

# Steven Benson

## MODERATOR'S NOTES

### SLIDE 1

Ladies and gentlemen,

Thank you for joining us. The subject of today' seminar is "Corporate Social Responsibility strategies for the jewellery industry."

My name is Steven Benson, and CSR in the jewellery and gemstone industries is a subject that I have been following for about 16 years, first as a journalist, and later as a communications specialist working with several of the organisations involved in implementing Corporate Social Responsibility in this business.

I do not believe that there is any one person in the room who will disagree that ethical business is a good thing. We are not here to convince that it is better to act morally.

A basic premise of this seminar is that, in the current business environment, CSR no longer is practice that one chooses to follow or not. It has become a required component of every company and organization. You need to be able to describe your CSR policy, and if possible quantify it. If you cannot, there are an increasing number of players who will not do business with you.

We are here to do is discuss strategy, to understand what is expected, and to learn from others. To do that, we have gathered before you a panel of experts.

## SLIDE 2

But to begin, I would like to demonstrate what is at stake. And to do that I will go back to 1985, and to a case study that does not involve jewellery.

One year earlier, in 1984, a group of young animal rights activists in the United Kingdom set up an organization called Lynx, to protest to use of animal fur in the fashion industry.

They manage to convince one of the world's leading photographers, David Bailey, to shoot a short video clip, which they ran as an ad in the British media.

This is what David Bailey produced.

## SLIDE 3

## SLIDE 4

For the British fur industry, the results were devastating. Within five years sales had fallen by 75%. In 2003, the British parliament passed a law that banned fur farming entirely.

## SLIDE 5

Let us fast forward to 2006.

## SLIDE 6

Earlier in the year it became known that MGM was producing a movie called Blood Diamond, which would portrayed events in Sierra Leone in 1999, and would feature an A list cast headed by Leonardo DiCaprio.

It should be remembered that this was five years after the emergence of the conflict diamonds crisis. The Kimberley Process Certification Scheme has been introduced three years earlier, and had cut the incidence of conflict diamond to a small fraction of what it had been.

But there was a real fear that with such a high-profile movie and high profile cast, a repeat of what happened in the British fur trade was a real possibility.

The help of a PR agencies and lawyers in Hollywood, the industry, represented by the World Diamond Council, tried to convince the movie's producers to include some type of reference to the fact that the movie covered a situation that no longer existed. But other than a brief slide that was included at the end of the film that mentioned the Kimberley Process, they were not very helpful.

## SLIDE 7

But a different tactic was employed as well, and that was a public campaign that emphasized not only what had been done to stop the flow of conflict diamonds into the market, but also what the diamond industry contributes as a positive economic and social force.

This was emphasized in a website set up by the World Diamond Council called [DiamondFact.com](http://DiamondFact.com)

## SLIDE 8

As a movie Blood Diamond was successful. In fact two of its stars, Leonardo DiCaprio and Djimon Hounsou, were both nominated for Academy Awards in 2007. They did not win, however.

But the movie had no effect on diamond jewellery sales. As you can see, they increased, both in 2006 and 2007.

## SLIDE 9

Let us fast forward again to 2015, and this will be my final slide.

It is of a website of a e-commerce company from San Francisco, selling synthetic diamonds. One of the company's investors is a familiar figure, Leonardo DiCaprio, and as celebrities are inclined to do, he publically endorses the product, by saying that the product is more responsible, "because it reduced the human and environmental toll of the diamond industry by sustainably culturing diamonds without the destructive use of mining."

What Mr DiCaprio implies is that, if we buy synthetic diamonds, the ethical risk involved with diamonds is no longer relevant.

But is that responsible? What about all of those people, all of those communities and all of those countries that depend upon the revenues generated by their diamonds resources.

That, in part, is what we will discuss today.

## **CORRADO FACCO**

Corrado Facco is Managing Director of Fiera Di Vicenza. Since being appointed to the position in 2010, he has overseen a dramatic transformation of the organization, from a largely regional operator into one of the key players in the international jewellery industry.

