

COMMUNICATION ON ENGAGEMENT (COE)

CIBJO, The World Jewellery Confederation

September 2018-September 2020

PART 1: Statement by President of Continued Support to Global Compact

CIBJO, the World Jewellery Confederation, is a non-profit business association representing the interests of all individuals, organisations and companies earning their livelihoods from jewellery, gemstones and precious metals. It has been a non-business member of the Global Compact since November 2006, as as such has committedly promoted within its sector the principle that building inclusive, resilient, competitive and sustainable communities is fundamental for achieving the SDGs by 2030.

CIBJO is the most representative and oldest organisation in the international jewellery and gemstone sector, having originally been established in 1926. With its membership made up predominantly by national jewellery trade organisations from more than 40 countries around the world, it covers the entire jewellery, gemstone and precious metals sectors vertically, from mine to marketplace, and horizontally within each of the component sectors in the various production, manufacturing and trading centres. Many of the international jewellery sector's leading corporations and service providers are also affiliated to CIBJO through commercial membership.

CIBJO's commitment to the Global Compact principles are embodied in the Cape Town Declaration, which was adopted at its annual congress in 2007, just months after it joined the body. It in CIBJO stated: "The jewellery industry, as a member of the international business community, shares a responsibility toward the greater society in seeking practical solutions towards the eradication of extreme poverty and hunger, as well as to developing a global partnership for development."

As such, CIBJO has and will continue to educate, encourage and assist its member organisations, their respective members and the greater gemstone and jewellery sector worldwide to conduct business responsibly, by aligning their strategies and operations with Global Compact's 10 Global Ten Principles on human rights, labour, the environment and anti-corruption, as well as to take actions that serve the societal needs of all its stakeholders, as embodied in the UN Sustainable Development Goals. In light of our intensive quality education training, we envisage to enroll in the SDG Ambition accelerator programme building on CIBJO business relisience and innovative business strategies.

Dr. Gaetano Cavalieri CIBJO President

September 2020

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PART 2: Description of Actions

Over the course of the past two years, CIBJO's actions, as a Global Compact Business Association, have been concentrated in the three areas:

- 1. Organising learning and dialogue events, workshops, webinars and training for members on the UN Global Compact and specific topics relevant to corporate sustainability.
- 2. Developing tools and guidelines that will enable its members comply with the Global Compact Principles
- 3. Engaging its members and affiliated groups in collective action efforts, at multiple events and location, on issues related to the UN Global Compact's mission.

These activities have included all four principal areas covered by the Global Compact Principles, including human rights, labour-related issues, the environment and anti-corruption.

CIBJO has managed these tasks in the following ways:

- 1. Through the organisation of seminars at its own congresses.
- 2. Through the organisation of workshops and seminars at events co-organised with other jewellery industry associations.
- 3. Through the organisation of webinars provided to members of the jewellery and gemstone industry worldwide.
- 4. Through the formulation of responsible business guidelines for the international jewellery and gemstone industry.
- 5. Through the preparation of digital and printed materials, which are distributed industry-wide, as well as being posted for downloading on the CIBJO website, including tools for complying with its responsible business guidelines, enabling members of the gemstone and jewellery industry incorporate CSR principles in their own companies.
- 6. Through courses organised by its educational foundation, the World Jewellery Confederation Educational Foundation (WJCEF), which was created in 2008 specifically to conceptualise, develop and finance training manuals, courses, studies and working papers, educational and didactic tools, and other educational means to promote, increase and improve knowledge of social and economic corporate responsibility in the international jewellery and gemstone industry and trade.
- 7. By collaborating with other organisations, from within the industry and outside of it, to further the education of the jewellery and gemstone and industry in the principles of socially and environmentally responsible business practices, and the creation of mechanisms and programmes by which these can be advanced.

Since 2006, CIBJO is the only organisation in the international diamond sector to have special consultative status with the UN Economic and Social Council, which in May 2018 confirmed by CIBJO's position with the international body through 2022. CIBJO delivered statements to the ECOSOC High-Level Segments in 2018, 2019 and 2020, reporting on the programme that it is carrying out in the industry, in cooperation with the Italian Exhibition Group (IEG), a leading jewellery industry trade fair organiser. The programme falls within the framework of SDG 17 (Revitalizing the Global Partnership for Sustainable Development), and CIBJO in partnership with IEG is currently executing a series of projects that are specifically designed to optimize the

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involvement of the international jewellery sector in achieving sustainable development goals, while at the same time mitigating any negative effects that are directly or indirectly related to the jewellery sector's activities.

