way of monitoring the diamond trade's implementation of the self-regulation; without such monitoring the self-regulation lacks credibility and will not be effective in keeping conflict diamonds out of the legitimate diamond trade.

Global Witness and Amnesty International also sent letters to national jewellery trade associations in the US

and UK that have endorsed the self-regulation and claim to be promoting adoption among their members. Responses from these associations show that most of the jewellery trade associations have focused on educational programs which have played an important role in promoting adoption of the self-regulation. However, most of these associations have not yet taken the next crucial step to monitor whether companies are effectively implementing the self-regulation.

For example, the National Association of Goldsmiths (NAG) which represents 1,200 retail jewellers in the UK, states that it has sent letters to all members about how to comply with the self-regulation, created a brochure on the subject and carried out media and educational activities about the conflict diamond issue.¹³ In its response, the British Jewellers' Association (BJA, represents 600 members) states that it has carried out similar activities. It states that it has incorporated the Kimberley Process and self-regulation requirements into its membership rules and can investigate all complaints and any member that is found in non-compliance with the Kimberley Process.¹⁴ However, this falls short of proactive monitoring.

In the US, the Jewelers of America (JA), a jewellery trade association with more than 10,000 members across the US, and the Jewelers Vigilance Committee (JVC) have carried out some educational activities about the self-regulation, including disseminating information about the self-regulation and giving presentations and seminars at trade shows, conferences and meetings.¹⁵ In response to growing concern expressed by NGOs in March 2004 about the US diamond jewellery retail sector's inadequate implementation of the self-regulation, JA issued a statement outlining its additional activities to monitor implementation of the self-regulation, including the development of self-assessment and training tools, mystery shoppers, training for sales professionals, and policy and procedure reviews.¹⁶ Global Witness and Amnesty International welcome this initiative, one of the few initiatives underway to develop and implement concrete monitoring measures, but urges JA to proceed quickly with implementation and in working to develop a common standard for evaluating suppliers' compliance with the self-regulation.

In addition, CIBJO, the World Jewellery Confederation, recently announced the creation of a Consumer Confidence Commission to develop a code of ethical business practices for the international jewellery sector. The WDC, IDMA, WFDB, CIBJO, and national jewellery trade associations in other countries should follow JA's example and proactively work with their members to monitor the self-regulation.

CONCLUSION AND RECOMMENDATIONS

While some progress has been made since March 2004 in the US, the results of the survey overall show that some major players in the diamond jewellery retail sector continue to fall short on implementing basic measures of the self-regulation or have failed to inform Global Witness and Amnesty International of efforts to do so. The continued lack of systematic monitoring by the diamond industry means that there is no assessment of whether companies are meeting the basic requirements and that there are no consequences for inaction.

In order to be effective and to fully support the aims of the Kimberley Process, the self-regulation should move beyond being voluntary.

While the self-regulation continues to be voluntary, only those with good intentions will implement it. In order to be effective and to fully support the aims of the Kimberley Process, the self-regulation should move beyond being voluntary. Global Witness and Amnesty International therefore make the following recommendations:

To governments participating in the Kimberley Process:

- ◇ Monitor the diamond industry's compliance with the self-regulation and report back to the Kimberley Process about these efforts in 2005.
- ◇ Carry out rigorous auditing and inspections of companies' implementation of the self-regulation and compliance with the Kimberley Process, in order to ensure that diamonds do not fund conflict or human rights abuses, and report back to the Kimberley Process about these efforts in 2005.

To the diamond jewellery retail sector:

- ◇ Fully implement the self-regulation and system of warranties in a manner that goes far beyond simply requiring a warranty from suppliers. Strict criteria should be applied in the selection of suppliers and third-party auditing procedures should be adopted to ensure that policies are working effectively.
- ◇ Provide written assurances to consumers stating that the diamonds they purchase are conflict free so that the system of warranties covers the entire supply

chain from point of mine to point of sale to the consumer.

- ◇ Carry out education and training on conflict diamonds and the Kimberley Process and require it as a condition of employment so that salespeople are fully informed about policies and communicate this to consumers in a transparent manner.
- ◇ Proactively work to promote adoption of the self-regulation throughout the retail sector and the diamond trade as a whole. Major industry leaders have a particular responsibility to exhibit leadership on this issue.

