



BORSHEIMS.

THE ENGAGEMENT DESTINATION
FOR OVER 100 YEARS

Corporate Responsibility Policy

Over the course of the past century, Borsheims has built an unrivaled reputation of being an honest, open and trustworthy business. We aim to keep that reputation and become even more transparent with the issuance of this Corporate Responsibility Policy.

This policy covers the commitments Borsheims has made to maintain our responsibility in a **number of areas. We are focused on our business' impact** on our community, our industry and the environment.

Borsheims has been an industry leader in these areas, particularly in ensuring that the jewelry industry as a whole acts in a way that is socially and environmentally responsible. Not only do we hold ourselves to these high standards, but we demand that the companies who supply us with jewelry, watches and fine gifts comply with these standards as well.

If you have any questions about our Corporate Responsibility Policy, please contact us. We believe it is the most important thing we do. After all, as our Berkshire Hathaway Chairman and CEO said, it is essential to trust your jeweler.

“At Borsheims, the service will be exemplary, the price will be exceptional and the merchandise will always be what you are told that it is. You have my word” – Warren Buffett

Thank you for your interest in this very important aspect of our business.

Karen Goracke
CEO and President



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CORPORATE RESPONSIBILITY OBJECTIVES

Borsheims is committed to being a responsible and ethical business in all areas. We believe our responsibility as a corporation entails taking care of our Earth, its resources and its people.

This commitment means Borsheims will strive to:

- make responsible business decisions that enhance our Earth
- demonstrate transparency to our customers, our suppliers and our employees
- influence other businesses in the jewelry industry to do the same

We will accomplish this by:

- staying up to date on the latest news on responsible sourcing practices from our suppliers, governments and communities affected by mining
- establishing a system of guarantees for all our suppliers to abide by to let our customers know their jewelry was responsibly sourced
- meeting with government and industry leaders to push for higher standards and more transparency when it comes to the sourcing of diamonds, gems and metals.



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COMMITMENT TO LEADING THE WAY

For the past several decades, Borsheims has helped lead the way in ensuring the integrity of the jewelry industry world-wide. Through meetings with government officials to working with suppliers, regulating bodies and other retailers, Borsheims has helped to bring strength and honesty to the diamond and gemstone industry.

Borsheims' previous President & CEO Susan Jacques was a key player in the establishment of one of the first certification systems used to track diamonds and stem the flow of conflict diamonds. After Jacques and other influential members of the jewelry industry testified in front of Congress, the Kimberley Process was adopted. The Kimberley Process imposes extensive requirements to certify all diamonds shipped through its participants are conflict-free, meaning they have not been used to finance wars against legitimate governments or have aided in human rights abuses. Through the establishment of the Kimberley Process, it is now estimated that less than 1% of the world's diamonds are conflict-diamonds.

At Borsheims, we are not satisfied with “less than 1%.” We are stricter than the Kimberley Process mandates and will continue to improve our accountability practices and encourage other retailers and suppliers to do the same. Borsheims suppliers must abide by an additional certification system, the Diamond Source Warranty Protocol. This protocol allows Borsheims to react quickly when news about irresponsible sourcing of diamonds and gemstones arises. For instance, Borsheims was able to quickly ban all stones originating from the Merengue fields of Zimbabwe when questions about their sourcing came up.

Borsheims works with other industry associations as well. Jewelers of America is a national trade association for businesses serving the fine jewelry retail marketplace. Borsheims is committed to their Code of Professional Practices which covers responsible gold mining, responsible diamond sourcing and the protection of coral. You can read the Jewelers of America's code of conduct [here](#).

The production of conflict-free diamonds and gemstones is essential to many countries, and Borsheims is happy to support them. Legitimate diamond and gemstone sales help to stabilize and develop fragile countries. A natural resource for many countries in Africa, the diamond trade contributes \$8.5 billion per year to Africa. It is also estimated that diamond and gemstone mining in countries like Botswana funds up to 100% of education, healthcare and infrastructure needs.

Borsheims is proud to help lead the way on conflict-free diamonds and gemstones and will continue working to ensure the integrity of the jewelry industry.