CIBJO's most recent statement to the 2020 ECOSOC High-Level Segment supports the theme of "Accelerated action and transformative pathways: realizing the decade of action and delivery for sustainable development," and encourages actions under the new SDG Ambition, within its sector and among its stakeholders during the final 10 years of Agenda 2030.

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PART 3: Measurement of Outcomes

1. CIBJO-Organised Workshops/Seminars/Conferences/Webinars

- a. The 2018 CIBJO Congress, which took place October 15 to 17 in Bogotá, Colombia, focused on responsible sourcing in the jewellery industry. This included the introduction of a Responsible Sourcing Guidance document, which will serve as a reference for responsible sourcing practices developed and applied by industry organisations and commercial bodies worldwide. To oversee the process, a Responsible Sourcing Commission was established.
- b. A special session at the 2018 CIBJO Congress on October 15, 2018, looked at the application of Blockchain technology in creating transparent chains of supply in the jewellery trade, as well as means of ensuring that all merchandise is a handled in accordance with responsible and sustainable business practices.
- c. A special session at the 2018 CIBJO Congress on October 17, 2018, attended by about 200 members of the Jewellery Cluster of the Chamber of Commerce of Bogotá, which featured a visit by Colombian Vice President Marta Lucia Ramirez, discussed how the Colombian jewellery industry would benefit from adopting responsible, sustainable sourcing and transparent business practices.
- d. CIBJO's new Responsible Sourcing Blue Book highlighted a seminar at the VICENZAORO January jewellery trade show in Vicenza, Italy, on January 19, 2019, which also featured the precious coral sector as a case study for sustainability.
- e. A seminar at the VICENZAORO September jewellery trade show on September 9, 2019, focused on the range of range of technological solutions being developed to help participants in the jewellery and gemstone value chain comply with responsible sourcing due diligence requirements. The technologies discussed included GPS tracking of stones in artisanal mining areas, blockchain systems to track goods through the chain of supply, and nano-technology to microscopically mark gemstones so that they can be identified and traced.
- f. The 2019 CIBJO Congress, which took place November 17 to 20, 2019, in Manama, Bahrain, , focused on challenges being posed to humanity and the jewellery industry by climate change. Lise Kingo, the Executive Director of the UN Global Compact, which was represented for the first time at a CIBJO Congress, addressed the gathering in a video message. Representing the Global Compact in person at the event was Felipe Morgado, who told the event that the said SDGs asked firms to commit in areas of human rights, labour, anticorruption and the environment.
- A seminar at the VICENZAORO January trade show on January 13, 2020, looked at the impact g. of implementing comprehensive responsible-sourcing due diligence systems on small and medium-sized companies inte jewellery industry. The seminar provided practical guidance and viable solutions geared for SMEs operating in the international jewellery sector, outlining what is required today in the industry in terms of responsible sourcing, supply chain integrity and environmental sustainability. Featuring a panel of international speakers, it also presented the experiences of smaller Italian companies that successfully have incorporated principles of CSR and sustainability in their businesses.

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- h. On 15 June 2020, CIBJO President, Mr. Gaetano Cavalieri attended as a special guest , the virtual UN Global Compact Leaders Summit Dee Dive Session, under the title: "SDG Impact through the Jewellery Industry", organized by the Responsible Jewellery Council (RJC), celebrating its 15 th anniversary. Mr. Cavalieri pointed out that CIBJO's responsible Sourcing Blue Book lays out a framework for protecting the integrity of the jewellery supply chain. The question of certification was addressed recognizing RJC as the key provider. It was agreed that it was an important moment to recover and to integrate sustainability and responsible business practices into business models.
- With the outbreak of the COVID-19 crisis, a decision was made to create a programme that i. would address the challenges created by the pandemic. On April 22, 2020, CIBJO launched an original series of webinars entitled "Jewellery Industry Voices," runing once a week, through July 30, 2020. It concentrated on the economic and social impact and implications of crisis from the perspective of different industry figures. Each webinar took the form of a panel discussion, featuring three or four panellists. Broadcast live, they were also recorded and uploaded onto CIBJO's YouTube channel. All recorded webinars can be accessed via the webinar page on the CIBJO website. Many of the seminars dealt with issues related to responsible sourcing and sustainability. A second season of "Jewellery Industry Voices" has been scheduled, starting in September 2020.
- j. On September 12, 2020, CIBJO was scheduled to organise two seminars/webinars at the VICENZAORO Voices trade show, which will the first the first international industry event to take place live since the COVID-19 lockdown in Europe. It will be a hybrid event, with elements being streamed in real time online, meaning that certain seminar/webinar particpants will be located onsite and others from remote locations. The first seminar/webinarwill consider CSR and sustainability in the jewellery and gemstone sector in the post-COVID environment, and among the panelists will be Lila Karbassi, Chief of Programmes at the UN Global Compact in New York. The second seminar/webinar will focus on the growing jewellery industry in Africa and its effort to change the economic paradigm on the continent, where to date almost all raw materials mined are exported and processed elsewhere.