To the World Diamond Council, WFDB, IDMA and other trade associations:

- ◇ Develop a common standard for verifying whether retailers and suppliers are complying with the self-regulation and develop monitoring mechanisms to ensure that these standards are being met. Jewelers of America's recent initiative to develop a monitoring program that includes self-assessment, mystery shoppers, staff training and policy and procedure reviews, offers some ideas of what can be done in the retail sector in the UK and in other countries. Further work must ensure its adoption by all sectors of the industry.
- ◇ The World Diamond Council, WFDB, IDMA should actively monitor implementation of the self-regulation throughout the diamond pipeline and take greater measures to require their member organizations to systematically report on how they are monitoring companies' implementation and auditing of the system of warranties.
- ◇ National diamond trade associations should adopt monitoring programs, including self-assessments, spot checks, and policy and procedure reviews to monitor what its members are doing and help ensure that the warranties are backed up by concrete policies and measures.

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ENDNOTES

- 1 'Broken Vows: Exposing the "Loupe" Holes in the Diamond Industry's Efforts to Prevent the Trade in Conflict Diamonds', Global Witness, March 2004.
- 2 Tables 1 and 2 outline company responses to the survey in the UK and the US.
- 3 Department stores that were sent letters may have kiosks with vendors selling diamond jewellery and they may have a variety of different relationships with such vendors. These vendors may or may not have policies to combat conflict diamonds. These companies did not refer Global Witness or Amnesty International to their vendors.
- 4 'Top 40 Plus,' A Supplement to National Jeweler, 16 May 2003.
- 5 Ibid. www.hoovers.com
- 6 Letter dated 22 September 2004 from Linda Buckley, Vice President Media Relations to Amnesty International, letter dated 18 February 2004 from Michael Kowalski Chairman & CEO of Tiffany & Co. to Global Witness. Letter dated 17 September 2004 from Mark Light, President & CEO of Sterling Jewelers to Amnesty International. Letter dated 17 September 2004 from Hilary Molay, Vice President General Counsel Zale Corporation, to Amnesty International and Global Witness.
- 7 'JA issues advisory on 'Conflict Diamonds Day of Action', JCK-Jewelers Circular Keystone, 12 September 2004
- 8 Letter dated 21 September 2004 from Cecilia Gardner, General Counsel, World Diamond Council to Global Witness and Amnesty International.
- 9 Ibid.
- 10 Letter dated 16 September 2004 from Sean Cohen, President of IDMA, to Global Witness.
- 11 Ibid.
- 12 Letter dated 28 September 2004 from Michael Vaughan, Secretary-General of WFDB to Global Witness.
- 13 Letter from Michael Hoare, Chief Executive, National Association of Goldsmiths to Amnesty International.
- 14 Letter dated 27 August 2004 from Geoffrey Fields, Chief Executive, British Jewellers' Association to Amnesty International.
- 15 Global Witness, *Broken Vows*, March 2004, p 14, <http://www.globalwitness.org/reports/index.php?section=diamonds>
- 16 Jewelers of America Press Release, 16 September 2004, 'JA Moves Forward with Corporate Responsibility Initiative'.

The summary report can be found online at:
www.globalwitness.org/reports
<http://web.amnesty.org/pages/ec-index-eng>
www.amnestyusa.org/business
www.amnesty.org.uk



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Sections

déjà vu /,dayzhah 'vooh/
noun ... 2 something
excessively or unpleasantly
familiar. [French *déjà vu*
already seen]

—THE NEW PENGUIN
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Global Witness' earlier report,
Broken Vows, released in March
2004, can be found at:
www.globalwitness.org/reports/

