



CIBJO

مؤتمر الإتحاد العالمي للمجوهرات
THE WORLD JEWELLERY CONFEDERATION CONGRESS

KINGDOM OF BAHRAIN 18 - 20 NOVEMBER 2019 مملكة البحرين

SPECIAL REPORT
COLOURED STONE COMMISSION



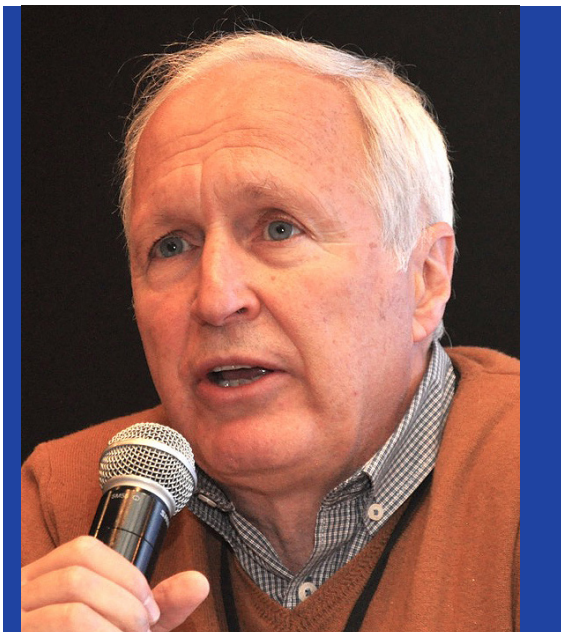
Technology creating a balanced playing field in the coloured gemstone sector

By Charles Abouchar, President
CIBJO Coloured Stone Commission

One would surmise that, with the pace of technological advancement today, the challenges facing the coloured gemstone sector would be lessening in number. But, as we discover time and time again, both technology and human ingenuity have a

tendency to create new challenges and transform old ones. We have our work cut out for us.

However, as an organisation committed to instilling ethical business practices, technology enables us to reach out to our colleagues in ways that once were not possible. This past year CIBJO placed two new guides onto its website, both of which have been made available to the trade at no cost.



Charles Abouchar, President of the CIBJO Coloured Stone Commission.

The first new guide is CIBJO's "Do's and Don'ts," which is a 10 to 13-page document, depending on the language in which it is downloaded. It provides easy-to-understand guidelines for industry professionals concerning the rules and methods for the accurate disclosure and description of natural materials, treated materials and artificial products, as well as recommendations about information that should be requested from suppliers.

The document is intended to support jewellery business owners and professional staff, but it is not intended to replace CIBJO's Blue Books, which are more comprehensive

guides of standards, practices and nomenclature for diamonds, coloured gemstones, pearls, coral, precious metals, gemmological laboratories and responsible sourcing. The document is also not intended to supersede national legislation or regulations, or internationally approved protocols.

The guide can currently be downloaded from the CIBJO website at <http://www.cibjo.org/dos-donts-guide> in 16 languages and dialects, including English, Arabic, Chinese, Danish, Dutch, French, German, Hebrew, Italian, Japanese, Persian, Portuguese, Portuguese (Brazil), Russian, Spanish, and Thai. Additional languages will be added to the website as soon as they become available.

Due to the cumbersome and technical nature of the Coloured Gemstone Book, the Coloured Stone Steering Committee has been working on a simplified version of the Coloured Gemstone Book. We are looking into the possibility making it available as an online app, for easy and handy reference. We hope that we can accomplish this during the coming year.

INDUSTRY STRUCTURE DISADVANTAGES COLOURED STONES

A lively debate took place among members of our community at the CIBJO Congress in Bogota, Colombia, last year, concerning the decision by the Responsible Jewellery Council (RJC) to include coloured gemstones in its new Code of Practice, alongside gold, platinum, silver and diamonds. The concern of many was that, as a sector almost entirely comprised of small and medium-sized enterprises, including rough gemstone production where about 80 percent of goods are extracted by artisanal miners, the burden of carrying out



Emmanuel Piat, Vice President of the CIBJO Coloured Stone Commission.



Nilam Alawdeen, Vice President of the CIBJO Coloured Stone Commission.

the required due diligence would be restrictively cumbersome and costly.

CIBJO's position has been clear. While we are strongly committed to the right of all ethical members of our trade to participate in our business, irrespective of their size or financial capacity, we accept that in the current business climate basic responsible sourcing due diligence is incumbent on everyone, to the best of their ability.

In January of this year, CIBJO's Board of Directors approved the first edition of the Responsible Sourcing Book. Developed by the new Responsible Sourcing Commission, it provides a framework and guidance for due diligence related to the responsible sourcing of gemstones and precious metals in the jewellery sector. It can be downloaded from the CIBJO website at <http://www.cibjo.org/downloads/19-01-06%20Responsible%20Sourcing%20Book%20.pdf>.

