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Activists Attack 'Dirty' Gold Practices

By HEATHER DRAPER

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DENVER—Love, romance, commitment and destruction.

They go hand in hand because of the "dirty" gold-mining industry, according to the first of a series of advertisements launched recently by environmental activists, who have taken aim at jewelry makers, retailers and other end-users of gold.

Co-sponsors of the campaign, Earthworks and Oxfam America, published the first ad in the Oct. 16 edition of *National Jeweler*, a trade journal. The ad, which features two overlapped gold wedding rings, reads, "Love. Romance. Commitment. Destruction." The subtext reads, "We need to clean up the gold mining industry before it tarnishes the jewelry business."

The campaign urges Dallas-based *Zale Corp.*, *Montres Rolex SA* of Switzerland, *Signet Group PLC*—the London-based parent of U.S. chains *Kay Jewelers* and *Jared the Galleria of Jewelry*—and other firms to protect their brands from future consumer backlash, the organizations said.

"Jewelry CEOs may not be driving the bulldozers at mines but, as the leading end-users of gold, they're in a unique position to help clean up irresponsible mining practices," said *Payal Sampat*, Earthworks' No Dirty Gold campaign director.

Campaign organizers, who launched the first No Dirty Gold effort around Val-

entine's Day 2004, say they want gold-mining companies to meet basic human-rights and environmental standards, including getting prior and informed consent of affected communities, ensuring safe working conditions, not dumping mine waste into the ocean, rivers, lakes or streams and covering all costs related to closing and cleaning up mine sites.

The National Mining Association in Washington, D.C., argues that its member companies already do most of the things that the No Dirty Gold organizers are seeking.

Many issues raised by Oxfam and Earthworks in their ad campaign and other materials have been investigated by independent organizations such as the World Bank and found not to be workable or true, said NMA spokeswoman *Carol Raulston*.

"Some of the more colorful allegations have little or no basis in fact," Ms. Raulston said.

The NMA doesn't plan to run any ads to counter the No Dirty Gold ads but instead is working on an informational Web site for jewelers and others to learn the facts about mining practices, she said.

Ms. Raulston said *Newmont Mining Corp.*, the world's largest gold producer, this year was one of the founding members of the London-based Council for Responsible Jewelry Practices, which says it works to promote responsible business practices throughout the gold and diamond supply chain.

Newmont spokeswoman *Heatheryn*

Higgins said the council addresses issues from the mine to retail outlets and works to increase communication up and down that chain.

"Stakeholder engagement is a key part of the consultative dialogue with [nongovernmental organizations] and others covering responsible business practices," Ms. Higgins said.

Zale also is one of the founding members of the council and wasn't happy to be singled out in the No Dirty Gold campaign.

"We're really disappointed they chose to communicate it in this way and called out Zale specifically," said *David Sternblitz*, Zale's vice president and treasurer. "The [jewelry] council was formed for these specific types of issues, regarding ethical, environmental and social responsibility. We've even been working with the NGOs on these issues."

Other members of the council include jewelers *Tiffany & Co.* and *Cartier*, owned by Switzerland luxury-goods maker *Cie. Financiere Richemont SA*, according to the council's Web site.

But Earthworks' Ms. Sampat said the council is merely about public relations, and she isn't convinced it will actually work for the mining industry changes her organization wants.

"This is not about dueling PR efforts," Ms. Sampat said. "This is about making concrete changes in the way that gold is produced to ensure that it doesn't come at a high environmental and social cost."