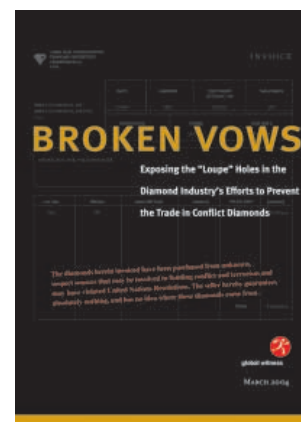


TABLE 1 – RESULTS OF SURVEY IN THE UNITED KINGDOM

Name of Company	Written response to AI and GW received from the company management? ¹	Does the company in its letter to GW/AI outline a policy on conflict diamonds, including the system of warranties, auditing measures and education of staff? ²	Is any policy on conflict diamonds described on the company's website? ³	Member of the National Association of Goldsmiths (NAG) or the British Jewellers Association (BJA)? ⁴
Asda	No	N/A	No	No
Asprey London	No	N/A	No	NAG Member
Beaverbrooks the Jewellers Ltd.	Yes	Yes but more should be done - In a detailed response, Beaverbrooks outlines how it is implementing a system of warranties and provides sample of letter sent to suppliers as well as a blank invoice with warranty statement. It states that sales staff are educated about conflict diamonds but there was no mention of auditing measures. Letter stated that policy was on website, but this reference could not be found on website. Responded to questionnaire.	No	NAG Member
Boodle & Dunthorne	No	N/A	No	NAG Member
Chisholm Hunter	No	N/A	No Website	NAG Member
DeBeers	Yes	Yes – In letter, DeBeers outlines the warranty and verification process, process for educating its employees on conflict diamonds, and process for an internal auditing system in place and filled in the questionnaire. The company's compliance with the Kimberley Process has been audited by Deloitte and Touche, its financial auditors, who carried out a stock audit and checked all sales invoices for compliance with the Kimberley Process. Responded to questionnaire.	Yes	No
Debenhams	No	N/A	Not clear – No specific mention of conflict diamonds, however it only works with "reputable suppliers." In 2002, internal audits were launched at their top 134 suppliers. Staff are expected to act in an ethical manner, and are trained as such.	No
Ernest Jones Ltd.	Yes	Yes – A detailed letter from Signet, parent company of Ernest Jones, states that it has a warranty system in place, has carried out an internal audit in 2003, and educated staff. Response also provides samples of invoices with warranties and a brochure that outlines the conflict diamond problem and the company's policy. Responded to questionnaire.	Yes	NAG Member
F Hinds	Yes	Partially – letter specifically states it only buys from suppliers who can certify that the diamonds they provide are conflict-free vis-à-vis pledge on every invoice. Staff and Suppliers are to act in an 'ethical' fashion. No mention of auditing system or education of staff.	Yes	NAG Member

¹ This is based on whether each company provided a written response to Global Witness/Amnesty International's letter to company management asking whether the company has policies and the system of warranties and to describe those policies in writing. The letter also asked the company to provide samples of procedures, warranties and examples of practical measures, including auditing measures, being taken for implementation.

² This column provides a description of written responses from companies to Global Witness/Amnesty International. Companies may have described their policies completely in other places but this column is based on what was provided in company responses to Global Witness/Amnesty International.

A "Yes" in this category means that a company fully explained how it is implementing the system of warranties, auditing measures and education of staff, has outlined a system for ensuring that suppliers can back up warranty statement and has developed policy statements or other materials (on website) to clearly communicate policy to consumers.

A "Yes but more should be done" means that a company explained how implementing the system of warranties works but did not outline specifically how some other measures work, such as auditing measures, education of staff or how warranties are backed up by concrete measures and policies.

A "Partially" means that a company only provided very basic information on the system of warranties but did not fully outline its policy.

A "No" means that a company has not outlined its policy nor mentioned the system of warranties.

³ Note that some companies do not have websites, which is indicated in the table. However the word "no" indicates that the company has a website and Global Witness/Amnesty International did searches on the company website for "Kimberley" and "conflict diamonds" as search parameters. It is possible that information on policies is located outside of these search parameters.

⁴ This is based on membership lists of NAG or BJA found on their websites or information provided by companies. Due to NAG and BJA's endorsement of the self-regulation, their members are likely to have policies on conflict diamonds and the system of warranties. Note that companies may be members of other trade associations that may subscribe to the self-regulation or companies may have subscribed to the self-regulation on an individual basis.

