

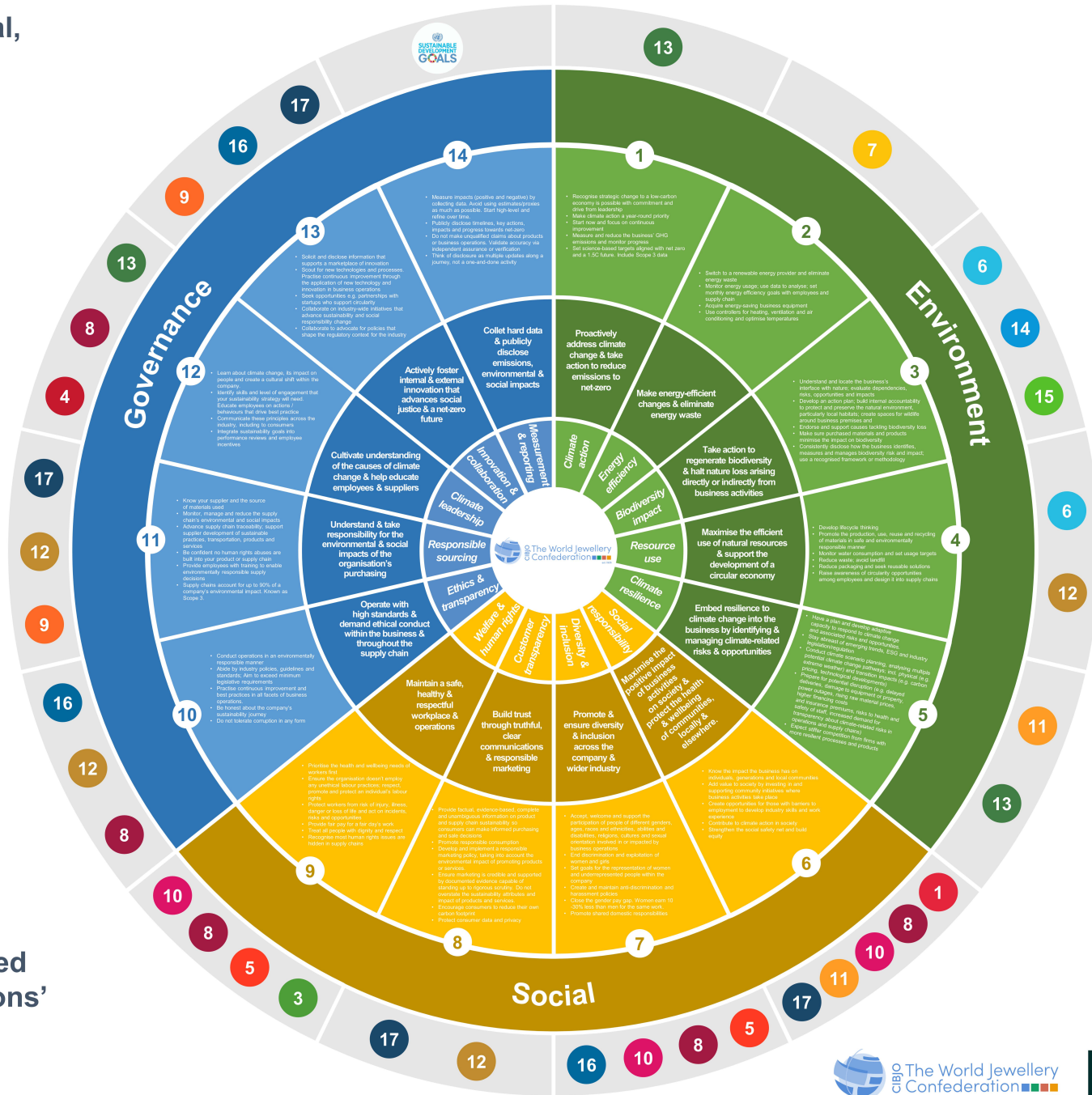
**ENVIRONMENTAL, SOCIAL & GOVERNANCE PRINCIPLES**  
**for**  
**LABORATORY-GROWN DIAMONDS**

**CIBJO Congress 2023 Final**



# CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds

## Detailed view



14 Principles referenced alongside United Nations' 17 Sustainability Development Goals

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## Introduction

The effects of climate change and social injustice have become unavoidably apparent. No organisation or individual is unaffected by them. The choices we make today will shape our society, economy, health, and climate for decades to come. This is why sustainability and social responsibility are so critical.

CIBJO recognises that businesses of all sizes play a vital role in the fight to stop the climate crisis. They are the source of most of the world's emissions<sup>1</sup> and are also being negatively impacted by them. Businesses are also key creators of social value. Expectations are growing of companies to act in a way that is fair, appropriate and deserving of trust, including from people who are not immediately involved with them. Furthermore, reliance on a complex network of services and social licenses to operate can leave businesses exposed to considerable risks. This is especially true of small and medium-sized enterprises (SMEs) which make up about 90% of businesses worldwide and, in emerging economies, contribute on average to 33% of GDP.<sup>2</sup>

Even if some governments demand changes more quickly and more strongly than others, businesses cannot afford to take a wait-and-see approach. To the contrary, many stakeholders already expect them to reduce emissions to at least net-zero across the entire value chain, demonstrate true environmental protection and social sustainability, inside and outside the organisation, and engage with how the regulatory landscape and broader society will likely evolve. This growing pressure – from consumers, members, business owners, investors, employees, the media, partners, suppliers and the communities in which each company operates – is an expression of social license and, since social license is business “oxygen”, it is impossible to survive without it. Swift and concrete action, combined with rigorous governance and greater climate resilience, is required of every company. This responsibility to act is individual, global and collective, and necessitates collaboration.

CIBJO's foremost purpose is to protect consumer confidence in the global jewellery industry and in the jewellery product itself. It does this in part through the harmonisation of the standards, principles and terminology applied in the trade. Recent research indicates that 80% of consumers are more likely to buy from companies with environmental commitments and 76% would discontinue their relationship with a company they perceive as treating the environment poorly.<sup>3</sup> The commercial impact on businesses is further highlighted with sales in sustainably-marketed products expected to grow to €126.1 billion by the end of 2023.<sup>4</sup>

CIBJO supports all participants in the industry to align with a net-zero future, build resilience to climate change, play an active role in the transition to a just and low-carbon world and demonstrate social responsibility. Through the work of the Laboratory-Grown Diamond Committee, the *Environmental, Social & Governance Principles for Laboratory-grown Diamonds* reflect the Confederation's ongoing support for the United Nations (UN) Sustainable Development Goals (SDGs) and represent the next step in its ESG and sustainability-focused engagement with this important and growing sector.

### **CIBJO Secretariat**

CIBJO, The World Jewellery Confederation



## Purpose of this document

Small and medium-sized businesses make up a significant part of the Laboratory-Grown Diamond sector. SME's flexibility and capability to innovate makes them well placed and key to limiting the global temperature rise to 1.5°C (See Section 'What is Net-Zero') and the speedy adoption of sustainable business practices. That being said, smaller businesses face higher barriers than larger ones which have more in-house sustainability and social responsibility expertise and bigger budgets. It is therefore vital that SMEs in particular are supported in making the most of the opportunities presented by becoming more environmentally and socially responsible.

This working document has been developed by The Laboratory-Grown Diamond Committee in partnership with independent advisers, Key & Co as an official set of principles that CIBJO recommends are used globally within the international jewellery trade. The definition of the principles complements CIBJO's *Laboratory-Grown Diamond Guidelines* and should be read in conjunction with it. Having a common set of principles for the sector helps promote consistent and comparable information to stakeholders, especially consumers, as well as facilitating business decision-making.

CIBJO recognises that starting or growing a sustainability and social responsibility strategy can be a daunting process. It is not always easy to know how to start or where to prioritise. These *Environmental, Social & Governance Principles for Laboratory-Grown Diamonds* are intended to assist all professionals handling Laboratory-Grown Diamonds. While relevant to businesses of every size, they have been structured with the specific needs of SMEs in mind. Feedback from SMEs, as well as other intended users has been incorporated into the principles. They are non-judgmental and designed to enhance consumer confidence, help companies to develop a credible and measurable approach to sustainability and prevent unfair or deceptive trade practices.

Responsible businesses practice the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. The stability of the marketplace depends upon the transparent and accurate promotion of facts about a company's sustainability efforts and impact, both positive and negative, throughout the supply chain. Importantly, it also relies on a fully informed purchase or sale to the final consumer.

The 14 principles are the foundations of any sustainability strategy and of long-term business value creation. They aim to stimulate understanding and communication of the main themes of environmental and social responsibility and, importantly, to encourage action. Integration within a company's day-to-day operations will help empower management and employees to prioritise, measure, track progress and continually improve their sustainability commitments – thus developing a pathway to net-zero operations, social responsibility and climate leadership.