2. Digital and Printed Materials

- a. On September 5, 2018, CIBJO's Coloured Stone Commission released a special report looking at at efforts being taken to promote responsible practices in the international coloured gemstone industry sector, while taking into consideration the very different conditions that exist in the sector. More than 80 percent of rough coloured gemstones that come into the pipeline is produced by tens of thousands of artisanal miners, at a great many small-scale mine sites around the world.
- b. On September 26, 2018, CIBJO Pearl Commission released a special report focusing on the growing commitment of pearl farmers from around the world to promote sustainability in a marine environment. Surveying a list of ongoing projects from the Philippines to Australia, the Indonesian archipelago to West Papua, and Fiji to Bahrain, the report describes business sector whose long-term livelihood is dependent on its ability to maintain a pristine ocean

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environment, and to provide economic opportunity to the far-flung indigenous communities where pearling is carried out.

- c. On October 3, 2018, CIBJO's Coral Commission released a special report looking at a variety of topics related to precious coral reef sustainability, including government regulation of harvesting, research into methods for repopulating depleted areas, the use of DNA and Bblockchain in achieving traceability, and online education. The reported highlighted a number of research projects currently underway in Japan and Monte Carlo, where precious coral samples are being grown under controlled conditions in the laboratory, and in certain cases then transplanted on the seabed.
- d. On September 18, 2019, CIBJO's Responsible Sourcing Commission released its first special report, which provides an overview of the Responsible Sourcing Blue Book, which was approved in January 2019. It defines a universally agreed-to set of recommended responsible sourcing principles, which can be applied by all members of the greater jewellery industry.
- e. On October 16, 2019, CIBJO's Ethics Commission released a special report, which listed and analysed the increasing number of international responsible business conventions with which members of the jewellery industry are expected to comply, and recommended processes of disclosure.
- f. On October 30, 2019, CIBJO's Pearl Commission released a special report, which looked at the impact of environmental and conservationist factors on the pearl sector. The case study used was the the Philippines, where climate and environmental changes have had a significant effect on pearl production. These relate to greater fluctuations in water temperature, ocean acidification, and the changing of the plankton profile, which has affected the survival rate of certain batches of oysters, as well as the overall growth rate.
- g. On November 6, 2019, CIBJO's Coral Commission released a special report, looking at efforts by the industry to address the impact of global warmingand to protect biodiversity and the various coral species.

3. Tools and Systems Enhancing Responsible Business Practices

a. On January 14, 2019, CIBJO released the first edition of the Responsible Sourcing Book, which provides a framework and guidance for due diligence related to the responsible sourcing of gemstones and precious metals in the jewellery sector. Recommending guidelines and procedures by which participants in the jewellery supply chain may undertake supply-chain due diligence to support responsible sourcing, the Responsible Sourcing Book is designed to serve as guidance for ethical business practices and supply-chain due-diligence systems in the jewellery sector. It references the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the Responsible Sourcing Book insists on compliance with the Kimberley Process Certification Scheme and the World Diamond Council's System of Warranties for diamonds, and supports the United Nations Guiding Principles on Business and Human Rights. The documents further recommends that all participants in the industry have a responsible sourcing policies in place, and undertake due diligence on their supply chains to the best of their ability, to identify, assess and mitigate any identifiable risks in the

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jewellery supply chain related to human rights, labour practices, money laundering, financing of confict and corruption.