Over the past six years, through the development of its VICENZAORO brand and Boutique Show concept, Fiera di Vicenza has largely rewritten the book on how jewellery trade shows are organized, and what types of services and resources should be provided. Under his leadership, the Fiera di Vicenza facility has been significantly upgraded, made-over and expanded, and VICENZAORO internationalized.

He is a native of the Veneto region, but his area of expertise is international marketing and trade shows. Starting out at the Foreign Trade Centre of the Veneto Region Chambers of Commerce, and then built his career with trade show companies both in Italy and Germany.

Today, in addition to his current position, he is Vice Chairman of DV Global Link, a joint venture with the Dubai World Trade Centre, which last year launched the VICENZAORO Dubai jewellery show. He also is President of the International Trade Show Commission of CIBJO and a member of its Board of Directors, and a member of the Advisory Board of JCK-Reed Exhibitions.

In 2013, through CIBJO, he once again helped Fiera di Vicenza make history, when it became the first trade show organizer to be authorised by the United Nations Economic and Social Council, or ECOSOC, to advance the principles of Corporate Social Responsibility in the international jewellery industry. Today's seminar is a part of extensive range of projects and programmes that have been designed to meet that commitment.

Corrado Facco will be our first presenter today, and will provide an introduction into what CSR means in the jewellery industry, and what is involved in its implementation.

## **EDUARDO ESCOBEDO**

Eduardo Escobedo is the Executive Director of the Responsible Ecosystems Sourcing Platform (or RESP), which is an NGO headquartered in Switzerland, whose mission it is to create positive environmental, social and economic impacts through the sustainable use of biodiversity and natural resources. RESP has focussed specifically on the luxury business, and in particular the cosmetics, fashion and jewellery industries.

Eduardo, who is originally Mexican, has served as RESP's director since October 2012. In this capacity, he has been responsible for implementing a global programme that brings together the business, scientific and policy communities, to develop effective tools and strategies to further the responsible and sustainable use of natural capital. One of areas that RESP selected to concentrate upon is the coloured gemstone sector, and it set up a special working group that gathered together an elite assortment of organizations, brand-name companies and civil society bodies. He will discuss its findings today.

Prior to founding RESP, Eduardo held a number of positions in international organisations, government and multinational companies, including the United Nations, the Mexican Ministry of the Economy and General Electric.

Eduardo holds a B.Sc. in Industrial and Systems Engineering from the Instituto Tecnológico de Monterrey and a M.A. in Development Studies from the Graduate Institute of the University of Geneva. He also holds post-graduate diplomas from the University of Vienna, the University of Geneva and IESE Business School in Barcelona.

## **IAN HAREBOTTLE**

Ian Harebottle is CEO of London-headquartered Gemfields PLC. It is a company that appears to have achieved what many in the gemstone sector long dreamed about, but were unable to do, and that is to be a dominant supplier of a range of coloured stones, with the means and ability to sustain both long-term supply and the health of the market.

Gemfields mines emerald and amethyst in Zambia, rubies in Mozambique, is developing emerald, ruby, sapphire, tourmaline and garnet deposits in Madagascar, sapphire deposits in Sri Lanka, and emerald deposits in Colombia.

An African both in heart and heritage – Ian in South Africa born – he traces his passion since childhood for gemstones to his father’s long involvement in the diamond industry.

On completion of his graduate and post-graduate studies, Ian established a successful strategic management-consulting firm to companies in coping with the impact of sudden change within their operating environments. Its clients were from all business sectors, and they included many of the world’s largest mining companies.

Having noticed the significant disparity between diamond and coloured gemstones value and volume sales across all major markets, he committed to combining his knowledge and experience about marketing and business leadership with his love for Africa and coloured gemstones.

Gemfields is a company that deals with the economic, social and political issues of developing countries in Africa and elsewhere at the grassroots level. It describes itself as the world’s leading source of ethically mined, rare coloured gemstones. Today, Ian will explain why.

## **DR DONALD FEAVER**

Dr Donald Feaver is the Co-Founder and Chief Technology Officer of Branded Trust Assurance Systems, which is a company headquartered in Australia that specializes in sustainability management software solutions. Don is Canadian, but he lives today in Melbourne, Australia.