## Timeframe for adoption

The journey to sustainability and social responsibility is communal, non-linear and each business moves at a different pace. That being said, the climate crisis clock is ticking and environmental and social responsibility legislation is on the rise and expected to grow. Despite this ever-changing business landscape, every company can have an impact.

For companies starting out, it is recommended that they aim to adopt all 14 of the principles as quickly as possible and **within three years** or timeframe required by legislation. Research has shown that it can take this time to build the capacity to provide high-quality data to evidence their impact. Some organisations may have already started embedding best practice into their operations and supply chains and therefore need less time to achieve the high standards of these principles.

## Intended users

These principles have been designed for all SME business owners, their leadership teams and employees who:

- Operate in the Laboratory-Grown Diamond industry;
- Sell laboratory grown diamonds directly or through intermediaries to consumers;
- Procure or purchase materials for their own or other businesses in the sector;
- Are being asked questions by their stakeholders about how sustainable their business practices are.

## Development approach

The *Environmental, Social & Governance Principles for Laboratory-grown Diamonds* have been co-designed by independent ESG and Sustainability experts, [Helen Mitchell](#) and Jon Key of [Key & Co](#), in partnership with the CIBJO Executive Committee, the Laboratory-Grown Diamond Committee and in consultation with several business and trade body members operating in and representing the laboratory-grown diamond industry. Feedback from these stakeholders and other intended users of this document have informed the refining of these principles. More details about Key & Co can be found in the Appendix.

The development process included researching the best practice available from other initiatives, standards and frameworks, such as the GHG Protocol, SBTi, TCFD, the 1.5 Business Playbook, the United Nations Sustainable Development Goals and the UN Race to Zero.

The Principles have drawn influence from this research and the Laboratory-Grown Diamond Committee has sought to align them to these international examples where it has been deemed appropriate, bearing in mind the specific needs of Laboratory-Grown Diamond SMEs and the mission, values and purpose of CIBJO. Full alignment to international ESG frameworks is not appropriate in all cases as most are geared towards larger organisations, therefore relevant elements have been adapted for use here. This approach is intended to make it more manageable for smaller businesses to start their ESG journey and adopt sustainability best practice.

Lastly, these Principles have been developed in a low-carbon way using remote meetings to discuss, seek feedback and iterate<sup>5</sup>, digital collaboration tools to share files to limit the need for printing, while maintaining optimum thermostat temperatures and avoiding air-conditioning in home work environments. It is hoped these practices will be borne in mind in their communication and use by the reader.

## What is ESG?

For simplicity and ease of use, this document uses terms such as Environmental, Social and Governance or 'ESG', Social Responsibility and Sustainability interchangeably.

These 14 principles encompass aspects of ESG, Corporate Social Responsibility (CSR) and Business Sustainability best practice. This is because these are now an inextricable part of doing business and the individual elements are themselves intertwined. That being said, each has a slightly different focus.

ESG refers to a set of performance evaluation criteria that an organisation uses to measure and monitor the robustness of its governance mechanisms and its ability to effectively manage its environmental and social impacts. The aims of ESG are similar to those of Business Sustainability best practices although the main focus tends to be on internal policies, practices and procedures.

Until relatively recently, CSR has been predominantly focused on creating positive impact on the surrounding communities in which an organisation operates. It was generally understood to relate to strategic initiatives that contribute to a brand's reputation and was driven by philanthropy. In recent years, best practice has expanded to include a much broader set of business activities affecting more stakeholders (e.g. employees, their families, customers, creditors, shareholders, local communities and society at large) to improve long-term human-life quality, the environment and the economy.

Business Sustainability is arguably the most recent and holistic evolution in corporate responsibility thinking. Encompassing both the governance rigour of ESG and the broader external (societal) focus of CSR, it refers to a company's delivery of long-term value in financial, environmental, social and ethical terms.<sup>6</sup> It requires businesses to position and implement sustainability as an integral part of their operations while considering all of their stakeholders, internal and external. The overall objective is to ensure that, collectively, markets deliver value across society, while doing no harm.

## Supporting the United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty and hunger, protect the planet, end discrimination against women and girls and ensure that by 2030 all people enjoy peace and prosperity. They represent an ultimate yardstick for human development.

The 17 integrated SDGs recognise that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

The creativity, knowhow, technology and financial resources from all of society is necessary to achieve the SDGs in every context and to prioritise progress for those who are furthest behind.

## What is Net-Zero?

Net-zero means cutting greenhouse gas (GHG) emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests, for instance.

The science shows clearly that in order to avert the worst impacts of climate change and preserve a liveable planet, global temperature increase needs to be limited to 1.5°C above pre-industrial levels. Currently, the earth is already about 1.1°C warmer than it was in the late 1800s and emissions continue to rise. To keep global warming to no more than 1.5°C – as called for in the Paris Agreement<sup>7</sup> – emissions need to be reduced by at least 45% by 2030 and reach net zero by 2050.

According to the United Nations, current climate plans – for 193 Parties to the Paris Agreement taken together – would lead to a sizable increase of almost 11% in global greenhouse gas emissions by 2030, compared to 2010 levels.<sup>8</sup> This falls far short of what is required.

Transitioning to a net-zero world is one of the greatest challenges humankind has faced. It calls for nothing less than a complete transformation of how we produce, consume, and move about. The energy sector is the source of around three-quarters of greenhouse gas emissions today and holds the key to averting the worst effects of climate change.<sup>9</sup> This is why one of the 14 *Principles* is focused on energy consumption and replacing fossil-fuel power with energy from renewable sources.

## Why businesses should care about adopting ESG principles

The actions of one SME may feel like a drop in the ocean but, together, the potential for change is enormous. Moreover, the link from ESG to business value creation cannot be ignored and the value at stake may be higher than many business leaders might think.

Business owners, investors and stakeholders do not compete in a zero-sum game. Quite the opposite: building a strong connection with broad elements of society creates value, not least because it builds resilience into the business. A stronger external-value proposition can enable companies to achieve greater strategic freedom and an easing of regulatory pressure. It is also important to remember that the overall cost of changing business practices to be fully sustainable is far lower than the cost of inaction.

Furthermore, getting it wrong can result in significant value destruction. According to research by McKinsey & Company, multiple companies with weak ESG propositions have resulted in double-digit declines in valuation after their business missteps came to light.<sup>10</sup>

In summary, companies associated with strong sustainability and social responsibility performance experience more<sup>11</sup>:

- Top-line growth and optimisation;
- Lower volatility;
- Enhanced employee productivity;
- Reduced regulatory and legal interventions (e.g. fines and sanctions);
- Cost reductions and lower energy and water consumption.

Companies associated with poor sustainability and social responsibility performance tend to also experience:

- Loss of customers and reduced access to resources;
- Higher cost of capital;
- Higher volatility due to controversies and incidents (e.g. reputational damage, employee disruption and disputes, fraud accounting and other governance irregularities);
- Unnecessary waste and correspondingly higher disposal costs;
- Incur higher fines, penalties and enforcement actions.

## The Principles

Each of the Environmental, Social & Governance Principles of Sustainability and Social Responsibility for Laboratory-Grown Diamonds has been described in three parts:

1. A statement of the general principle;
2. Examples of recommended actions for the organisation and professional;
3. Relevance to the United Nations Sustainable Development Goals.

Each principle has been grouped under the themes of Environment, Social and Governance. The numbering of the principles does not represent a particular order.

The suggested actions are provided as examples that every company should consider adopting and do not represent a comprehensive 'to-do' list.

**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds Summary**



**14 Principles referenced alongside United Nations' 17 Sustainability Development Goals**

## Implementation tips

Complying with best practice, taking action and creating a lasting positive impact on the environment and on society is easier than it may at first seem. The important thing is to start and focus on continuous improvement. It is about learning and progress, not about ticking boxes.

**Lead from the top** - A strong commitment from the head of the business and his or her leadership team is vital. Read up on the causes of climate change and familiarise yourself with the common issues and environmental impacts within the laboratory-grown diamond value chain. Educate your teams about these principles and the changes they need to make to their day to day duties.

**Build your strategy** - Integrate the 14 principles into your strategy and set the approach, goals, timeframes and key activities. Be specific. Company goals like 'save the planet' make it hard for employees and stakeholders to take action. Goals like 'reduce water usage by 30%' are more helpful. Develop climate and environmental policy.

**Act quickly but take it step by step** - Build an action plan. Be ambitious but don't expect to reach the high standards underpinning each principle in a single step. Begin by working on Principle 1 and a subset of others most important to the business and its stakeholders.