TABLE 1 – RESULTS OF SURVEY IN THE UNITED KINGDOM (CON'T)

Name of Company	Written response to AI and GW received from the company management? ¹	Does the company in its letter to GW/AI outline a policy on conflict diamonds, including the system of warranties, auditing measures and education of staff? ²	Is any policy on conflict diamonds described on the company's website? ³	Member of the National Association of Goldsmiths (NAG) or the British Jewellers Association (BJA)? ⁴
Fraser Hart Ltd.	No	N/A	No	NAG Member
Goldsmiths Group plc.	Yes	Partially - In letter, Goldsmiths wrote that it is an ethical retailer and only buys from reputable dealers. A copy of the Code of Practice is available to customers, which mentions the conflict diamond issue and states that it works "with reputable suppliers" and works to ensure that diamonds are "procured from legitimate non-conflict sources." However, no mention of warranty system or auditing measures. Responded to questionnaire.	Yes	NAG Member; BJA Member
House of Fraser	Yes	Partially - Letter states that it has implemented a system of warranties and that the company had written to all their suppliers again to confirm warranty system. No mention of audits or education of staff. Responded to questionnaire.	No	NAG Member
HPJ UK Ltd.	No	N/A	No website	No
H Samuel	Yes	Yes – A letter from Signet, parent company of H Samuel, states that it has a warranty system in place, has carried out an internal audit in 2003, and has educated staff. Response also provides samples of invoices with warranties and a brochure that outlines the conflict diamond problem and the company's policy. Responded to questionnaire.	Yes	NAG Member
John Lewis	Yes	Yes but more should be done - Letter states that it follows the recommendations of the BJA and has written to suppliers informing them to confirm all diamonds are non-conflict. Selling staff are informed about conflict diamonds through a leaflet produced by BJA. No mention of audits.	No	No
Justice	Yes	No – E-mail explains the Kimberley Process but no specific mention of company policy regarding warranties, audits or education of staff.	No website	No
Links of London	No	N/A	No	BJA Member
Mappin & Webb Group	E-mailed Amnesty International promising to complete a questionnaire and return it. No questionnaire received.	N/A	No	NAG Member
Storm	No	N/A	No website	No
Theo Fennell	No	N/A	No	NAG Member
Warren James Jewellers Ltd.	No	N/A	No website	NAG Member

Questions asked by Amnesty International activists in the UK

1. Are you familiar with the term 'conflict' or 'blood' diamonds?
2. How can I be sure that none of your products on sale contain conflict diamonds?
3. Does the company have a policy on conflict diamonds, (if yes) can you provide me with a copy?
4. Have any of your colleagues/staff had any training on the issue of conflict diamonds?
5. Do you provide a warranty certificate for customers confirming the origin of diamonds sold in this store? (If yes), can you provide me with a copy?

TABLE 2 – RESULTS OF SURVEY IN THE UNITED STATES

Name of Company	Written response to AI and GW received from company management? ¹	Does the company in its letter to GW/AI outline a policy on conflict diamonds, including the system of warranties, auditing measures and education of staff? ²	Is any policy on conflict diamonds described on the company's website? ³	Member of Jewelers of America (JA) or Jewelers Vigilance Committee (JVC)? ⁴
Alvin's Jewelers	No response	N/A	No	JVC Member
Army/Air Force Exchange Service	No response	N/A	No	No
Ben Bridge Jeweler	Yes	Yes but more should be done – letter outlines implementation of system of warranties, integration of this policy into its Supplier Code of Conduct and education of staff and includes a copy of company's Jeweler Supplier Code of Conduct. No auditing measures mentioned.	No	JA and JVC Member
Bloomingdales	Still no response from Federated Department Stores, Inc., owner of Bloomingdales (surveyed in February 2004 as part of initial survey)	N/A	No	No
Bulgari	Still no response (surveyed in February as part of initial survey)	N/A	No	JA Member
Carlyle and Co. Jewelers	No response	N/A	No	JA and JVC Member
Cartier Inc. USA	Yes	Yes but more should be done – letter outlines policy to implement system of warranties, a screening process for selection of suppliers according to its new supplier selection procedures, a program to educate staff. Includes copies of several invoices with warranty statement on it and memo to staff about conflict diamond issue. No mention of auditing measures.	No	JA Member
Christian Bernard	Yes	Yes but more should be done - letter outlines implementation of system of warranties and education of staff. No mention of auditing measures.	No	JA Member
Corey's Jewelry	No response	N/A	No	No
Costco Whole Sale Corp.	No response	N/A	No	No
Crescent Jewelers	No response	N/A	No	No
C.R. Jewelers	Yes	Partially – letter briefly states use of warranties and education of staff but does not provide details on policy and no mention of auditing measures.	No	JA Member
Devons Jewelers	No response	N/A	No	JA Member
Don Roberto	No response	N/A	No	No

¹ This is based on whether each company provided a written response to Global Witness/Amnesty International's letter to company management asking whether the company has policies and the system of warranties and to describe those policies in writing. The letter also asked the company to provide samples of procedures, warranties and examples of practical measures, including auditing measures, being taken for implementation.

