

## Kimberly Process And Columbia Gem House Fair Trade Protocols

The Kimberly process was developed to make sure the production and sale proceeds from diamonds did not support civil wars in Africa. In addition, the process was written to assure all diamonds were legally exported and not smuggled.

The Columbia Gem House Protocols ensure the production and sale of colored gemstones were done legally, did not support civil wars, and much more. In addition to the Kimberly ideals, Columbia Gem House Fair Trade Protocols also:

1. ensure country of origin.
2. support local production through sales, and work on development projects and critical needs in the local community.
3. track our fair trade gemstones through the cutting process to ensure no worker is exploited or subjected to health hazards like Silicosis, which ultimately results in death.
4. ensure full disclosure and clarity of any treatments performed on gems that travel under the Columbia Gem House "Fair Trade Gems®" brand.

Given the similarities and differences between the Kimberly Process and the Columbia Gem House Fair Trade Gems Process, we are currently adjusting our Fair Trade rating levels to better coordinate the two.

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| Level 1 | <u>Complete Fair Trade.</u> We can trace the gemstones back to the mine where we have significant impact on the mining itself.  |
| Level 2 | <u>Protocols to the Producer.</u> We can trace these gems back to the rough broker, who has an agreement with us that he can guarantee the material in question comes from the same locations. He understands and supports our Fair Trade principles and will communicate those principles to the mine operations.                      |
| Level 3 | <u>Country/Export Onward.</u> Known traceable country of origin, legally exported knowing they are not financing any civil wars, and cut only in gemstone workshops that meet our employment and health standards.<br><br>Level 3 is the same as the Kimberly Process except we also know and track country of origin and who cut them. |
| Level 4 | <u>Factory Forward.</u> These gemstones meet our employment and health standards regarding cutting, and we know country of origin, but not the details of how they were exported.   |
| Level 5 | <u>Cannot be Considered Fair Trade.</u> We do not cut these gems, therefore, we cannot follow their journey from mine to market in a significant manner to ensure that they fall into the Fair Trade categories.  |