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COMMITMENT TO RESPONSIBLE SOURCING

Responsibly sourced jewelry comes from mines committed to the highest business, social and environmental standards. They are not connected to violence, worker exploitation or environmental devastation. At Borsheims, we only want to sell responsibly sourced diamonds and gemstones.

Borsheims believes the best way to ensure all stones are responsibly sourced is to track the stones from the mine to the customers hands.

While the Kimberley Process has taken steps toward that goal, there is more work to be done.

In order to continue to ensure consumer confidence in diamonds, Borsheims assisted in implementing an additional certification system beyond the Kimberley Process, long the standard for tracking diamonds. The new certification system, the Diamond Source Warranty Protocol, requires that the suppliers of Borsheims' diamonds ensure that no diamonds come from a source of conflict. (For instance, as of July, 2010, Borsheims required its vendors to stop providing diamonds from the Merengue fields of Zimbabwe.) The suppliers must have an independent auditor verify that their diamond inventory sold to Borsheims does not contain diamonds obtained from a subject source. A Qualified Audit Certificate must be provided to Borsheims every year.

Borsheims is also a retailer and supporter of several responsibly sourced diamond products including Forevermark Diamonds, Borsheims' Signature Diamonds, Kalahari Diamonds, and lab-created diamonds. Each product is detailed below:

- Forevermark guarantees its diamonds are responsibly sourced and benefit the country and community from which they came. For instance, mine owners must adhere to strict employment practices encompassing fairness, health, safety and well-being and must ensure they do not harm the environment. Forevermark then inscribes its diamonds with a number to ensure that they are kept separate from other diamonds throughout the supply chain, from rough source to polished diamond. Customers who purchase a Forevermark diamond will know exactly where their diamond originated and know that it was responsibly sourced. Borsheims is proud to sell diamonds as carefully sourced as Forevermark and encourages other diamond suppliers to take the same steps to track the sourcing of their diamonds.
- **Borsheims' Signature Diamonds are hand-selected from responsibly sourced rough diamonds originating from Canada's four diamond mines. The Canadian diamonds were discovered in 1991 and the first diamond mine opened in the Northwest Territories in 1998. Not only are Canadian diamonds revered for their exquisite beauty and quality, the Canadian mines have some of the most stringent environmental and safety standards in the world. Additionally, there is a beneficiation partnership with the local communities where these deposits are located.**
- **The Kalahari Dream Diamond is part of the diamond industry's global initiative to change lives in local communities by fostering economic growth and education initiatives in southern Africa. Diamonds help these nations enjoy greater gender development, higher income per capita and more years in school. They reflect the same strength, resilience, and magic of the desert they are named after.**



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- Lab-grown diamonds are tetrahedral carbon allotropes – exactly like earth-grown diamonds - and are formed using a process similar to what happens in nature, but using higher heat and pressure to speed up the growth of the diamonds. They have the same brilliance, sparkle, and traits as diamonds mined from the earth. In fact, expertly trained gemologists cannot detect any difference between the lab-grown and earth-grown diamonds. Lab-grown diamonds eliminate the environmental concern of mining.

The ultimate goal at Borsheims is to make sure that the diamonds and gemstones we sell are responsible. We believe that transparency in the supply chain will benefit all of us – from suppliers to retailers to customers. We will do anything we can to encourage our suppliers to act responsibly and transparently,

Here is a guide for ourselves, our suppliers and our customers when it comes to the jewelry we sell:

- We will abide by the Kimberley Process and the Diamond Source Warranty Protocol.
- We will have frequent and repeated conversations with our suppliers about the origin of the products we sell, including sources deemed acceptable and unacceptable
- We will require letters and invoices to accompany all products intended for sale at Borsheims. Our trained professionals will check the invoices against the products received to ensure that they are the same products.
- We will not accept any stones with undisclosed treatments
- We will continue to meet with government and industry leaders to push other jewelry retailers and suppliers to adopt the same standards.
- We will support companies that guarantee its diamonds are responsibly sourced and inscribes them with a number to ensure that they are kept separate from other diamonds throughout the supply chain, from rough source to polished diamond.
- We innovate and bring products to market that have responsible sourcing and community betterment as a business focus.