² This column provides a description of written responses from companies to Global Witness/Amnesty International. Companies may have described their policies completely in other places but this column is based on what was provided in company responses to Global Witness/Amnesty International

A "Yes" in this category means that a company fully explained how it is implementing the system of warranties, auditing measures and education of staff, has outlined a system for ensuring that suppliers can back up warranty statement and has developed policy statements or other materials (on website) to clearly communicate policy to consumers.

A "Yes but more should be done" means that a company explained how implementing the system of warranties works but did not outline specifically how some other measures work, such as auditing measures, education of staff or how warranties are backed up by concrete measures and policies.

A "Partially" means that a company only provided basic information on the system of warranties but did not fully outline its policy.

A "No" means that a company has not outlined its policy nor mentioned the system of warranties.

³ Note that some companies do not have websites, which is indicated in the table. However the word "no" indicates that a company has a website and Global Witness/ Amnesty International did searches on the company website for "Kimberley" and "conflict diamonds" as search parameters. It is possible that information on policies is located outside of these search parameters.

⁴ This is based on membership lists of JA and JVC found on websites or information provided by companies. Note that companies may be members of other trade associations that may subscribe to the self-regulation and system of warranties or companies may have subscribed to the self-regulation on an individual basis.

TABLE 2 – RESULTS OF SURVEY IN THE UNITED STATES (CONT’)

Name of Company	Written response to AI and GW received from company management? ¹	Does the company in its letter to GW/AI outline a policy on conflict diamonds, including the system of warranties, auditing measures and education of staff? ²	Is any policy on conflict diamonds described on the company's website? ³	Member of Jewelers of America (JA) or Jewelers Vigilance Committee (JVC)? ⁴
Ellenstein Stores	No response	N/A	No	No
Fink's Jewelers	Yes	Yes but more should be done – letter states use of warranties, development of procedures and materials to educate staff and “conducting random checks, through our internal auditing procedures to ensure our staff is knowledgeable about stance against conflict diamonds.” Provides copies of invoices that had warranty statement, and a company policy statement.	No	JVC Member
Finlay Fine Jewelry Corporation	No response	N/A	No	JVC Member
Fortunoff	Yes	Yes but more should be done – letter outlines implementation of system of warranties, procedures for suppliers to comply, ongoing efforts to train employees and that “sourcing of our diamonds is from sightholders who must adhere to Best Practice Principles.” Provides sample of agreement vendors must sign to subscribe to warranty system. No mention of auditing measures.	No	JA and JVC Member
Four Points	No response	N/A	No	No
Fred Meyers Jewelers	Yes	Partially – letter briefly mentions use of warranties and states that it has been “very diligent” in selection of its suppliers but no further details provided. Includes copy of invoices with warranty on it but no details on implementation of policy, auditing measures and education of staff.	No	No
Friedman's	No response	N/A	No	JVC Member
Goldenwest Diamond Corporation	No response	N/A	No	No
Hannoush Jewelers	Yes	Partially – letter briefly outlines implementation of system of warranties and provides several copies of invoices with warranty statement. No mention of education of staff or auditing procedures.	No	JVC Member
Harris Originals	No response	N/A	No	No
Harry Ritchie's Jewelers	No response	N/A	No	No
Harry Winston	Still no response (surveyed in February 2004 as part of initial survey)	N/A	No	No
Helzberg Diamonds	Yes	Partially – response did not outline policy. Only provides copy of invoice with warranty statement and shipping requirements showing that suppliers are required to use warranty. Copies of educational materials for staff about company's policy also included showing they are implementing the system of warranties. No mention of auditing measures.	No	JVC Member

TABLE 2 – RESULTS OF SURVEY IN THE UNITED STATES (CONT’)