**Know your suppliers** - Look more closely at suppliers and get to know them better. Ask about their own supply chains, environmental policies and social actions. Examine how they interact with their local communities, use natural resources and support employees and customers. Tell them about the steps you are taking to become more sustainable and the goals you set.

**Continually track progress** - The importance of robust governance cannot be overstated. To embed these principles clear ownership and sustained accountability is required. Managing sustainability and social responsibility is a team sport, not the sole responsibility of a single employee or business unit. Consult with your employees and stakeholders and bring them along the journey.

**Communicate your impact** - Publicly disclose your commitment, approach, timelines key activities and progress through a few data-driven disclosures and then increase effort and reporting over time. Communicate both internally with employees and externally with stakeholders. Make sure disclosures are clear, consistent, evidence-based and accurate at all times. Using digital tools for carbon and social value reporting can help make the process easier.

**Get help along the way** - Enlisting the help of an experienced sustainability consultant can help business owners and their teams to translate the principles into a plan and roadmap of tailored action designed specifically to the size, maturity and type of operations. There are many specialist advisers willing to discuss this, including Key & Co.



## Footnotes:

<sup>1</sup> There is growing international understanding of the systemic shift to a low-carbon economy which is urgently needed to mitigate climate change and prepare for its effects. Over two thirds of the world's nations have already committed to a net-zero emissions target or are considering doing so. Collectively, this covers almost 90% of global greenhouse gas (GHG) emissions, with India, China, Indonesia, the Russian Federation, Brazil, the EU and USA representing more than half. Sources: [www.climateactiontracker.org](http://www.climateactiontracker.org) and [UNEP Emissions Gap Report 2022](#).

<sup>2</sup> Small, Medium, Strong. Trends in SME Performance and Business Conditions, OECD, 2017.

<sup>3</sup> Consumer and Employee ESG Expectations 2021, P.

<sup>4</sup> IRI, The NPD Group, & NYU Stern Center for Sustainable Business., 2021 Sustainability and the consumer.

<sup>5</sup> A video call can save several commutes or tonnes of carbon from flights. For example, a one hour Zoom call on a 13-inch MacBook Pro (similar to the one on which these principles were drafted) emits about 2g CO<sub>2</sub>e. The same call on an averagely efficient laptop is approximately 10g, or 50g on a desktop computer with screen. This is in comparison to ironing a shirt for an in-person meeting which emits about 8g CO<sub>2</sub>e for a quick, expert skim if slightly damp and taking a short-haul domestic flight which adds a further 370kg CO<sub>2</sub>e. Source: Mike Berners-Lee, "How bad are bananas, the carbon footprint of everything."

<sup>6</sup> United Nations Global Compact, Guide to Corporate Sustainability - <https://unglobalcompact.org/library/1151>

<sup>7</sup> <https://www.un.org/en/climatechange/paris-agreement>

<sup>8</sup> <https://www.un.org/en/climatechange/net-zero-coalition>

<sup>9</sup> Definition of net zero used here is from <https://www.un.org/en/climatechange/net-zero-coalition>

<sup>10</sup> <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/five-ways-that-esg-creates-value>

<sup>11</sup> <https://plana.earth/academy/why-esg-important-companies-investors#the-importance-of-esg-for-companies-and-investors>

## Appendices

### Contact information

#### CIBJO Secretariat:

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### About Key & Co

Key & Co is a global advisory and consulting network that enhances the value of its clients, their supply chains and their customers through value maximising strategies, technology innovation, ESG strategy and business transformation.

Founded by Jon Key, Key & Co has the capability to support large and small organisations with a flexible resource model of experts and affiliates, building the best team for the job from an extensive global network. The model is tried and tested in corporate, private equity and public sector environments.

Key & Co focuses on industrial sectors including energy, logistics, transportation, manufacturing, engineering, infrastructure and mining and can also draw on experience in consumer products, retail, luxury goods, financial services and technology.

## Special Thanks

CIBJO would like to extend its sincere thanks to everyone who contributed to the production of the Principles and whose contribution to this project has been invaluable, especially CIBJO President, Gaetano Cavalieri; Chair of the Laboratory-Grown Diamond Committee, Wesley Hunt; Head of External Affairs and Industry Relations at the Natural Diamond Council, Raluca Anghel; Co-founder of UltraC and Shiphra Jewellery, Andrey Zharkov,; President of the International Grown Diamond Association, Joanna Parks-Tonks, CIBJO Communications Director, Steven Benson; and ESG experts Helen Mitchell and Jon Key.

## Useful sources

1. CIBJO Laboratory-grown Diamond Guide <https://www.cibjo.org/laboratory-grown-diamond-guidance/>
2. The United Nations (UN) Global Compact. Launched in 2000 by the Secretary General of the United Nations, Kofi Annan as a leadership platform for the development, implementation, disclosure, and innovation in responsible and sustainable corporate policies and practices. <https://unglobalcompact.org>
3. The Intergovernmental Panel on Climate Change (IPCC) 6<sup>th</sup> Assessment Report, March 2023. <https://www.ipcc.ch/report/ar6/syr/resources/spm-headline-statements/>
4. Sustainable Development Goals. <https://sustainabledevelopment.un.org/?menu=1300>
5. Shareholder value is no longer everything. <https://www.nytimes.com/2019/08/19/business/business-roundtable-ceos-corporations.html>
6. 1.5 Degree Lifestyles <https://www.sitra.fi/en/publications/1-5-degree-lifestyles/>
7. SME Climate Hub. <https://smeclimatehub.org>
8. Do ESG efforts create value? <https://www.bain.com/insights/do-esg-efforts-create-value/>
9. Climate Pledge. <https://www.theclimatepledge.com>
10. Responsible Jewellery Council <https://responsiblejewellery.com>
11. World Economic Forum Diversity, Equity and Inclusion Toolkit <https://www.weforum.org/reports/diversity-equity-and-inclusion-4-0-a-toolkit-for-leaders-to-accelerate-social-progress-in-the-future-of-work/>
12. Women's Empowerment Principles (WEPs). Guidance to business on how to advance gender equality and women's empowerment in the workplace, marketplace and community. Established by UN Women and UN Global Compact and informed by international labour and human rights standards. The principles recognise that businesses have a stake in, and a responsibility for, gender equality and women's empowerment. <https://www.weps.org>
13. Circularity Gap Report - <https://www.circularity-gap.world/2023>
14. Taskforce on nature-related financial disclosures: <https://tnfd.global>
15. Does ESG really matter and why? <https://www.mckinsey.com/capabilities/sustainability/our-insights/does-esg-really-matter-and-why>
16. Watch and Jewellery Initiative 2030. Founded by Kering and Cartier to create a fully sustainable Watch & Jewellery industry that resilient to climate change, preserves resources and fosters inclusiveness. <https://www.wjinitiative2030.org>

