



THE WORLD JEWELLERY CONFEDERATION

Dr. Gaetano Cavalieri, CIBJO President
SPEECH TO OPENING SESSION OF 2019 CIBJO CONGRESS

November 18, 2019

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Your Excellency Shaikh Khalid bin Abdulla Al Khalifa, Deputy Prime Minister, Chairman of Mumtalakat, deputy patron of His Royal Highness Shaikh Khalifa bin Salman Al Khalifa the Prime Minister,
Ministers,
Ambassadors,
dignitaries,
Ladies and Gentlemen,

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Ahlaan Wa'sahlaan bik a'ilha al'Bahrain, wa'mu'tam'arah CIBJO ala'fey wati'se'at ash'ahr, or, as we say in Sicily, welcome to Bahrain and the 2019 congress of CIBJO, the World Jewellery Confederation.

It is 399 days since we last gathered together in 2018 at the congress in Bogotá, Colombia. Then were in the land of El Dorado, a country with a jewellery tradition that stretches back thousands of years.

Today we are in a place with a similar legacy, although this time the precious commodity is natural pearls, located in the warm waters of the Arabian Gulf, just off this archipelago.

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Bahrain is a country that can make fair claim to the title of the world's oldest operating jewellery centre. There is evidence that pearls have been harvested from underwater oyster beds in these parts of the Arabian Gulf since Neolithic times, which for those of us who are not archaeologists was the final period of the stone age.

If you have not done so already, I strongly recommend that you visit the old city of Muharraq and walk the Pearl Trail, which is a UNESCO World Heritage Site. It's of more recent vintage, dating back to the 19th Century, and it has been beautifully restored.

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I visited Bahrain for the first time in April 2018, at the urging of Ken Scarratt. Ken, at the time was CEO of DANAT, the Bahrain Pearl and Gemstone Institute, and played a key role in setting up in this city one of the most sophisticated and well-equipped laboratories anywhere in the world.

While here in April 2018, I attended an event that, after fine jewellery, is for an Italian one of the most fascinating and exciting subjects that there is.

I am talking of course about Formula 1 racing, and more specifically the Bahrain Grand Prix, which takes place on a track not far from here. There we were joined by Yaser Alsharifi, the Chairman of DANAT's Board of Directors, and he, Ken and I discussed the possibility of holding the CIBJO Congress in Bahrain.

By the way, in case you are interested, at the 2018 Bahrain Grand Prix, Ferrari took the chequered flag.

So let us all pay tribute to Yaser and Ken for all that they have done in making this possible. And, also to Noora Jamsheer, Ken's successor as DANAT CEO, who immediately prior to that was the coordinator of the 2019 CIBJO Congress.

Our thanks also go out to Layal Bushehri, Noora's successor as the CIBJO Congress coordinator, and to the other dedicated members of staff at DANAT, and also the CIBJO team, Alessandro Bertoni and Steven Benson. They have gone beyond the call of duty and deserve our applause.

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Quite soon after I was first elected president of this organisation nineteen years ago, I delivered a speech where I compared CIBJO to a distinguished English lady – very proud of her refined upbringing, but somewhat oblivious to the fact that, while life seemed the same from her perspective, the world around her had changed.

Now, the truth is that, not only were there very few English ladies in CIBJO, there were very few ladies at all. The members I was speaking to were distinguished jewellers, but mostly European, male and middle-aged and older. The resemblance between them and the industry we claimed to represent was becoming increasingly vague.

What I said then was, if we were not prepared to change, and become more like the jewellery industry as it existed at the turn of the 21st Century, we were destined to become irrelevant and possibly obsolete.

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Nineteen years later, if you look around you, you cannot help noticing that CIBJO is more reflective of the industry that we serve. There are still Europeans in the room, as there should be, but also Indians, Chinese, Arabs, Africans, Australians, Pacific Islanders and North and South Americans. There also are more women, but not as many as there should be. We have improved certainly, but still not achieved perfection.

CIBJO's *raison d'être*, or reason for being, is stronger than ever, in that we are part of an industry where each and every one of us is reliant on the honesty, integrity and professionalism of the other.

CIBJO, which is the most important body in the industry providing terminology that is understood in the same way by everybody, and creates rules and standards that are common across the globe, is the common thread that keeps us all together.

Not only is CIBJO relevant, but in our evolving industry it is more relevant than ever.

But for CIBJO to remain relevant we also have had to ensure that the range of subjects on our agenda reflect the most important challenges facing our industry.

In the time that remains, I would like to discuss several of the most pressing new issues facing our industry, and how we as an organisation should respond.

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Two decades ago social and economic impacts were rarely discussed in our industry. This changed with the growing awareness of the conflict diamond crisis in 1999 and 2000, and the impact of 9-11 in the United States, which led to increased scrutiny of money laundering and terrorist financing.

In 2006 CIBJO broke new ground, when we received special consultative status with the United Nations Economic and Social Council, or ECOSOC. In so doing we accepted the principle that good corporate citizenship did not only mean not doing the wrong thing. It also means actively seeking to improve the lives of all our stakeholders.

In joining ECOSOC, CIBJO became the first and only jewellery industry association to commit the industry to help realize the UN's Millennium Development Goals, which in 2015 were superseded by the Sustainable Development Goals.