Name of Company	Written response to AI and GW received from company management? ¹	Does the company in its letter to GW/AI outline a policy on conflict diamonds, including the system of warranties, auditing measures and education of staff? ²	Is any policy on conflict diamonds described on the company’s website? ³	Member of Jewelers of America (JA) or Jewelers Vigilance Committee (JVC)? ⁴
Home Shopping Network	No response – e-mail from Home Shopping Network said they could not meet deadline due to Florida’s weather problems but said that they would send a response. Nothing further was received.	N/A	No	JVC Member
J.C. Penney Co.	Yes	Yes but more should be done – letter states that it implements system of warranties through Supplier Legal Compliance Program and that in May 2004 it required each of its 71 diamond and fine jewelry suppliers to “recertify their commitment to the Kimberley Process”. No mention of staff education or auditing measures.	No	JVC Member
King’s of New Castle	Yes	Yes but more should be done – letter outlines implementation of system of warranties, provides copy of memos sent to staff and vendors about company’s policy. Does not mention auditing procedures.	No	No
Kohl’s Corporation	No response	N/A	No	No
Kmart	No response	N/A	No	No
Lemons Jewelry	No response	N/A	No	No
Macy’s	Still no response from Federated Department Stores, Inc., owner of Macy’s (surveyed in February 2004 as part of initial survey)	N/A	No	JVC Member
Macy’s East	No response	N/A	No	JVC Member
Macy’s West	No response	N/A	No	JVC Member
Mayors	Yes	Yes but more should be done – letter from Birks & Mayors state that company is implementing system of warranties and mention efforts to have “increased control over our diamond and gemstone products and processes” that allows it to inspect, audit and control diamonds and gemstones. Includes copy of sample letter sent to vendors which specifies that there is some process required for tracking diamond and auditing procedures. No mention of education of staff.	No	No
Meijer	No response	N/A	No	No
Mervyn’s	No response	N/A	No	No
Morgan Management	No response	N/A	No	No
Neiman Marcus	Still no response (surveyed in February 2004 as part of initial survey)	N/A	No	JVC Member

TABLE 2 – RESULTS OF SURVEY IN THE UNITED STATES (CONT’)

Name of Company	Written response to AI and GW received from company management? ¹	Does the company in its letter to GW/AI outline a policy on conflict diamonds, including the system of warranties, auditing measures and education of staff? ²	Is any policy on conflict diamonds described on the company's website? ³	Member of Jewelers of America (JA) or Jewelers Vigilance Committee (JVC)? ⁴
QVC	Yes	Yes – requires all vendors to provide written guarantees that they comply with Kimberley Process, raises issue of KP compliance on an ongoing basis with vendors and incorporated this policy in its Quality Assurance Manual and its Business Ethics Guidelines which are distributed to all vendors and available to public and employees online. Quality Assurance Program includes measures to audit whether vendor claims and documentation are accurate.	Yes –explanation of conflict diamond policy is online in its “Jewelry Handbook for Customers”	JVC Member
Reeds Jewelers	Yes	Yes but more should be done – letter states implementation of system of warranties and education of staff. Includes copies of fact sheet for staff about the conflict diamond issue and its policy. No auditing measures mentioned.	No	JA and JVC Member
Riddle's Jewelry	No response	N/A	No	No
Rogers & Hollands	Yes	No – letter sent is very brief and only says that the company is supporting the Kimberley Process and that the jewellery industry is supporting a “global system...to prevent conflict diamonds from entering the supply chain”. No mention of what the policy is or the system of warranties.	No	No
Rogers Ltd., Inc.	Yes	Partially – e-mail sent was very brief and only stated that its vendors support the warranty statement and that the company periodically reviews all practices of their vendor base. No further details provided on policy, auditing measures, procedures for ensuring vendors comply and staff education efforts.	No	No
Ross-Simons	No response	N/A	No	No
Saks Fifth Ave.	Yes	Not clear - E-mail response indicates that the company is still in the process of implementing the system of warranties. It is having its suppliers of diamond jewellery guarantee in writing that the diamonds they supply are conflict free and has educated staff. The company is selling one branded diamond product that is guaranteed to be conflict-free.	No	JVC Member
Samuels Jewelers	No response	N/A	No	No
Sears, Roebuck & Co.	Yes	Partially – letter briefly states that it is implementing system of warranties and requested its vendors early in 2004 to participate in the Kimberley Process. It is currently printing written materials for staff and customers. No mention of auditing procedures.	No	JVC Member
Sherwood Management Co. (Daniel's Jewelers)	Yes	Partially – letter states that it will not knowingly purchase conflict or blood diamonds and that it has “instituted policies and practices that support efforts of the jewellery industry to fully support and implement the Kimberley Process Certification System of Warranties” but does not provide any more information on what these practices are. Also includes copy of memo to store managers and associates outlining use of warranties. No mention of auditing procedures.	No	No
Shop44.NBC	No response	N/A	No	No

