

Cartier provides a new gold standard

POLITICAL CORRECTNESS

Nicola Copping on jewellers sensitive to ethical campaigns

In the past five or six years, jewellery businesses have woken up to the fact that they need to be more sustainable to be relevant to today's markets, says Assheton Carter, vice-president for corporate community engagement at Washington-based non-governmental organisation, Pact. "Jewellers are quite sensitive to campaigns such as No Dirty Gold that touch on the sensibilities of their consumers."

The ethical practices that the diamond industry has been obliged to apply are steadily being extended to the gold industry. Tiffany & Co, for instance, recently shifted its supply chain so that it sources most of its new gold from the Bingham Canyon mine in Utah, a new and modern mine where it can ensure full control of procedures.

The latest global jeweller to make a public step towards socially and ethically responsible gold sourcing is Cartier. In July the brand announced that it had started sourcing gold from a new mining operation in Honduras, developed and managed by the Italy-based company Goldlake. The brand claims Goldlake's Eurocantera mine is an innovative business committed to operating to high ethical, social and environmental standards.

Cartier has committed itself to Goldlake for a minimum of three years, paying for its entire production in the first year and at least the same amount in the following two. The agreement represents a minimum \$10m investment by Cartier, and this value could increase, depending on Eurocantera's production output.

The Eurocantera mine provides chemical-free technology (without the use of potentially harmful mercury or cyanide); reforestation of areas denuded of trees; a zero discharge water management system; and 100 per cent recycling of waste materials. It also offers training and education programmes for artisan miners. But the mine can provide only a small part of Cartier's entire demands - less than 5 per cent of Cartier's total gold sourcing comes from Eurocantera - illustrating that the impact



Eye for quality: Goldlake uses chemical-free technology

is a minimal one, rather than a seismic shake-up of sourcing methods.

With the growth of ethical procedures across the entire retail industry, jewellers have been encouraged to dip their toe into the environmental and ethical domain. But it remains just a toe. "This is a small mine, it doesn't compare with large operations," says Pamela Caillens, Cartier's corporate social responsibility director, of Eurocantera.

So what kind of impact can a small mine such as this realistically make?

Jewellers have been encouraged to dip their toe into the ethical domain. But it remains just a toe.

"The whole thing is not about quantities but about signal. In the business, we know our name carries a lot of weight. What consumers need is assurance that gold meets certain standards. Signing this agreement [with Goldlake] and putting the mine in the spotlight is a way of helping those who innovate and those who are forward thinking."

Since Cartier does not have plans to commercialise a specific product or line made with gold from the Eurocantera mine - and therefore customers will not be able to tell which products use this ethically

sourced gold and which do not - the move will not be directly advertised to the public.

The project is concerned with improving procedures and sending out a message - to the industry first, with a knock-on effect to consumers.

"We want to take on a leadership position; we believe that it's a duty that comes with the prominence of our reputation," says Ms Caillens. "What is fundamental is that there needs to be an agreement on what a responsible mine is. Once you have an agreement - between industry members, NGOs and local government - you have a standard."

But will others follow? Many jewellers have other clear ethical practices in place - De Beers mines Botswana's diamonds in a 50:50 partnership with the government of Botswana and makes anti-retroviral drugs available to employees, spouses and children for free; Van Cleef & Arpels has recently joined the Kimberley Process (KCPK) which supports the World Diamond Council system of warranties, ensuring that the company only uses diamonds from legitimate sources; and more than 130 jewellers belong to the Responsible Jewellery Council, through which Cartier hopes the Eurocantera mine will become a model for others to follow.

However, few big luxury jewellers seem to have clear ethical policies for gold mining in place. For now,