# ESG Principles Breakdown – Examples of Recommended Actions

CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds  
Principle View



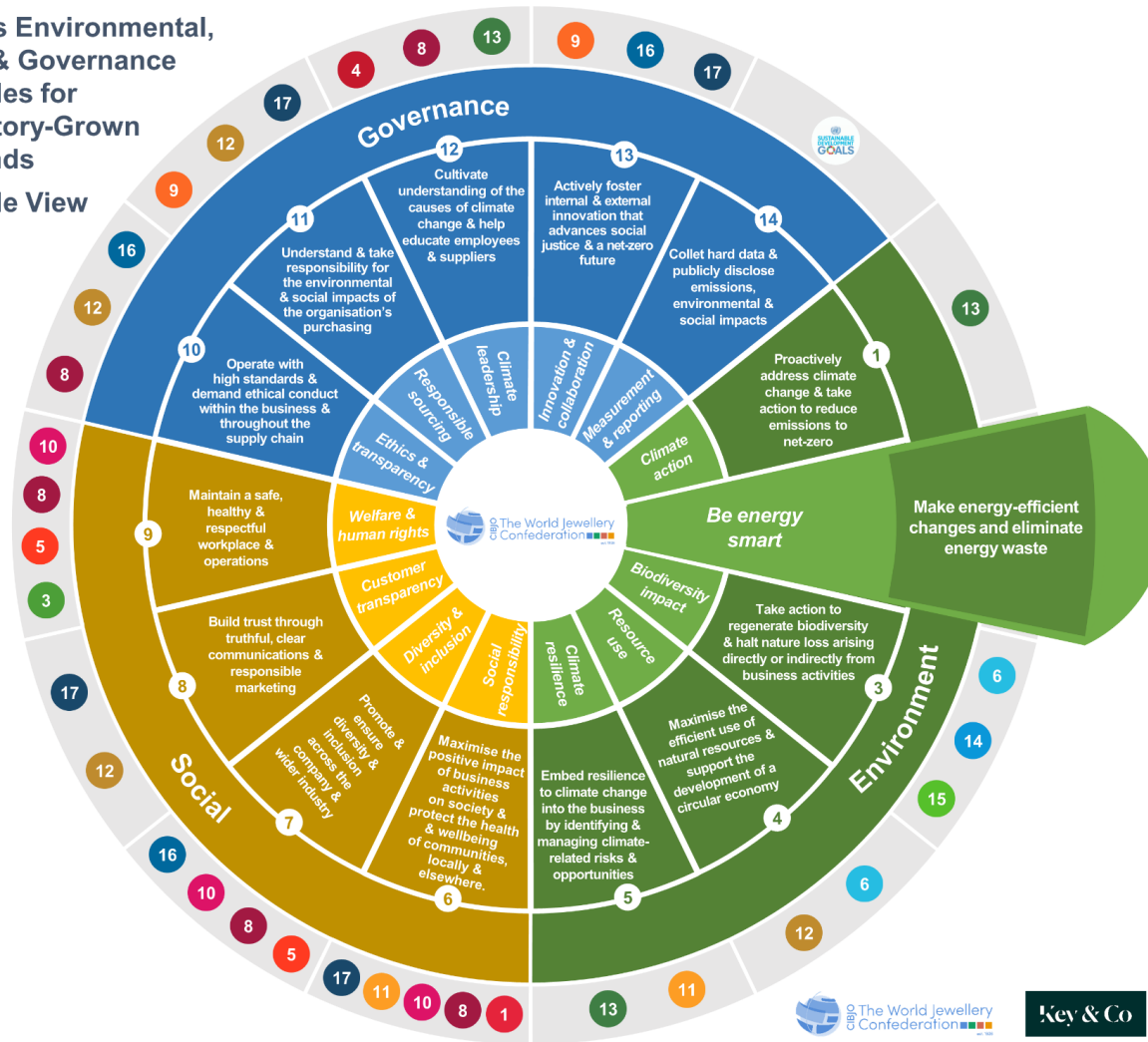
**1** Examples of recommended actions for the organisation & professional

- Recognise strategic change to a low-carbon economy is possible with commitment and drive from leadership
- Make climate action a year-round priority
- Start now and focus on continuous improvement
- Measure and reduce the business' GHG emissions and monitor progress
- Set science-based targets aligned with net zero and a 1.5C future. Include Scope 3 data

**Sustainable Development Goals**

**13 CLIMATE ACTION**

**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds Principle View**



**2 Examples of recommended actions for the organisation & professional**

- Switch to a renewable energy provider and eliminate energy waste
- Monitor energy usage; use data to analyse; set monthly energy efficiency goals with employees and supply chain
- Acquire energy-saving business equipment
- Use controllers for heating, ventilation and air conditioning and optimise temperatures



**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds**

**Principle View**



**3 Examples of recommended actions for the organisation & professional**

- Understand and locate the business's interface with nature; evaluate dependencies, risks, opportunities and impacts
- Develop an action plan; build internal accountability to protect and preserve the natural environment, particularly local habitats; create spaces for wildlife around business premises
- Endorse and support causes tackling biodiversity loss
- Make sure purchased materials and products minimise the impact on biodiversity
- Consistently disclose how the business identifies, measures and manages biodiversity risk and impact; use a recognised framework or methodology





**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds**  
Principle View

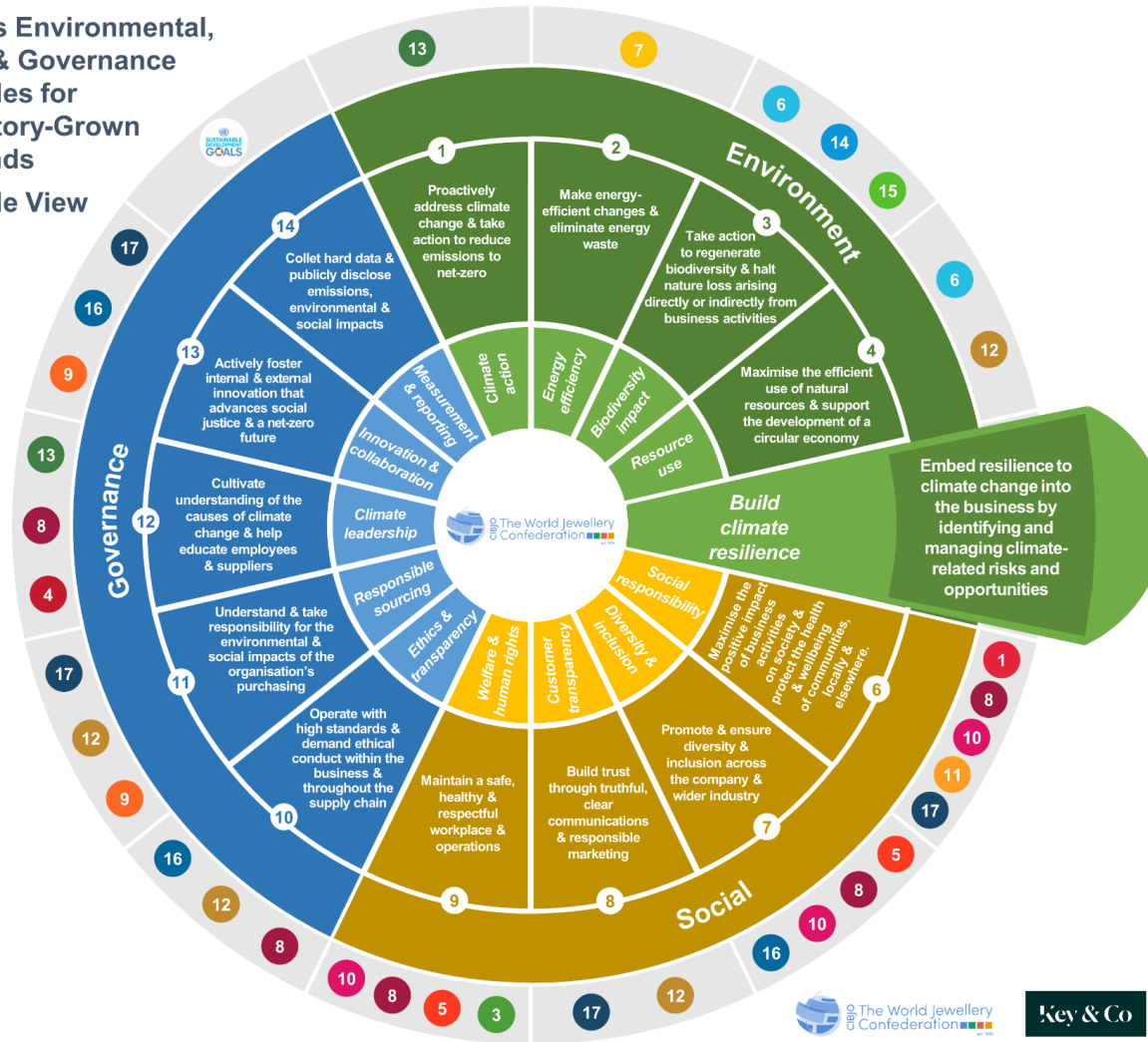


**4 Examples of recommended actions for the organisation & professional**

- Develop lifecycle thinking
- Promote the production, use, reuse and recycling of materials in safe and environmentally responsible manner
- Monitor water consumption and set usage targets
- Reduce waste; avoid landfill
- Reduce packaging and seek reusable solutions
- Raise awareness of circularity opportunities among employees and design it into supply chains