TABLE 2 – RESULTS OF SURVEY IN THE UNITED STATES (CONT')

Name of Company	Written response to AI and GW received from company management? ¹	Does the company in its letter to GW/AI outline a policy on conflict diamonds, including the system of warranties, auditing measures and education of staff? ²	Is any policy on conflict diamonds described on the company's website? ³	Member of Jewelers of America (JA) or Jewelers Vigilance Committee (JVC)? ⁴
Sterling Jewelers	Yes	Yes – very detailed response outlining implementation of system of warranties, policy for suppliers complying with warranties, program to educate staff about its policy and an internal audit program to review how policies are working. Also provides samples of invoices with warranty statement, letters to suppliers about warranties and educational materials provided to staff.	No	JA and JVC Member
The Sultan Co.	No response	N/A	No	No
Target Corp.	Yes	No – letter does not outline any policy on conflict diamonds or even mention conflict diamonds, and states that it is “happy to hear you are interested in obtaining more information about Target” and that information about Target and that all information can be found on the company website. It states that “all other information is consider proprietary.”	No	No
Tiffany & Co.	Yes	Yes – detailed letter outlines procedures for implementing system of warranties, applying strict criteria for selection of suppliers and auditing measures. This includes implementing a chain of custody for its diamonds that has been certified to the ISO 9001:2000 quality management system standards and applying and monitoring standards for factories where Tiffany & Co. diamonds are polished. Also includes copy of company's policy statement.	No	JA & JVC Member
T.J. Maxx	No response	N/A	No	No
Ultra Stores Inc.	Yes	Not clear – policy statement indicates that system of warranties is still in process. Letter states that it has received verbal assurances from its suppliers to complying with self-regulation process but that it “is currently working on receiving written assurances to provide our customers with complete confidence in Ultra's stance against conflict diamonds. No details provided auditing measures and education of staff.	No	JA Member
Van Cleefe & Arpels	Still no response (surveyed in February 2004 as part of initial survey)	N/A	No	JVC Member
Wal-Mart	Yes	Partially - letter sent briefly states that it requires suppliers to confirm in writing “that we are not purchasing, nor ever have purchased, any “conflict” or “blood diamonds”. No other details provided.	No	JVC Member
Wempe	Yes	Partially – letter briefly states that implementing system of warranties but no further details provided. No mention of education of staff or auditing measures.	No	JA Member
Western Stone and Metal (Shane Co.)	Yes	Partially - letter briefly states that it requires sightholders (suppliers) to sign an affidavit stating that their products are conflict free and that it only deals with sightholders who “fully endorse and adhere to the Kimberley Process.” No mention of auditing measures and education of staff	No	JVC Member

TABLE 2 – RESULTS OF SURVEY IN THE UNITED STATES (CONT')

Name of Company	Written response to AI and GW received from company management? ¹	Does the company in its letter to GW/AI outline a policy on conflict diamonds, including the system of warranties, auditing measures and education of staff? ²	Is any policy on conflict diamonds described on the company's website? ³	Member of Jewelers of America (JA) or Jewelers Vigilance Committee (JVC)? ⁴
Whitehall Jewellers	Yes	Partially – letter briefly outlines use of system of warranties and requirements to have warranty statement integrated into vendor's supply agreement with Whitehall. States that it will continue to monitor effectiveness of policies but no mention of auditing measures or education of staff.	No	No
Zale Corporation	Yes	Yes – detailed response outlines policy to implement system of warranties and describes how it works to ensure that suppliers comply through its Vendor Code of Conduct. Response states that education of staff has been done and includes Zale's Policy statement and samples of letters to suppliers about warranties and copy of Vendor Code of Conduct. Vendor Code of Conduct does outlines that Zale can conduct internal investigation on implementation of the code and that vendors must cooperate by making records available, etc. The Code of Conduct also requires that vendors to provide Zale with proof of warranty from their sources of merchandise if requested and to retain warranties accompanying all diamond and diamond jewellery purchases for at least 5 years.	Yes – website has its policy statement on conflict diamonds and frequently asked questions that provide further details on policy	JA and JVC Member