

COMMUNICATION ON ENGAGEMENT (COE)

<u>CIBJO, The World Jewellery Confederation</u> September 2022-September 2024

PART 1: Statement by President of Continued Support to Global Compact

The Communication on Engagement (COE) is a call for CIBJO to align strategies on Human Rights, environment, and anti-correction taking accelerated actions to implement the Sustainable Development Goals.

CIBJO, the World Jewellery Confederation, is a non-profit business association representing the interests of all individuals, organisations and companies earning their livelihoods from jewellery, gemstones and precious metals. It has been a non-business member of the Global Compact since November 2006, as as such has committedly promoted within its sector the principle that building inclusive, resilient, competitive and sustainable communities is fundamental for achieving the SDGs by 2030.

CIBJO is the most representative and oldest organisation in the international jewellery and gemstone sector, having originally been established in 1926. With its membership made up predominantly by national jewellery trade organisations from some 45 countries around the world, it covers the entire jewellery, gemstone and precious metals sectors vertically, from mine to marketplace, and horizontally within each of the component sectors in the various production, manufacturing and trading centres. Many of the international jewellery sector's leading corporations and service providers are also affiliated to CIBJO through commercial membership.

CIBJO's commitment to the Global Compact principles are embodied in the Cape Town Declaration, which was adopted at its annual congress in 2007, just months after it joined the body. It in CIBJO stated: "The jewellery industry, as a member of the international business community, shares a responsibility toward the greater society in seeking practical solutions towards the eradication of extreme poverty and hunger, as well as to developing a global partnership for development."

As such, CIBJO has and will continue to educate, encourage and assist its member organisations, their respective members and the greater gemstone and jewellery sector worldwide to conduct business responsibly, by aligning their strategies and operations with Global Compact's Ten Global Principles on human rights, labour, the environment and anti-corruption, as well as to take actions that serve the societal needs of all its stakeholders, as embodied in the UN Sustainable Development Goals.

Dr. Gaetano Cavalieri CIBJO President

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PART 2: Description of Actions

Over the course of the past two years, CIBJO's actions, as a Global Compact Business Association, have been concentrated in the three areas:

- 1. Organising learning and dialogue events, workshops, webinars and training for members on the UN Global Compact and specific topics relevant to corporate sustainability.
- 2. Developing tools and guidelines that will enable its members comply with the Global Compact Principles
- 3. Engaging its members and affiliated groups in collective action efforts, at multiple events and location, on issues related to the UN Global Compact's mission.

These activities have included all four principal areas covered by the Global Compact Principles, including human rights, labour-related issues, the environment and anti-corruption.

CIBJO has managed these tasks in the following ways:

- 1. Through the organisation of seminars at its own congresses.
- 2. Through the organisation of workshops and seminars at events co-organised with other jewellery industry associations.
- 3. Through the organisation of webinars provided to members of the jewellery and gemstone industry worldwide.
- 4. Through the formulation of responsible business guidelines for the international jewellery and gemstone industry.
- 5. Through the preparation of digital and printed materials, which are distributed industry-wide, as well as being posted for downloading on the CIBJO website, including tools for complying with its responsible business guidelines, enabling members of the gemstone and jewellery industry incorporate CSR principles in their own companies.
- 6. Through courses organised by its educational foundation, the World Jewellery Confederation Educational Foundation (WJCEF), which was created in 2008 specifically to conceptualise, develop and finance training manuals, courses, studies and working papers, educational and didactic tools, and other educational means to promote, increase and improve knowledge of social and economic corporate responsibility in the international jewellery and gemstone industry and trade.
- 7. By collaborating with other organisations, from within the industry and outside of it, to further the education of the jewellery and gemstone and industry in the principles of socially and environmentally responsible business practices, and the creation of mechanisms and programmes by which these can be advanced.

Since 2006, CIBJO is the only organisation in the international diamond sector to have special consultative status with the UN Economic and Social Council, which in August 2022 confirmed by CIBJO's position with the international body through 2026. CIBJO delivered statements to the ECOSOC High-Level Segments in 2018, 2019, 2020, 2021 2022, 2023 and 2024, reporting on the programme that it is carrying out in the industry, in cooperation with the Italian Exhibition Group (IEG), a leading jewellery industry trade fair organiser. The programme falls within the framework of SDG 17 (Revitalizing the Global Partnership for Sustainable

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Development), and CIBJO in partnership with IEG is currently executing a series of projects that are specifically designed to optimize the involvement of the international jewellery sector in achieving sustainable development goals, while at the same time mitigating any negative effects that are directly or indirectly related to the jewellery sector's activities.

CIBJO most recent statement to the 2024 ECOSOC High-Level Segment was purposefully committed to the reinforncement the 2030 Agenda and eradicating poverty in times of multiple crises, through the effective delivery of sustainable, resilient, and innovative solutions, and to the general discussion on the theme "From the SDG Summit to the Summit of the Future."

