

***Addressing the Social and Financial Challenges
of Artisanal and Small Scale Gold Mining***

Supply chain approaches – Jewelry example

***UNEP - Geneva Briefing
Thursday 23 September 2010***

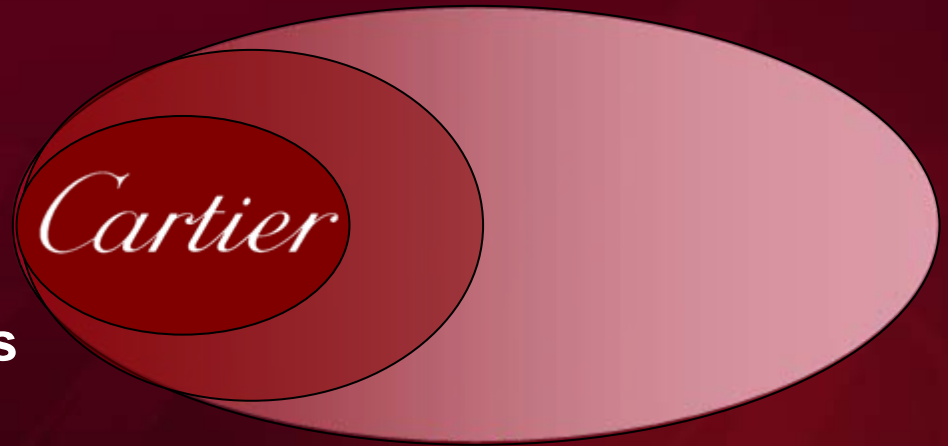
OVERVIEW : WHO IS CARTIER?



- For more than 160 years, the image of the precious
- A tradition of excellence in particular in creativity and craftsmanship
- Long-lasting creations with a patrimonial value

WHAT DOES CARTIER REPRESENT?

- **Most issues associated with precious materials happen upstream of Cartier and its suppliers**
- **Cartier accounts for a tiny proportion of the total precious materials used ...**



- *... Yet, people aspire to Cartier, a brand with broad symbolic value...*
- *And a leader in jewellery design*
- *...that means we have a responsibility to reassure our customers of the ethical provenance of our pieces*

« Every activity and issue connected with the precious materials supply chain is a concern for CARTIER »



THE SCOPE OF OUR RESPONSABILITIES

- Our own practices
- Those of our suppliers and our supply chain, which may have an impact on our reputation
- By extension, the practices of the entire industry, that have an impact on the réputation of jewellery procuts



THE APPROACH CHOSEN BY CARTIER

1. An « **industry** » approach,
promote responsible business practices
2. **Concrete action**
through our purchases
3. A « **corporate** » approach
vs. A product approach



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RESPONSIBLE JEWELLERY COUNCIL



Watches and Jewellery
gold, platinum and
diamonds

... future extensions:
colored gemstones,
silver

- **Since 2005**
- **Ethical, social, environmental**
- **For all companies, from mine to retail**
- **Worldwide**
- **Develop a label of good practices that anyone can use**
- **Anticipate new regulations**
- **A unique system designed by the industry**
- **A voluntary system**

RESPONSIBLE JEWELLERY COUNCIL



Performance | Accessibility | Confidence



- 240 members
- Adherence to a Code of practices (with a specific mining supplement)
Internal practices
Impact on the supply chain
- Members commit to be independently verified by RJC accredited auditors in order to be certified



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BURMESE GEMSTONES



October 5, 2007: a leadership stance on Burmese gemstones

No more gemstones from Burma

Before the USA JADE Act (July 2008)

A decision in conformity with our policy

REAL ISSUES

Artisanal gold mining

- 10-15 million people of which 30% are children
- 20 to 30 per cent of world production
- *Mercury*
- *Working conditions*
- *Conflict gold*



REAL ISSUES

Large scale gold mining

- **Gigantic operations**
- ***Cyanide***
- ***Tailings***
- ***Lack of community consent and benefits to the community***
- ***Mine closure: what's left?***



PROMOTE THE DEVELOPMENT OF EXEMPLARY PRACTICES



PROMOTE THE DEVELOPMENT OF EXEMPLARY PRACTICES

- **Cartier has signed a unique sourcing deal**
- **An Italian company operating in Honduras: GOLDLAKE**
- **An innovative company**
- **With an alluvial mine: EUROCANTERA**



GOLDLAKE'S MISSION

- Our mission is to deliver gold to the market with the assurance that at every step in the value chain we have a positive impact on the people, communities and the natural environment touched by our operations.**
- We believe that in business, innovation, coupled with an ambition to make a difference in people's lives and to protect our natural world, results in benefits for all.**

DUAL, INTEGRATED PRODUCTION



70% mining company

30% artisanal



KEY POINTS: environment



- ***NO cyanide***
- ***NO mercury***
- ***ONLY water and gravitational force***

- ***Zero waste: 100% recycling including gravel and clay***
- ***Reforestation program***



KEY POINTS: social

- *Free clinic for 8 villages*
- *4000 consultations/year*



- *80 km of roads to break isolation*
- *Disease prevention campaigns*



- *Equipment, training and assistance for artisan miners*

THE AGREEMENT

- **3 years**
- **Year 1: all production**
- **Year 2 and 3: Cartier can buy 50% of excess production above year 1**

Cartier



WHY THIS STEP IS IMPORTANT

A SMALL FRACTION OF OUR GOLD SUPPLY BUT

- **Supports Goldlake's development - rewards leaders and forward thinkers**
- **A strong signal to the market that practices must change?**
- **An incentive to develop yet more solutions?**