We did this as an organisation, but our intention was to educate the industry at the grass-roots level, company by company. This is essentially the mission of the World Jewellery Confederation Education Foundation, or WJCEF, which we established with UN support in 2008. It is also the primary function of the new Responsible Sourcing Blue Book, which was approved by our Board of Directors this past January.

This expansion of the focus of Corporate Social Responsibility, and the educating of the industry that jewellery plays an absolutely critical and social role, has changed not only attitudes in our business, but also the way in which consumers regard our products. I am proud that CIBJO led the way.

In matters related to CIBJO's relationship with the United Nations, I would like to play special tribute to Hanifa Mezoui. She has provided invaluable support over the years to our industry.

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The same year that CIBJO became associated with ECOSOC, we also joined the UN Global Compact.

The Global Compact is the world's largest grass-roots corporate sustainability initiative, with more than with 13,000 corporate participants. These are individual firms or organisations that each have committed to 10 Global Compact basic principles, which are listed on the screen, and also to advancing the Sustainable Development Goals.

They are challenges that should be met on a company by company basis in the jewellery industry, each to its own ability.

CLICK 1

In June of this year I was in New York for a series of meetings at the United Nations, and took the opportunity to deliver an invitation to Lise Kingo, the Global Compact's Executive Director, to join us at this

year's congress. She was not able to, but sent a representative from New York. He is Felipe Morgado, and he will address this gathering during the Responsible Sourcing Commission's session that will take place after this opening event.

Ms. Kingo also sent a short personal video message for the congress opening, which I would like to play.

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PLAY VIDEO

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A few weeks ago, a respected scientific research body revised forecasts for the way in which population centres could be threatened by rising sea levels by 2050. According to the study, several of the most important cities in our industry are being threatened with flooding, including Bangkok, Shanghai and Mumbai. Now global warming is not an issue specific to the jewellery industry, but it is an issue that already is affecting all of humanity. It is a legacy that each and every one of us is bequeathing to the coming generations. In so many respects, it is the most important story of our time.

There is a tendency, when faced by a challenge of this magnitude, to feel that we as individuals are helpless. But if each of us does nothing, the march towards inevitable environmental catastrophe will continue.

However, if each of us acts, and then that is multiplied over and over and over, company by company, industry by industry, it may be possible to stave off disaster. It is the least we can do.

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In 2014 CIBJO set up the Jewellery Industry Greenhouse Gas Measurement Initiative through the efforts of our Marketing & Education Commission, led by its president Jonathan Kendall. It is designed to help companies within the jewellery and gemstone industries understand their environmental impact, reduce it, and protect themselves and the sector as a whole, as well as our planet.

Late this afternoon, during the session of the Marketing and Education Commission, Jonathan and Moya McKeown of Carbon Expert, an environmental consulting organisation that has been working with CIBJO since the beginning, will be available for one-on-one meetings, to advise all of you how you and your association members may comply with Greenhouse Gas Protocol Corporate Standards, and make a difference.

I urge you all to take advantage of this opportunity.

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As I stated earlier, CIBJO has made great strides in expanding its membership outside of the traditional Western markets, but gaps still remain.

Fei Cui, which is the Chinese term for a range of jade compositions, of which the best known is jadeite, is an example of a product and an industry that has not been transported or translated well outside of its primary market, which of course is China.

The size of the jade market has been difficult to estimate, with figures fluctuating wildly. In 2015 Global Witness estimated the size of the jade industry just in Myanmar to be worth 31 billion U.S. dollars per annum, but a year earlier, a report by Harvard University put the real-world market value of all jade products at 8 billion U.S. dollars.

That is a massive variance, but, whatever the exact figure is, it is fair to say that, after diamonds, Fei Cui products make up the most valuable sector in our worldwide industry.

In most of the world's jewellery markets this dominance of jade comes as a revelation. But this lack of knowledge will hopefully end at this congress in Bahrain.

The Chinese and Hong Kong industries are interested in advancing international standards for Fei Cui in cooperation with CIBJO, and tomorrow morning, in a special session, a delegation will present its case to the CIBJO Congress.

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Last year at the congress in Bogotá, our Board of Directors approved the establishment of the Laboratory-Grown Diamond Working Group. Its purpose would be to create a framework by which the laboratory-grown diamond industry would become recognized as a bona fide and separate sector within CIBJO and the greater jewellery industry.

As we usually do within CIBJO, our goal would be to create operating guidelines for the laboratory-grown diamond sector, and the formulation of standard principles for conducting business responsibly.

The only ground rules that were provided to the working group was that its members needed to be committed to defending the interests of consumers by being absolutely transparent about the identity of the products being sold, and there should be general agreement that neither the natural diamond or laboratory-grown diamond sectors should advance their respective interests by disparaging those of the other.

Given the sensitivity of the subject-matter, it was decided right from the beginning that discussions would be held in camera. Only after consensus had been achieved within the group, would its recommendation be released to a wider audience, which will happen tomorrow in an open session.

I would like to thank the group's members, who put hours and hours of work into this effort over the past 10 months, in teleconferences and two face-to-face meeting in Milan.

The time has come to reach a modus operandi that is acceptable to all of us.

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We have a fascinating mix of subjects to discuss over the coming three days, and as always decisions that are taken here at the CIBJO Congress could reverberate through our industry for years to come.

I wish us all an interesting and productive congress.

Thank you.

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