**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds**  
Principle View



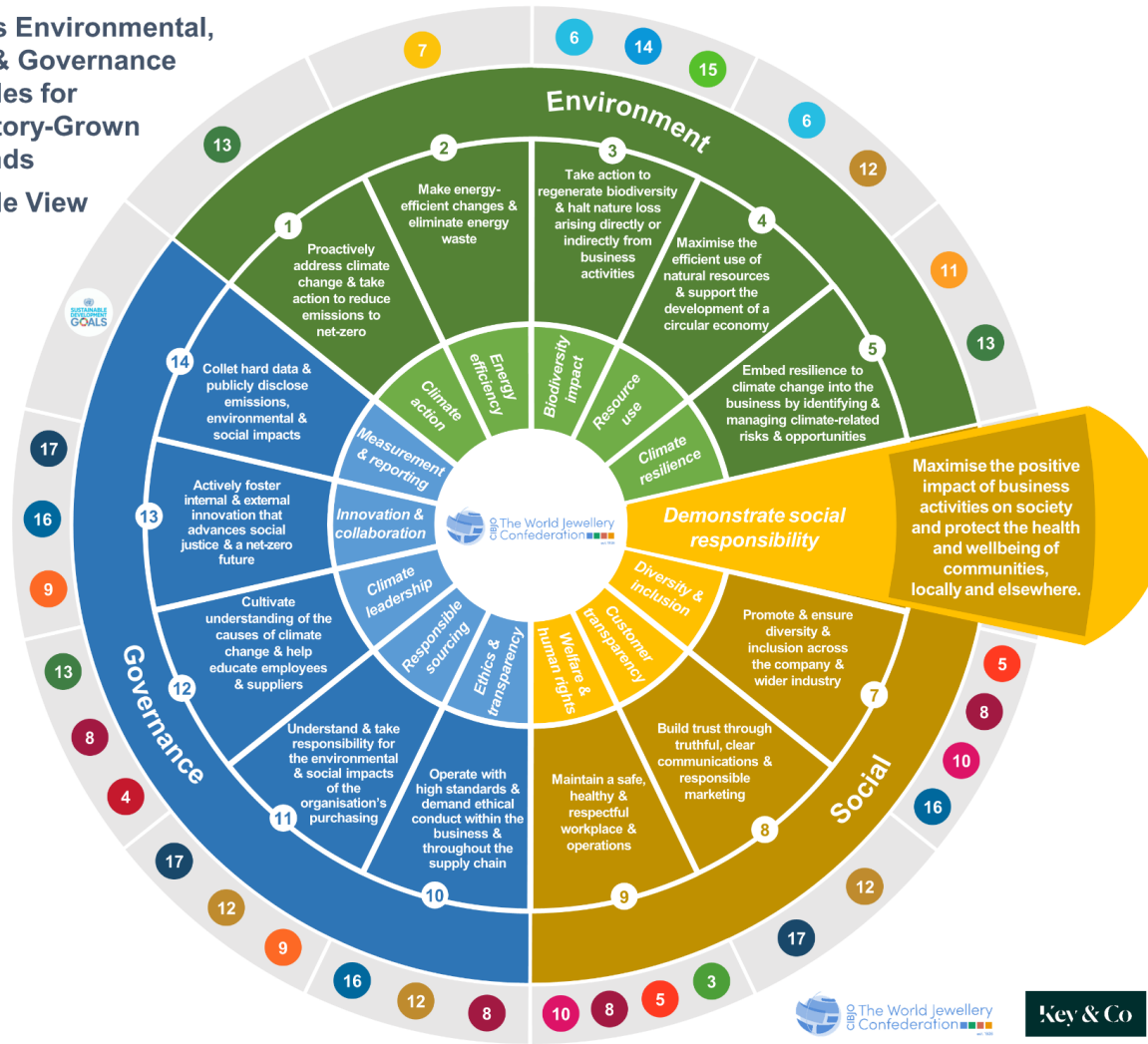
**5 Examples of recommended actions for the organisation & professional**

- Have a plan and develop adaptive capacity to respond to climate change and associated risks and opportunities.
- Stay abreast of emerging trends, ESG and industry legislation/regulation
- Conduct climate scenario planning, analysing multiple potential climate change pathways; incl. physical (e.g. extreme weather) and transition impacts (e.g. carbon pricing, technological developments)
- Prepare for potential disruption (e.g. delayed deliveries, damage to equipment or property, power outages, rising raw material prices, higher financing costs and insurance premiums, risks to health and safety of staff, increased demand for transparency about climate-related risks in operations and supply chains)
- Expect stiffer competition from firms with more resilient processes and products





**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds**  
Principle View

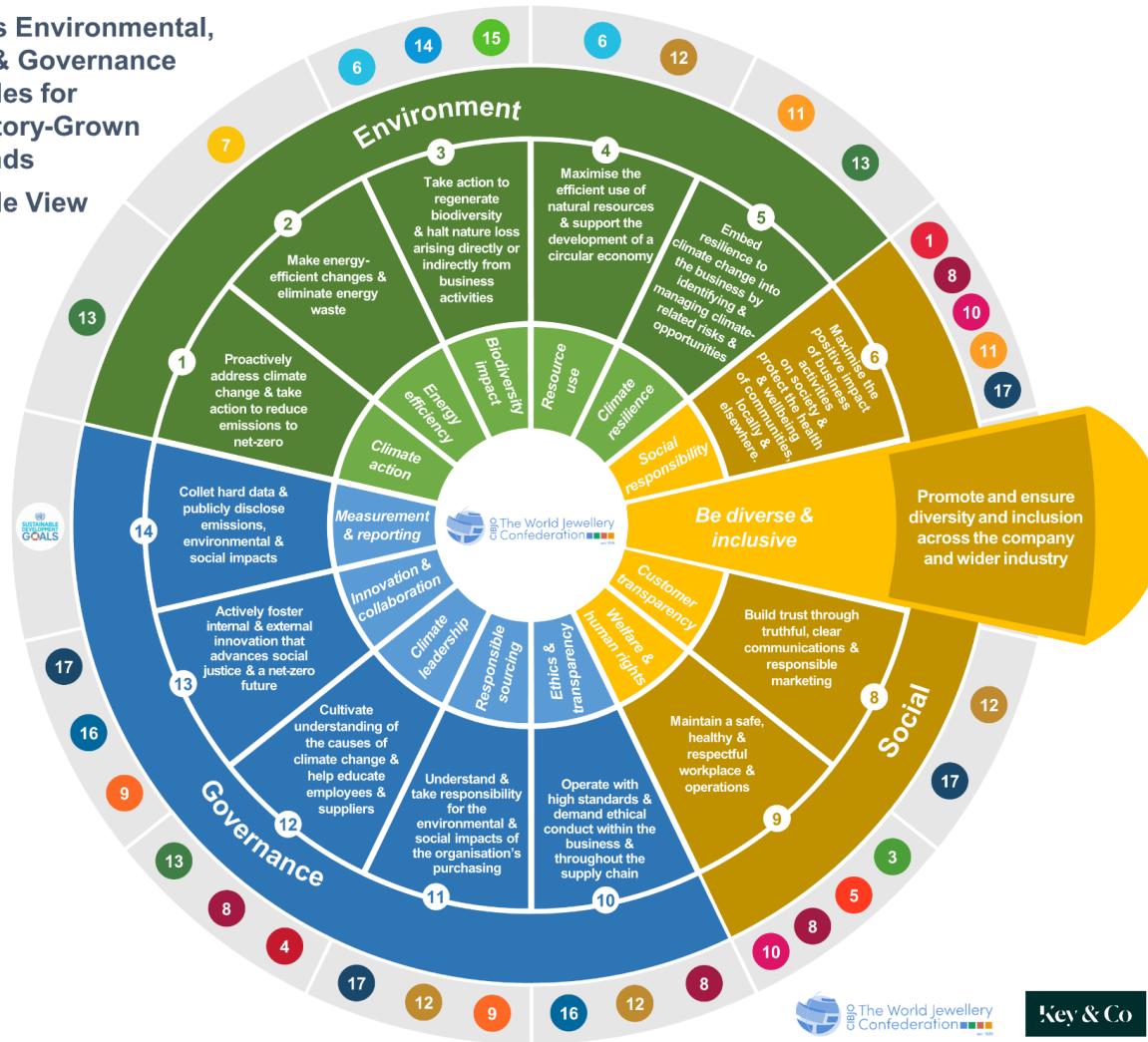


**6 Examples of recommended actions for the organisation & professional**

- Know the impact the business has on individuals, generations and local communities
- Add value to society by investing in and supporting community initiatives where business activities take place
- Create opportunities for those with barriers to employment to develop industry skills and work experience
- Contribute to climate action in society
- Strengthen the social safety net and build equity