To put it more simply - to the best of our knowledge, any stone you buy at Borsheims is conflict-free. Our diamonds are not associated with human rights atrocities and abuses. When you purchase a diamond from Borsheims, you can be sure that the diamond is a symbol of love and emotion.



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COMMITMENT TO TRANSPARENCY

One of the best ways to ensure consumer confidence in that the jewelry they are purchasing has been responsibly sourced is to be transparent.

Borsheims believes its customers should know, when possible, where the stone they are purchasing originated. They should know about any treatments done to enhance the stones. And they should feel confident that their jeweler is telling them everything they know about the stone.

Many gemstones are enhanced or treated to make them more beautiful, stronger or clearer. In some stones, the treatments are commonplace. For example, tanzanite requires heat to turn the stone from a brownish rough into a violet blue color.

Some treatments are, in Borsheims opinion, not ethical and not acceptable treatments. Some colored stones are treated with oils and resins to make surface inclusions less visible. Colored oils and resins have been used on emeralds and rubies to add color while concealing fractures. Borsheims does not sell stones with these treatments.

In accordance with our commitment to transparency, Borsheims believes in fully informing our customers about all treatments performed on gemstones. Borsheims sales associates will be able to detail the treatments found on your particular stone, whether that treatment is standard among that gemstone or extraordinary. We will not sell gemstones with undisclosed treatments.



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COMMITMENT TO THE ENVIRONMENT

Most of the items sold at Borsheims originated in nature - diamonds, pearls, and gemstones, gold and silver. Borsheims believes it has a responsibility to help sustain the natural beauty that has given us so much.

Gold mining in particular has come under fire for the toll it takes on the Earth. Borsheims believes that gold should be extracted in a manner that is respectful to the Earth and its people. Together with other retailers and industry associations, Borsheims is encouraging responsible mining by working to implement a supply chain system for gold just as there is for diamonds.

Borsheims also joins other retailers and industry associations to support new standards for the responsible sourcing of minerals as well as transparent, third-party verification to ensure those standards are being met.

Borsheims commitment to the environment extends into its physical store. The two story glass entrance allows natural light to flood the store, reducing the need for artificial lighting. Display cases are made of wood from a sustainable forest. An ice-melt system under the sidewalk reduces the need for salt and sand during the slick winter months. And all the boxes and packaging material are recycled - even the signature Borsheims boxes can be reused!

Borsheims helps its customers recycle their jewelry as well. From buying old gold, trading up diamonds or resetting an heirloom stone, jewelry recycling is a great way to reduce environmental impact. Call Borsheims at (800)642-GIFT for all the details.



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COMMITMENT TO THE COMMUNITY

From the beginning, Borsheims has believed that it had a responsibility to give back to the community that has given it so much. This commitment has resulted in donations of more than \$5 million dollars in the past decade alone.

Borsheims primarily supports charities that are located in and around the Omaha, Nebraska, area. Because of the volume of charitable requests, Borsheims is able to support charities once a year. Requests for donations can be made by filling out the form on the right side of this page.

Borsheims also holds large-scale events annually to give back. Every holiday season, Borsheims selects a local child-focused organization to benefit. From the Make-A-Wish Foundation to the Child Saving Institute, Borsheims has brought awareness, support, and dollars to many deserving organizations.



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COMMITMENT TO BORSHEIMS CUSTOMERS

Berkshire Hathaway chairman Warren Buffett, upon buying Borsheims, said "If you don't know jewelry, know your jeweler." Buffett, and thousands of other faithful customers, know Borsheims and trust the Omaha-based fine jewelry store because of the store's long-standing commitment to its many responsibilities.

At Borsheims, the commitment to the customers ranges from the expected (such as **complimentary ring-sizers**) to the exceptional (a generous **gift for new brides upon receiving their engagement ring**).

But at Borsheims, the belief is that corporate responsibilities go beyond just exceptional customer service.

Borsheims leads the way in the jewelry industry on ethical issues, takes a strong stance on responsible sourcing of diamonds and gemstones, promotes transparency in all dealings, works to protect the environment and gives back to the community – all in the name of its customers.

The guiding principle at Borsheims has been the same since the store's inception more than a century ago and will continue to guide the store for years to come.

We are privileged to share in the special moments in our customers' lives. We will treat this opportunity with respect and importance it deserves.