CIBJO strongly supports the industry-wide adoption of a paradigm-change, by which those countries, societies, communities and individuals on which the jewellery industry has depended on for centuries for the supply of essential raw materials become empowered as key decision-makers in their own right, able to contribute equitably to the planning and management of the jewellery business in general, and also to receive fair benefit, so as support their own economic and social development.

CIBJO firmly believes that there is no contradiction in a luxury product industry committing itself to helping solve the world's most pressing economic, social and environmental challenges. The jewellery industry's raw materials are sourced predominantly in economically under-developed regions of Africa, South America, Asia and the South Pacific, where also are located e many of its key stakeholders. The jewellery industry has an overriding strategic interest in partnering with governments and the international community to supporting the stated goals and principles of the UN Global Compact and Declaration on Future Generations, and in particular to help eliminate the intergenerational transmission of poverty and hunger, while providing a safe, healthy, and sustainable environment.

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PART 3: Measurement of Outcomes

1. CIBJO-Organised Workshops/Seminars/Conferences/Webinars

a. CIBJO launched the fourth season of its Jewellery Industry Voices, which focuses largely on responsible practices in the jewellery industry and jewellery supply chain, on Sunday, January 22, 2023, during the VicenzaOro jewellery show in Vicenza, Italy. It was simultaneously live streamed around the world via the show's website.

The first seminar/was entitled "The branding of the jewellery market." It looked at the growing dominance of brands, which today account for more than half of fine jewellery sales, focusing on how they are promoting responsible sourcing and sustainability principles to enhance their own identity, as well as the value of their products.

The second seminar was entitled "Sustainability through successful succession." It focussed on the process of transitioning institutional knowledge effectively from one generation to the next. It was conducted in collaboration with Initiatives in Art and Culture.

- b. The next seminar was also done in collaboration with Initatives in Art and Culture, a U.S. organization. It also was a hybrid event, with the in-person component taking place at the IAC Conference in New York City on July 18, 2023. It dealt with the protection of intellectual property in the jewellery industry and was the first of a three-part series on IP. The first focused on the U.S. industry and market.
- The second IP seminar looked the subject from the perspective of brands operating in the С. European market, and it took place at the VicenzaOro show in Italy on September 10, 2023. The third part the IP series focused, and took place in Jaipur on October 3, 2023, during the Ethics Commission session of the 2023 CIBJO Congress.
- d. The fifth season of JIV commenced in January 2024, with six hybrid seminars in person at the Fiera di Vicenza exposition centre in Italy, which were simultaneously live streamed. They covered technologies that enhance responsible sourcing, particularly in terms of creating traceable supply chains; a consideration how, with the social media having become primary vehicles for the marketing of jewellery, a range of risks, both reputational and legal, are becoming more prominent; the application of sustainability practices in the gold sector; a look at how, with supply chain integrity becoming a critical component of a jewellery item's real worth; the terminology used to describe and evaluate responsible social and environmental practices is becoming increasingly important; and growing role of big data in decision making in the diamond industry.
- The fifth seasion continued with three hybrid seminars in September 2024, with the ine. person person once again taking place in Vicenza. They covered practices and policy relating to recycled gold, traceability in the jewelry supply chain, and intangible elements of value, including responsible standards, in the diamond trade.
- CIBJO also collaborated with the Watch & Jewellery Initiative 2030, which was founded in f. 2022 by the Kering and Cartier jewellery brands, to accelerate positive impact in three areas: building climate resilience, preserving resources, and fostering inclusiveness. In September 2022, January 2023 and September 2024, CIBJO and W&JI 2030 conducted panel discussion in Italy on gender equality in the industry, from the perspective of the seven Women's

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Empowerment Principles, as expressed within the framework of the UN Global Compact, and also the the impact of raw materials extraction by the greater jewellery industry on the natural environment and the role companies all along the value chain can play in minimising and reducing their effect on nature and biodiversity.

g. Reponsible practices in the jewellery industry were prdomeintly spotlighted at the CIBJO Congress, which took place in Jaipur, India, from October 2 to October 5, 2023. The first full section of the event, featured discussion focusing on ESG (Environmental, Social and Governance).

A special congress session on October 4, 2023, discussed education and training to help artisanal gemstone diggers achieve better lives and livelihoods, looking at future steps that need to be taken to bring in more effective responsible sourcing in the sector. Coloured gemstone companies were also called on to invest in beneficiation projects in impoverished mining areas, to bring much-needed infrastructure to artisanal diggers, such as potable water supplies. Sustained efforts are also needed to instil gender equality across all mining communities.

CIBJO's Pearl Commission, also meeting on October 4, 2023, discussed means of limiting the prevelance of microplastics in the world's oceans, which are eroding the quality of pearl molluscs and nacre, and if unchecked may limit the supply of higher quality natural and cultured pearls in the longer term.