**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds Principle View**



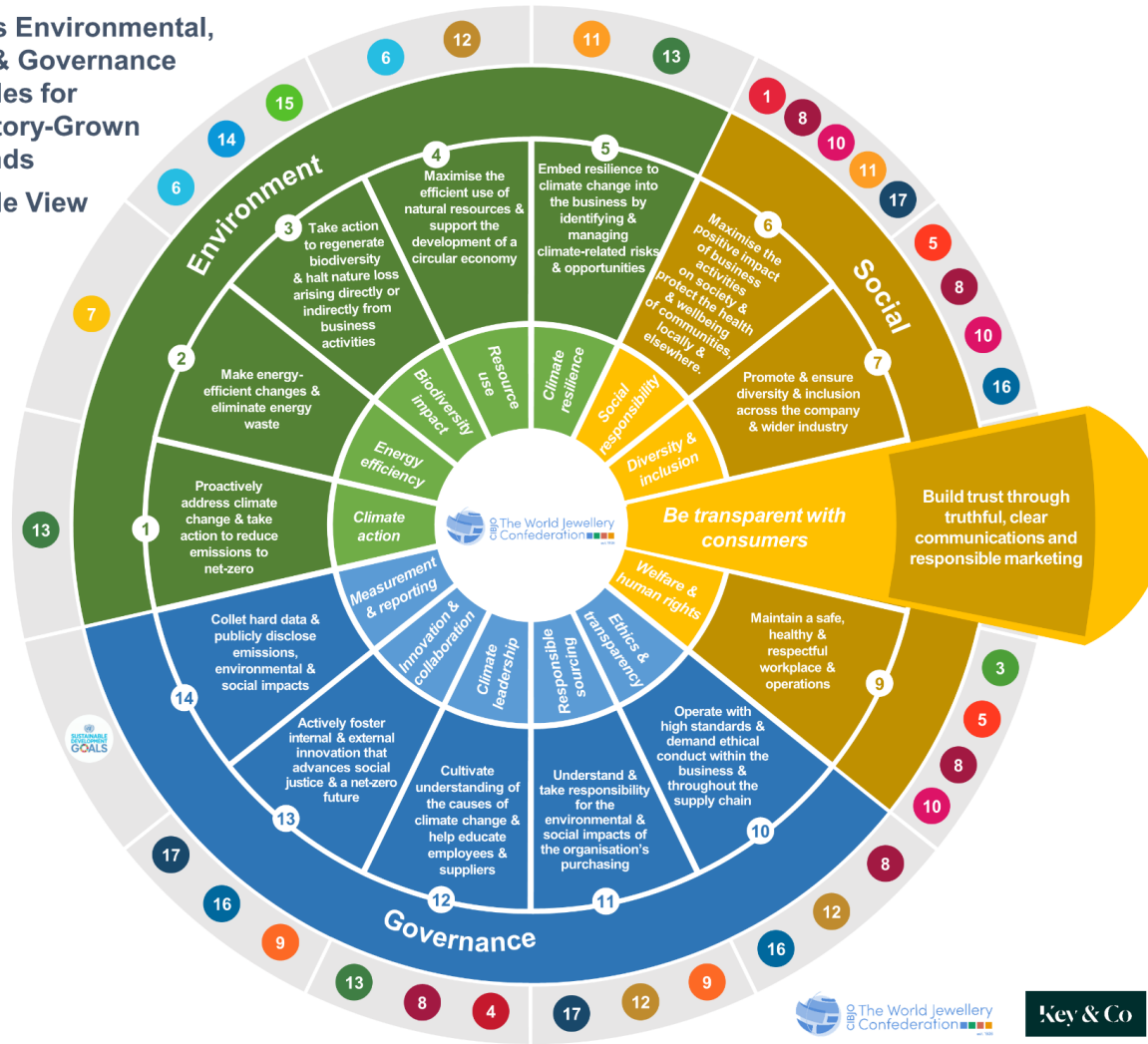
**7 Examples of recommended actions for the organisation & professional**

- Accept, welcome and support the participation of people of different genders, ages, races and ethnicities, abilities and disabilities, religions, cultures and sexual orientation involved in or impacted by business operations
- End discrimination and exploitation of women and girls
- Set goals for the representation of women and underrepresented people within the company
- Create and maintain anti-discrimination and harassment policies
- Close the gender pay gap. Women earn 10-30% less than men for the same work
- Promote shared domestic responsibilities

**SUSTAINABLE DEVELOPMENT GOALS**

- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds Principle View**

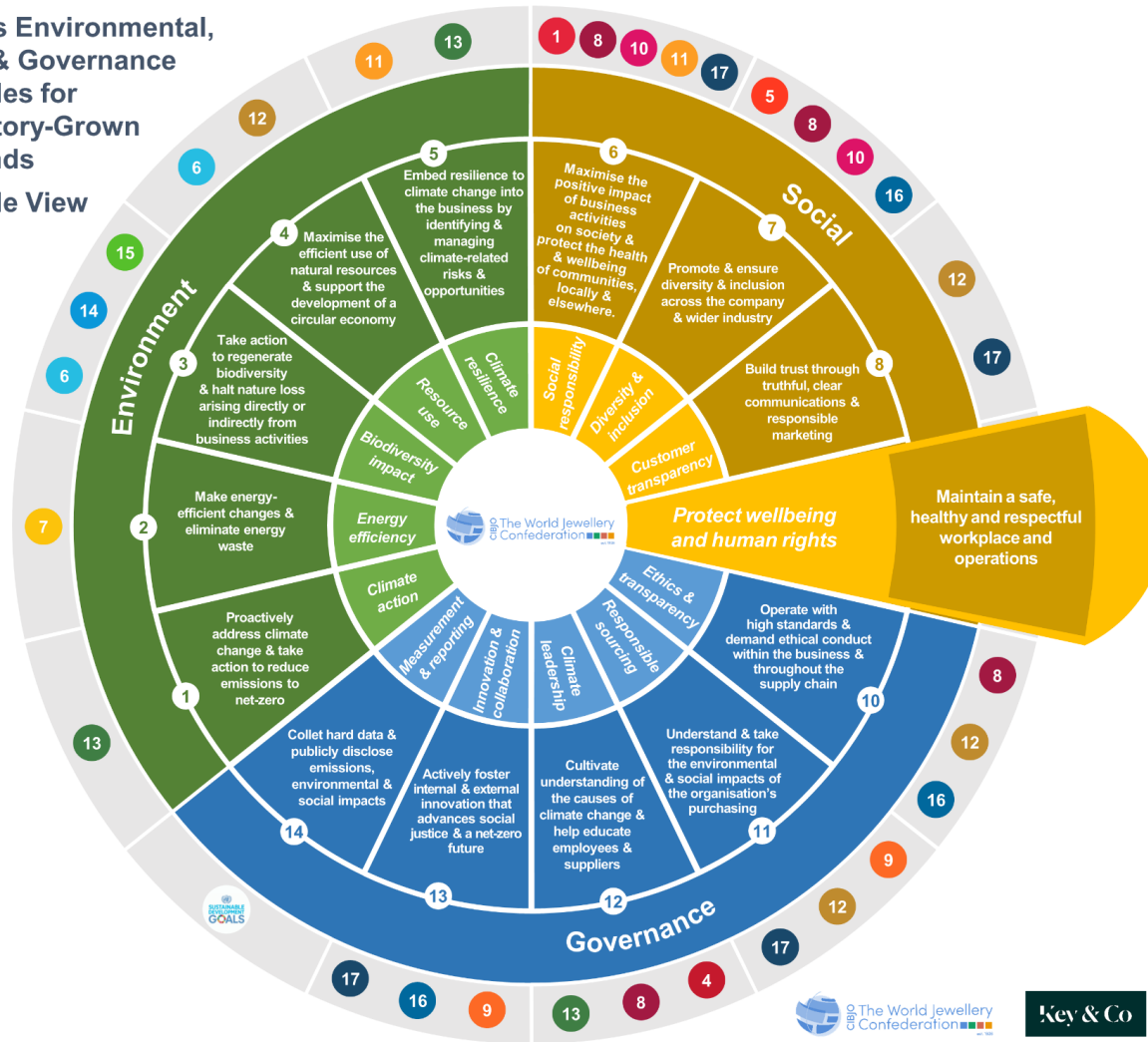


**8 Examples of recommended actions for the organisation & professional**

- Provide factual, evidence-based, complete and unambiguous information on product and supply chain sustainability so consumers can make informed purchasing and sale decisions
- Promote responsible consumption
- Develop and implement a responsible marketing policy, taking into account the environmental impact of promoting products or services
- Ensure marketing is credible and supported by documented evidence capable of standing up to rigorous scrutiny. Do not overstate the sustainability attributes and impact of products and services
- Encourage consumers to reduce their own carbon footprint
- Protect consumer data and privacy