- b. On May 1, 2019, CIBJO, and the Coloured Gemstone Working Group (CGWG) facilitated by the Dragonfly Initiative (TDI) launched a project to create a suite of tools and resources, downloadable free of charge from an online platform, they will support any company, irrespective of its size, geographic location or financial capacity, to conduct responsible sourcing due diligence of their supply chains.
- c. CIBJO has expanded its Jewellery Industry Measurement Initiative, which it first introduced in 2014. Jewellery industry organisations and companies who become part of the CIBJO Greenhouse Gas Measuring and Offsetting Initiative, are invited to work with CIBJO's partner, Carbon Expert, an environmental consulting organisation, which will assist them in complying with ISO Standard 14064, which specifies how to quantify and report greenhouse gas (GHG) emissions and removals, and apply ISO Standard 20121, which offers guidance and best practice for controlling the environmental impact of events. Serving as a model for the industry, CIBJO has now been carbon neutral for the past six years, and its annual congress has been carbon neutral for the past five years.

4. World Jewellery Confederation Education Foundation (WJCEF) Programmes

a. CIBJO is currently in the process of establishing the International Council for Sustainable Development (ICSB), which will be an academy dedicated to educating company officers and other interested individuals about the requirements and procedures necessary for operating socially responsible and sustainable businesses, and additionally enabling them to obtain certification indicating that they are qualified to serve as corporate sustainability officers. It will be a joint centure of WJCEF and Intertek, a multinational assurance, inspection, producttesting and certification company, which assists companies ensure that their operating procedures and products meet quality, health, environmental, safety, and social accountability standards in markets around the world.

5. Collaborative Efforts at Industry Event and with Other Organizations

- a. CIBJO President Gaetano Cavalieri delivered the keynote address at a seminar on April 10, 2019, organised by the Canova Club, an Italian association of opinion leaders and decision makers from the country's economic, finance and business communities, in which hedescribed what he termed as an essential shift in thinking in the jewellery industry, where the attitude towards artisanal and small-scale mining is changing from it being considered a challenge, to being more of an opportunity for societal development.
- b. Speaking in Paris on April 23, 2019, during the plenary session of the 13th Forum on Responsible Mineral Supply Chains of the Organisation for Economic Co-operation and Development (OECD), CIBJO President Gaetano Cavalieri has delineated a comprehensive plan for promoting responsible sourcing practices throughout the jewellery, gemstone and precious metals sectors, which includes the of CIBJO's new Responsible Sourcing Blue Book, and an online platform that will provide a set of dedicated due diligence tools free of charge to the industry

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- c. On July 10, 2019, Tiffany Stevens, President of the CIBJO Ethics Commission, participated in 2019 Global Multi-Stakeholder SIDS Partnership Dialogue, which was held at the United Nations in New York. The event took place in parallel with the UN High-Level Political Forum on Sustainable Development (HLPF), and focused on opportunities available to a group of 57 small-island developing states in the Pacific and Indian Oceans and the Caribbean, Mediterranean and South China Seas, examining how they may be advanced through multi-stakeholder partnerships. In her presentation. Ms. Steven showed how properly managed pearl farms offer real opportunities to individuals and communities living on small islands in the South Pacific and Indian Oceans, both from an economic perspective and in terms of protecting the marine environment.
- d. Speaking on July 17, 2019, at the World Business Council for Sustainable Development (WBCSD), which took place during the United Nation's 2019 High-Level Political Forum on Sustainable Development in New York, CIBJO President Gaetano Cavalieri has advocated for the position of small and medium-sized enterprises. Sustainable economies rely on the contribution of SMEs, he said, but too often they find themselves operating at a severe disadvantage when compared to larger companies.
- e. CIBJO President Gaetano Cavalieri delivered the keynote address at the AGDDT Symposium in Mumbai, India, on August 7, 2019. In his presentation, he explained that jewellery and gemstone value chain will need to come to terms with the fact that basic due diligence demonstrating that they are sourcing their supply responsibly is becoming is a regular requirement for doing business. At the same time, he added, the systems being developed must be inclusive, meaning that they cannot discriminate against ethical players because of their size or financial capacity.
- f. CIBJO's Coral Commission has initiated a collaborative agreement with involving the the Federico II University in Naples, Italy, into the identification of precious coral species using new DNA sequencing technology. DNA fingerprinting, the Coral Commission President explains, will allow members of trade to comply with current environmental legislation and international regulations, and also to meet conservationist concerns in the consumer markets.
- g. CIBJO President Gaetano Cavalieri delivered the keynote address at the International Jewellery Standardisation Summit in Shanghai on November 8, 2019, focusing on the importance of origin traceability standards for the future of the jewellery sector, insisting specifically on their significance in China.

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