2. Digital and Printed Materials

- a. On August 2, 2023, CIBJO's Sustainable Commission released a special report considers the increasing demands upon the jewellery industry to respond appropriately to the world's unprecedented environmental and social challenges. It drew a distinction between the often interchanged concepts of Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR), whereby CSR typically refers to voluntary and self-regulating initiatives to demonstrate progressive corporate behaviour, whereas ESG is often more quantifiable and enforceable.
- b. On August 16, 2023, CIBJO's Diamond Commission released a special report, which looked at how changes in industry standards and nomenclature are affected by developing geopolitical situations, technological developments and shifting consumer sentiment.
- c. On August 30, 2023, CIBJO's Ethics Commission released a special report, provides an overview of protection of intellectual property (IP) rights in the jewellery industry, the means available for protecting them and how they differ from country to country.
- d. On September 13, 2023, CIBJO's Pearl Commission issued a special report, considering how public demand and legislation are requiring pearl producers to provide science-based evidence of compliance with accepted environmental standards. One problem that is becoming increasingly evident is microplastics in both freshwater and saltwater environments, and studies that suggests that microplastics exposure may impact the appearance of biominerals and the expression of biomineralization-related genes, which pose a new potential threat to aquatic organisms.

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e. On January 25, 2024, CIBJO released a guidance document outlining environmental, social and governance (ESG) principles for companies primarily involved in the laboratory-grown diamond sector. The guidance document presents 14 specific principles, five of which relate to environmental policy, four to socially responsible policies, and five to governance. Each principle includes a set of recommended actions, and an indication of its relevance to specific United Nations Sustainable Development Goals.

3. Tools and Systems Enhancing Responsible Business Practices

a. On September 10, 2022, CIBJO and Intertek Italia SpA officially launched the first-ever training and certification programme for sustainability officers working in the jewellery industry. The online programme is operating under the auspices of the International Council for Sustainable Business, which was established by CIBJO's educational arm, the World Jewellery Confederation Education Foundation (WJCEF).

The training programme is offered in a series of modules on a dedicated e-training platform, developed by Intertek. Presented by sustainability experts with special expertise in the gem and jewellery industries, they contribute to a student's successfully obtaining the number of training hours that are mandatory for certified CSR/Sustainability/ESG officers. The certification is issued by Intertek, which is accredited by Accredia, the sole national accreditation body appointed by the Italian government in compliance with the application of the European Regulation 765/2008, which attests to the competence, independence and impartiality of certification, inspection and verification bodies. Accredia is a member of EA (European cooperation for Accreditation) and IAF (International Accreditation Forum). This means that the certification is recognised worldwide.

- b. In January 2023, CIBJO announced the establishment of the CIBJO Academy. It will be responsible for the preparation and delivery of educational programmes and materials, suitable for jewellery professionals and the consuming public, about standards, operating principles and terminology developed within CIBJO's various commissions and expert committees. The new academy's goal is to make available to the greater jewellery community the massive body of work that is being produced on a constant basis by the commissions and special, in a way that is a easily understood and applicable.
- CIBJO continues to provide its Jewellery Industry Greenhouse Gas Measurement Initiative, c. which it first introduced in 2014. Jewellery industry organisations and companies who become part of the initiative, are invited to work with a CIBJO's partner, an environmental consulting organisation, which will assist them in complying with ISO Standard 14064, which specifies how to quantify and report greenhouse gas (GHG) emissions and removals, and apply ISO Standard 20121, which offers guidance and best practice for controlling the environmental impact of events. Serving as a model for the industry, CIBJO has now been carbon neutral for the past ten years.

4. World Jewellery Confederation Education Foundation (WJCEF) Programmes

a. WJCEF was established by CIBJO in 2008 to help finance and administer an educational programme or series of programmes to promote the principles of Corporate Social Responsibility throughout the greater jewellery industry worldwide. The proposed purpose PAGE 6 OF 7

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of such programmes is to educate members of the industry about how to engender the principles of CSR in the countries and/or constituencies in which they are active, and how to create and support initiatives at the grassroots level through which the jewellery business assists in bringing about sustainable economic and social development.

- b. WJCEF's educational programmes are delivered to the jewellery industry in a number of ways. These include: (1) materials delivered through CIBJO's member organisations, who themselves have direct contact with many hundreds of thousands of industry members around the world; (2) programmes run at industry events, some of which are organised directly by CIBJO/WJCEF and some by third parties, such as trade shows; and (3) through arrangement with third-party organisations with which CIBJO/WJCEF have formal agreements.
- c. CIBJO/WCEF has a standard agreement with the Italian Exhibition through which it delivers CSR and sustainability-related seminars during major trade shows in Italy, which are simultaneiously broadcast via a streaming service around the world.

5. Collaborative Efforts with Other Organizations

- a. In December 2022, CIBJO concluded a cooperation agreement with Initiatives in Arts and Culture, which is a New York-based organization running educational programmes related to CSR and sustainability in the fine, decorative, and visual arts, and specifically jewellery. As part of the agreement, CIBJO and Initiatives in Arts and Culture agreed on the periodic joint organization of seminars, with the Vicenza event in January 2023 being the first in the series.
- b. CIBJO reached a collaborative agreement with the Watch & Jewellery Initiative 2030, which was founded in 2022 by Kering and Cartier jewelry brands, to accelerate positive impact in three areas: building climate resilience, preserving resources, and fostering inclusiveness.

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