**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds**  
Principle View

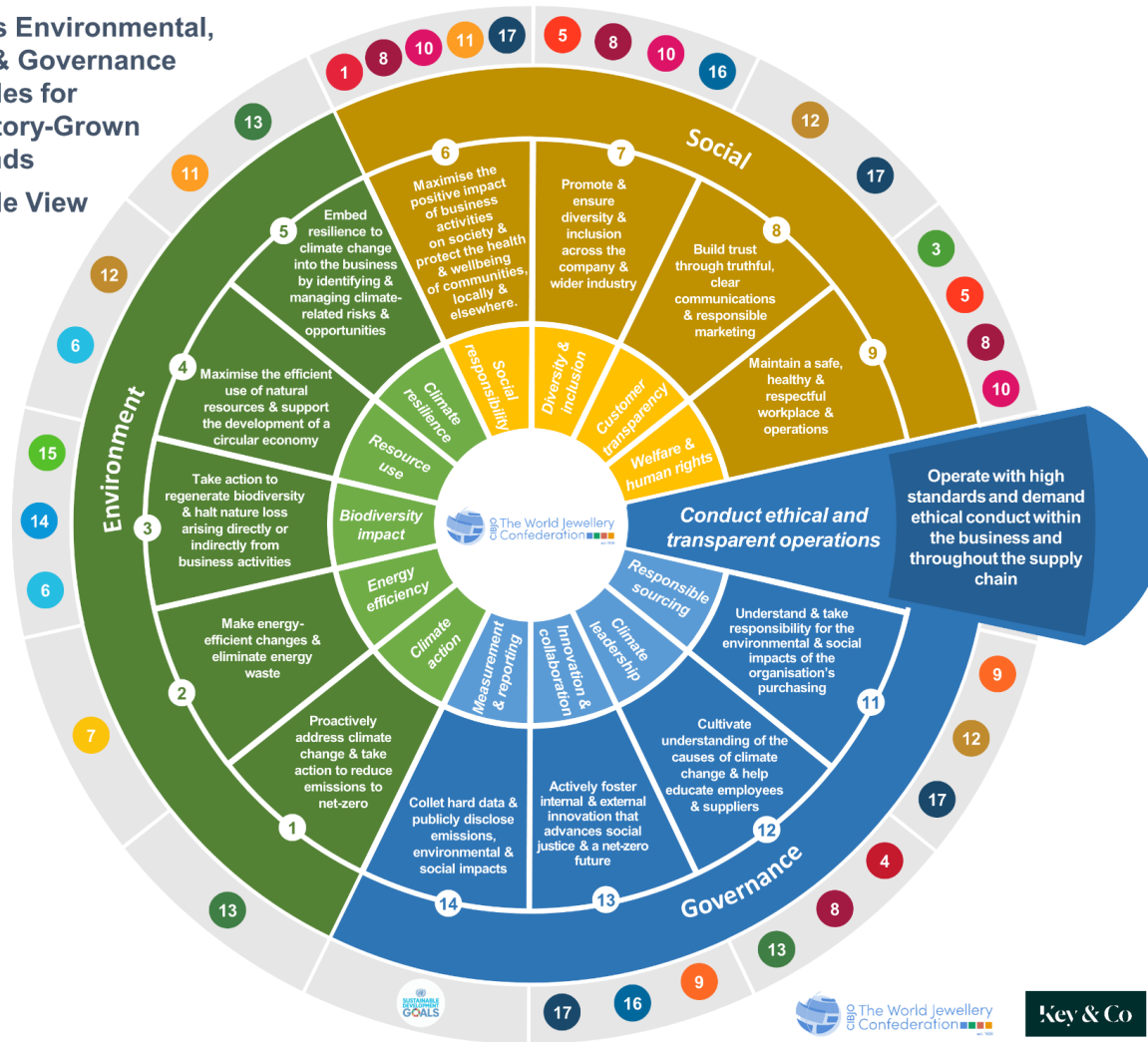


**9 Examples of recommended actions for the organisation & professional**

- Prioritise the health and wellbeing needs of workers first
- Ensure the organisation doesn't employ any unethical labour practices; respect, promote and protect an individual's labour rights
- Protect workers from risk of injury, illness, danger or loss of life and act on incidents, risks and opportunities
- Provide fair pay for a fair day's work
- Treat all people with dignity and respect
- Recognise most human rights issues are hidden in supply chains



**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds Principle View**



**10 Examples of recommended actions for the organisation & professional**

- Conduct operations in an environmentally responsible manner
- Abide by industry policies, guidelines and standards; Aim to exceed minimum legislative requirements
- Practise continuous improvement and best practices in all facets of business operations
- Be honest about the company's sustainability journey
- Do not tolerate corruption in any form





**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds**  
Principle View

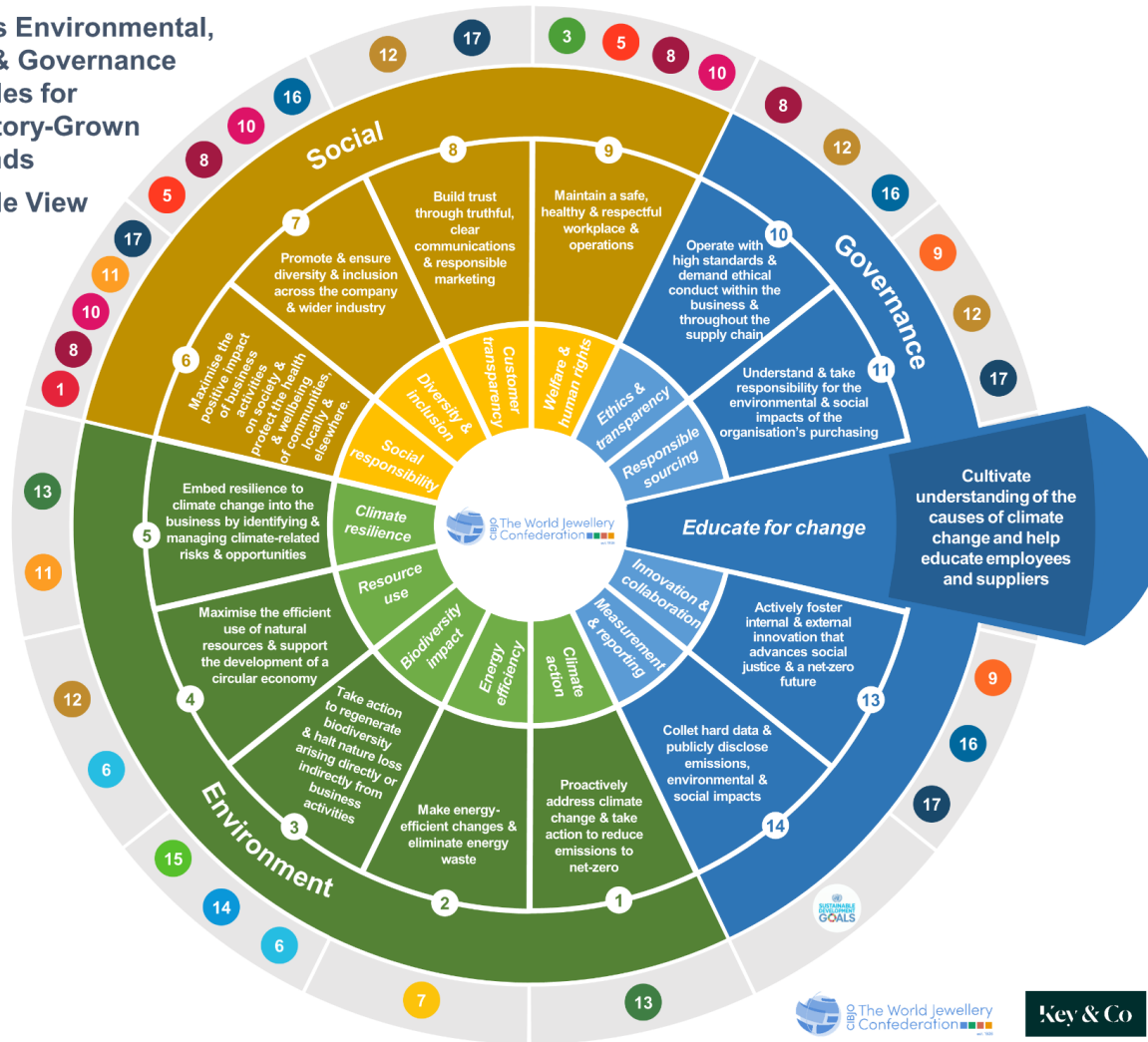


**11 Examples of recommended actions for the organisation & professional**

- Know your supplier and the source of materials used
- Monitor, manage and reduce the supply chain's environmental and social impacts
- Advance supply chain traceability; support supplier development of sustainable practices, transportation, products and services
- Be confident no human rights abuses are built into your product or supply chain
- Provide employees with training to enable environmentally responsible supply decisions
- Supply chains account for up to 90% of a company's environmental impact. Known as Scope 3.