While not a definitive code of practice, nor a compliance mechanism or chain of custody, the Responsible Sourcing Blue Book recommends guidelines and procedures by which participants in the jewellery supply chain may undertake supply-chain due diligence. It recommends that all participants in the industry have a responsible sourcing policy in place, and do due diligence on their supply chains as best they can, to identify, assess and mitigate any identifiable risks in the jewellery supply chain related to human rights,

CIBJO's Do's & Don'ts



A brief guide to responsible trading
in diamonds, coloured gemstones,
pearls and corals.

The Do's & Don'ts booklet, providing simple guidelines for industry professionals about the disclosure and description of natural, treated and artificial materials, as well as information that should be requested from suppliers, was made available for downloading on the CIBJO website during 2018. It currently is available in 16 languages.

labour practices, money laundering, financing of conflict and corruption.

DOWNLOADABLE DUE-DILIGENCE SOLUTIONS

CIBJO remains cognizant of the difficulties faced by members of the coloured gemstone sector in implementing even basic due diligence measures. It is thus developing solutions that will support them in doing so.

In April 2019, CIBJO concluded an agreement with the Coloured Gemstone Working Group (CGWG), which is a coalition of six of the world's largest gem and jewellery companies, among them miners, manufacturers and retailers, to create a set of tools and resources for conducting responsible sourcing due diligence according to the precepts

of the new Blue Book. The CGWG is facilitated by The Dragonfly Initiative, a CSR and sustainability advisory firm.

Once complete, the set of tools and resources will be available for downloading free of charge from an online platform. The objective is that they will support any company, irrespective of its size, geographic location or financial capacity, enabling it to conduct due diligence on its supply chain.

Consumers and especially younger jewellery buyers are today much more aware of the social and environmental problems that





may be associated with these products, and ask many more questions about the products they buy.

We have to find a way to communicate the high moral and ethical self-standards that we are committed to live by, as well the commendable actions that a large part of the trade has been voluntarily practicing for a long time.

THE CHALLENGE OF ARBITRARY DESCRIPTIVE NAMES

The coloured gemstone trade in recent years has seen a profusion of new descriptive terms for coloured gemstones. Indeed, I am aware that frequently dealers asked gemmological laboratories to incorporate these names in their reports, so that they could be used as marketing tools.

Starting with more classical descriptive terms, like “pigeon blood” and “royal blue,” some laboratories began developing their own nomenclature, creating new descriptive names for a wide range of colours. Apparently, this is a mutually beneficial business strategy for both the laboratories and the dealers.

But it is a very problematic practice. For those consumers who are not well informed about the origin of both the old and new names, it may appear that these are internationally recognised standards, which clearly is not the case.

On the contrary, we frequently see instances of the same descriptive names being assigned according to different standards, each time in accordance with the individual guidelines of various gemmological laboratories.

So, for example, a ruby which is described as “pigeon blood” by one laboratory may not be awarded the same

description on the report by another laboratory. This confuses the customer, and worse.

In many cases the clients have paid a premium for a stone with a specific colour description. If at any point they wish to sell the stone, and they learn that the description does not comply with any internationally recognized standard, they will discover that the report delivers very little added value, if at all.

With all names implying quality, the real beauty of the stones has become of secondary importance. I believe that this problem is the biggest challenge our trade is facing right now, for it undermines the confidence of the clients buying coloured gemstones.

Perhaps technology will one day provide us solutions to the problem of arbitrarily applied colour descriptors. In the



meantime, the solution could be to clearly separate scientific facts from opinions on gemmological reports.

A published document on the subject laying out a gemmological laboratory's position is a presentation by Dr. Michael Krezemnicki of the the Swiss Gemmological Institute SSEF. In it he describes the problems and how a respected institute can address such issues. (See: https://www.ssef.ch/wp-content/uploads/2019/07/EGS-2019_MSK_final_web.pdf)

It provides us with a framework for discussion. We will need to work on this issue with urgency. If we do not, the confidence of consumers in gem lab reports may be undermined.

The Coloured Stone Commission will work in close collaboration with the Gemmological Commission to establish standards and parameters for variety names.

TRACEABILITY THROUGH DNA TESTING

Technological advancements that in time could prove to be most consequential were reported during the course of the past year. In September, the Swiss Gemmological Institute

SSEF reported that it had begun DNA fingerprinting of ivory, making it possible to determine whether it is CITES-listed elephant ivory or non-listed mammoth ivory.

The need to conclusively identify the source and species of samples of ivory was triggered by discussions in August 2019 at the Convention on International Trade in Endangered Species (CITES) on the possible inclusion of mammoth ivory in the CITES appendices. Mammoth ivory is sourced in current-day Siberia from the remains of animals preserved in the permafrost, which became extinct about 10,000 years ago.

DNA fingerprinting, together with a morphological analysis of an ivory sample, helps ascertain whether an item of ivory originated from a historic or modern source. The procedure was developed by SSEF in partnership with the Institute of Forensic Medicine at the University of Zurich.

SSEF has also performed DNA testing on coral and pearls, creating new methods that increase the traceability of biogenic gem materials in the trade, as well as indicating whether their specific species are CITES-listed or not. It also has reported on using radiocarbon analysis to age-date such materials.

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