For the past several years, Branded Trust has worked together with CIBJO the World Jewellery Confederation, in developing an online CSR compliance system specifically for the jewellery industry, and also a set of online CSR educational courses. That too was done with CIBJO, in cooperation with Gem-A of Great Britain.

Don's background is in international law, transnational regulation and commercial law, as both a lawyer and a law professor. He is a member of the New York Bar and the Supreme Court of Victoria, Australia.

He also is an expert in regulatory systems design.

Together with Benedict Sheehy, a fellow Canadian also living in Australia, he has recently published cutting edge research in regulatory theory and Corporate Social Responsibility in top international academic journals such as the *Oxford Journal of Legal Studies*, the *University of New South Wales Law Review*, *Dalhousie Law Review* and *Law & Society*.

Don also advises governments and private sector organizations on a range of regulatory matters.

## **PAOLO CESARI**

Paolo Cesari is the President of Assogemme, the Italian Association Precious Gemstones and Related Material, which gathers under its banner the key players active and associated with precious gemstones in Italy, including dealers and manufacturers, brand name jewellery retailers, gemmologists and academic institutions involved in related research.

A coloured gemstone dealer and manufacturer himself, Paolo is a founder of Cesari & Rinaldi, one of Italy's leading coloured gemstone suppliers and exporters, which over the years has succeeded in marrying the world's of commerce of art.

Paolo has championed the coloured gemstone sector for many years, playing an instrumental role in the establishment of Assogemme in 2007, associating it with Confindustria FEDERORAFI, the Italian Federation of Gold, Jewellery and Silverware Manufacturers, and setting up a gem show called Gem World, which in 2009 was incorporated into Fiera di Vicenza.

In recent years, CSR, and in particular supply chain integrity, has been a key focus at Assogemme. In 2013, the organisation created an ethical committee with the express objective of defining a procedural code that will ensure that the production and the sale of coloured gemstones by its members will be conducted according to strict ethical principles, from mine to retail.

He will discuss the work that has been done by the association today.

## **DR GAETANO CAVALIERI**

One of the world's most prominent jewellery industry leaders, Dr. Gaetano Cavalieri has served since 2001 as President of CIBJO, the World Jewelry Confederation. CIBJO gathers under its umbrella national jewellery associations from more than 40 countries, as well as many of the industry's most important commercial bodies, and it covers the business right from the mine to the retail market. In many respects, CIBJO is the most representative body of the entire global industry.

In July 2006, Gaetano was responsible for CIBJO receiving "Special Consultative Status" with United Nations Department of Economic and Social Affairs (ECOSOC), making it the first and only representative organization in the jewellery and gemstone industry to be officially recognized by the international body, and also a partner in its development programme. For this purpose he initiated the establishment of WJCEF, the World Jewellery Confederation Education Foundation. In 2013 he was instrumental in Fiera di Vicenza's becoming the first trade show to be authorized by ECOSOC.

It is unlikely that there is anyone in industry who has fulfilled more public roles than Dr Gaetano Cavalieri. The following is only a very partial list.

He has served as president of the Italian Federation of Gold, Silver and Jewellery Wholesalers, is a member of the International Executive Council of the Gemological Institute of America (GIA), a member of the Goldsmiths' Company of London, a member of the European Assay Association, a board member of the World Diamond Council, a member of Goldsmiths' Hall London, and member of the International Coloured Gemstone Association (ICA). He also has been a consultant to the Italian Ministry of Industry and Commerce, and to the European Economic Commission in the areas of harmonization of standards and value added tax (VAT) on gold.

Gaetano was largely responsible for changing the CSR paradigm in the jewellery industry. Prior to 2006 and CIBJO's recognition by the United Nations, corporate responsibility mainly referred to things that the industry should avoid doing, in order to protect its reputation and that of its products. But by committing the jewellery industry, through CIBJO, to the UN's development goals, Gaetano let it be known that our industry has a positive role to play.

He will address that in his presentation today.