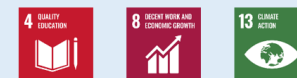


**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds Principle View**

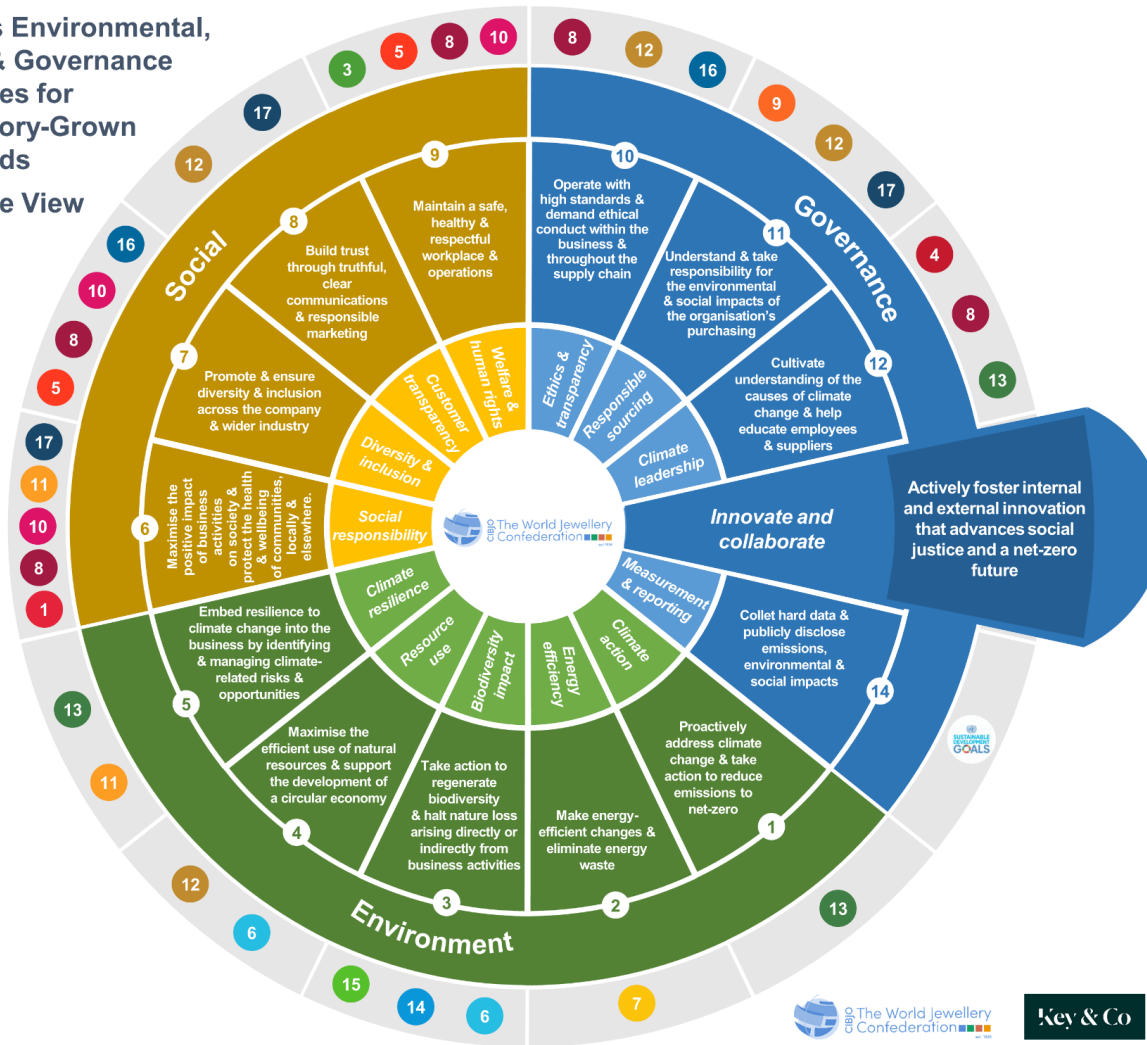


**12** Examples of recommended actions for the organisation & professional

- Learn about climate change, its impact on people and create a cultural shift within the company.
- Identify skills and level of engagement that your sustainability strategy will need. Educate employees on actions / behaviours that drive best practice
- Communicate these principles across the industry, including to consumers
- Integrate sustainability goals into performance reviews and employee incentives



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Principle View



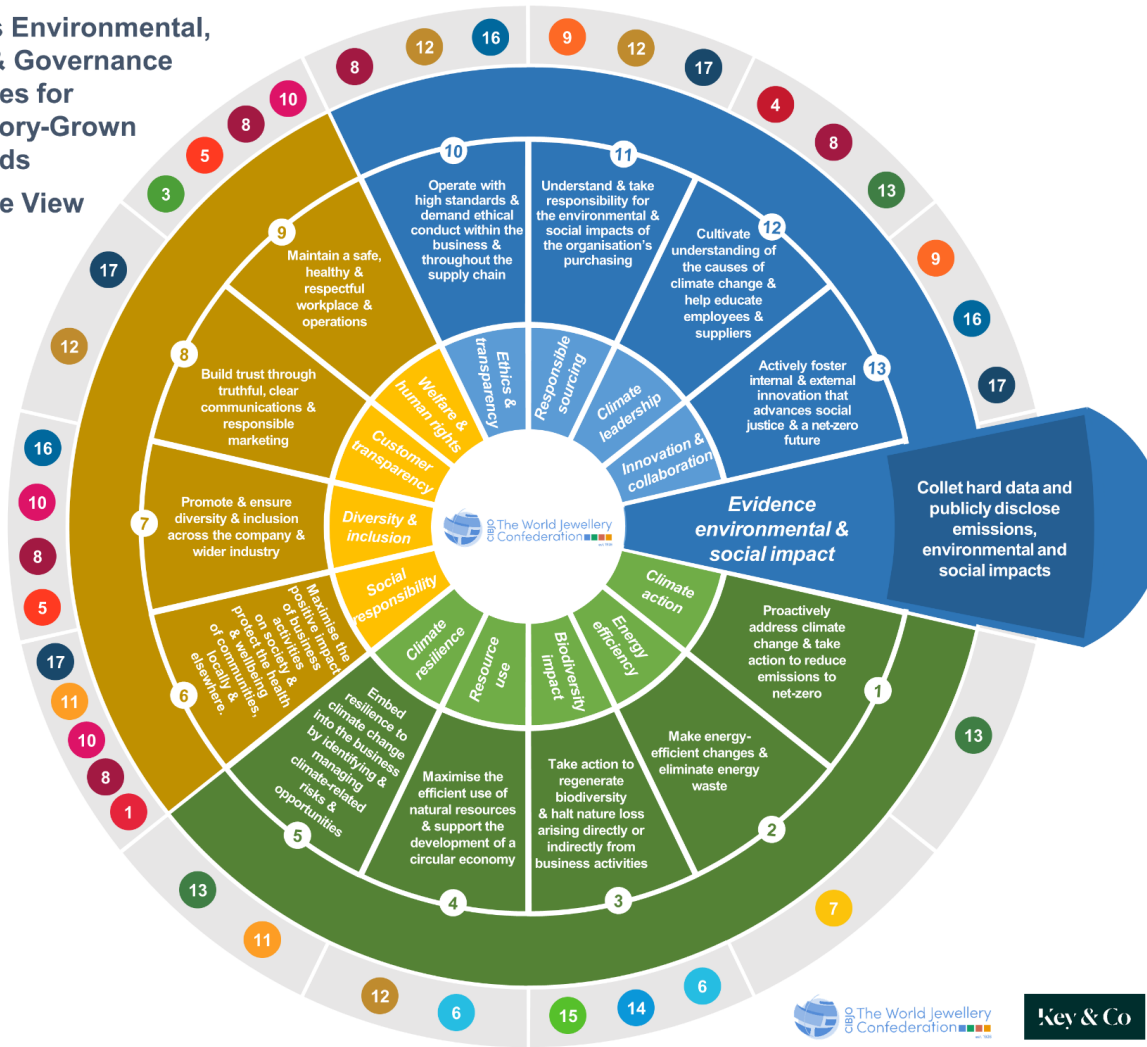
**13 Examples of recommended actions for the organisation & professional**

- Solicit and disclose information that supports a marketplace of innovation
- Scout for new technologies and processes. Practise continuous improvement through the application of new technology and innovation in business operations
- Seek opportunities e.g. partnerships with startups who support circularity
- Collaborate on industry-wide initiatives that advance sustainability and social responsibility change
- Collaborate to advocate for policies that shape the regulatory context for the industry





**CIBJO's Environmental, Social & Governance Principles for Laboratory-Grown Diamonds Principle View**



**14 Examples of recommended actions for the organisation & professional**

- Measure impacts (positive and negative) by collecting data. Avoid using estimates/proxies as much as possible. Start high-level and refine over time.
- Publicly disclose timelines, key actions, impacts and progress towards net-zero
- Do not make unqualified claims about products or business operations. Validate accuracy via independent assurance or verification
- Think of disclosure as multiple updates along a journey, not a one-and-done activity

