



World Jewellery
Confederation

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OECD Forum on Responsible Mineral Supply Chains
Paris
April 23, 2019

ADDRESS TO OECD'S FORUM ON RESPONSIBLE MINERAL SUPPLY CHAINS

Ladies and gentlemen,

It is a privilege to be able to address you today. I speak on behalf of literally millions of individuals earning their livelihoods from what collectively is known as the jewellery industry. It spans supply chains that travels from the mines through to the gemstone and metals processing facilities, via the jewellery production centres to the retail sector, and finally on to the general public. It connects countries, continents, economies and people the world over.

CIBJO, the organisation of which I am president, is a confederation of national jewellery, gemstone and precious metals organisations from in more than 40 countries, including all of the world's major markets. We also have what are referred to as commercial members, which for the most part are international corporations active in our industry, as well as a number of international organisations, generally representing a specific sector, like diamonds, or coloured gemstones, gold, platinum or pearls.

We have been around for a long time, 93 years to be exact, and for most of that period our primary area of interest was the creation of common standards and nomenclature, so as to harmonise what inherently is a global trade.

But about 20 years ago that narrow focus ended, with the growing realisation in the industry that the then-raging conflict diamond crisis in Africa, and what it signified both from an existential and ethical perspective, could have a massive effect on our business.

In 2006, CIBJO became the first and only member of the jewellery sector to gain special consultative status in the Economic and Social Council of the United Nations. In so doing

we committed our industry to the quest to fulfil the Millennium Development Goals, and from 2015 the Sustainable Development Goals.

From a strategic perspective, this was a particularly significant development, insofar as it expanded our definition of corporate responsibility. We recognised that not only is it our duty to try and eliminate any negative impacts that our business may have, but we also need to serve as capacity builders, by providing sustainable economic and social opportunities in the countries where we obtain our raw materials and produce our products.

In terms of our approach to responsible business practices, there are a number of specific factors that influence our approach, of which I will mention two. The first is the fact that we belong to a luxury-product industry, and in our primary consuming markets the items we sell are considered non-essential. Because people have alternative options about how to spend their disposable income, we are particularly vulnerable to reputational risk.

The second is that our industry and especially our membership is overwhelmingly comprised of SMEs, many of which are family-owned and run. And while on the one hand that means that we are more likely to remain committed to our business over the long term, it also means that many of our members are limited in the amount of resources and personnel they can commit to detailed compliance systems.

This paradox has become more apparent over the past decade and a half, as awareness of responsible practices has grown, both among our members and our consumers. As an organisation, much of our attention has been concentrated on

meeting the requirements of a socially aware business community, while trying to protect the fabric of our industry.

It has not been easy. Larger firms clearly are at an advantage when it comes to introducing compliance systems, which increasingly demand third-party monitoring and auditing. SMEs find themselves being pushed to the side lines.

Our job has been to look for inclusive solutions.

At the end of 2017, we decided to investigate whether the methods by which we have compiled our standards for diamonds, coloured stones, pearls, precious metals, coral and gemmological laboratories could be applied to the subject of responsible sourcing. In the jewellery industry, these sets of standards are referred to the CIBJO Blue Books.

We asked ourselves, would it be possible to create for the full supply chain in the jewellery industry a responsible sourcing guidance that could be universally accepted, and support the ethical standards that our industry expects from itself, as well as those of the international community?

In January of this year, the CIBJO Board of Directors approved a Responsible Sourcing Blue Book, which provides a framework and guidance for ethically sourcing gems and precious metals responsibly in the jewellery sector. It references the OECD's Due Diligence Guidance for minerals from high-risk areas, insists on compliance with the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties, and it supports the United Nations Guiding Principles on Business and Human Rights.

We produced the document in consultation with a variety of organisations from inside and outside the industry, including the OECD, which while not endorsing it formally, nonetheless

provided us with a tremendous amount of support and expertise.

The philosophy that guided us in the creation of the Responsible Sourcing Book is that all participants in the jewellery business have a duty of care, and thus should conduct supply-chain due diligence to the best of their ability. While we support the principle of having responsible practices being verified and certified by standards organisations and independently audited, we also recognise that, at any particular point in time, not every company has the capacity to do so.

The new responsible sourcing “Blue Book” provides a set of universal guidelines that enable all members of the industry to demonstrate that they actively are involved in defending the integrity of the supply chain, and that they strive to improve these efforts on a continuous basis. An operating principle was that it would be inclusive, meaning that there is an expectation that the standards, guidelines and systems that it describes can reasonably be applied by all members of the industry, irrespective of size or financial capacity.

Companies can choose whether they wish to demonstrate their compliance by being certified by an independent body, such as the Responsible Jewellery Council.

Our goal in producing this document was not to compete with any other due-diligence systems, nor would it be something that we could enforce or police. The guidelines contained in the CIBJO Responsible Sourcing Blue Book are recommendations. However, it is our intention that the principles stated will come to serve as benchmarks for responsible sourcing systems developed and applied by jewellery industry organisations and commercial bodies

worldwide, and for governments that may seek to create viable regulatory systems for their countries' jewellery industries.

To support members of the jewellery industry in implementing the principles laid out in our responsible sourcing document, we are now in the process of setting up an online platform, which on the one hand will educate them as to what needs to be done, and at the same time will provide a set of downloadable tools and templates, which they can adapt for their use.

In this respect, we are working with the Coloured Gemstones Working Group, facilitated by the Dragonfly Initiative. Dragonfly is an advisory firm that supporting businesses in the precious metals, gemstones and raw materials sectors to create interconnected systems of environmentally, economically and socially responsible companies. They have been assisting us in the creation of the dedicated suite of due diligence tools for the CIBJO online platform

All of this will be provided to the industry free of charge.

In this second stage of the responsible sourcing project, we are receiving valuable support, including from Tyler and his team at the OECD, who hosted us here Paris and have provided us the benefit of their expertise.

Our ultimate goal is to support the principles expounded by the OECD and to introduce them to thousands of companies in the jewellery supply chain, so creating environments in which those companies may responsibly trade and manage the minerals they use.

I thank the OECD and all of you for the opportunity of speaking here today.

Thank you.