Guidelines for Measuring ESG Performance in the Jewellery Industry and Supply Chain

2026

CIBJO The World Jewellery Confederation
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Table of contents

Introduction and background

CIBJO's status on the Economic and Social Council of the United Nations (ECOSOC) enables it to represent the jewellery industry and present its strategy and objectives in support of the UN Sustainable Development Goals. CIBJO's strategy in this respect is multi-layered. It serves to protect its constituents from factors that threaten the confidence of consumers in the jewellery industry, as well as factors that threaten the confidence of consumers in the jewellery product itself and, at the same time, promotes the jewellery industry, which creates sustainable economic and social opportunities in the countries and regions in which it is active.

The development and harmonisation of industry standards and practices has always been a critical element of CIBJO's mission. Embedding environmental, social and governance (ESG) measurement into organisational processes and operations is an intrinsic part of growing and maintaining an enduring and thriving business community; Sustainable businesses are resilient businesses. As the world grapples with a changing climate, social inequality and ever-increasing scrutiny of business ethics, and with ESG ever higher on leaders' priority lists, it is now widely accepted that it is essential to evidence organisations' credentials around integrity, sustainability and compliance. The jewellery industry as a whole is strengthened by having a consistent and convergent way of doing this.

Measurement of ESG performance enables more than just understanding and management of risks, and preparedness for future regulation. When done right, there are significant commercial and social impact opportunities to be gained, too.

The new paradigm facing the jewellery industry, where sustainability is considered a baseline requirement when purchasing a jewellery product, means that all CIBJO members and their supply chains need to get ready with adequate measurement mechanisms. This can seem a complex and daunting task, particularly for small and medium-sized companies. Knowing where to begin and what to measure are commonly cited concerns.

The CIBJO Guidelines for Measuring ESG Performance ("the Guidelines") are sector agnostic and offer a broadly applicable approach to measuring progress on an organisation's ESG journey, regardless of sector, size, or stage. The Guidelines condense the vast array of global sustainability standards into a structured and prioritised set of commonly used metrics. The aim is to help organisations zoom in on the areas that typically require monitoring and enable more efficient and effective measurement controls to be put in place. They also provide a basic framework for each business to adjust and add their own material local market and sector metrics appropriate to their size and stage of growth.

The Guidelines are aligned with CIBJO Blue Books and other resources, such as the CIBJO Sustainable Development Commission's ESG and sustainability roadmap that will be published in the near future as a Blue Book, and the ESG Principles. It also complements myriad other ESG initiatives underway across other sector commissions and external industry bodies, such as the Watch and Jewellery Initiative 2030.

Scope of guidelines

As with CIBJO's other Guides and Blue Books, this document outlines CIBJO's recommended guidance for its members and for the industry relating to measurement of ESG performance, alongside examples of metrics (units of measurements), in order to act on issues threatening our planet and societies. They also include typical data sources, as well as guidance on how to implement ESG measurement.

The Guidelines are intended to provide a "duty of care" in the jewellery industry, recognising that the Guidelines will be implemented as a process of continuous improvement, and implementation methods may vary between different companies, supply chains and sectors.

The Guidelines contain recommendations that participants in the jewellery industry may apply to measure the performance of their own business activities, and with their supply chains. Such measurement can be used to provide a level of assurance of responsible business practices and supply chain due diligence. It is not intended as a system to address traceability of precious metals or gem materials to a mine source, and cannot be described or interpreted as a set of targets or a compliance mechanism.

To specify the full spectrum of ESG metrics relevant to each sector, market and organisation within the jewellery industry would take more than one guidance document. Furthermore, feedback from members is that the full array of measurement areas and metrics can be overwhelming and does not help companies to prioritise. These Guidelines therefore do not seek to cover every ESG metric relevant to each industry sector: They represent a subset of widely used measures relevant to the jewellery industry, to enable companies to take action for the first time, while also setting a level of ambition for the industry.

Structured around fourteen environmental, social and governance (ESG) themes (consistent with other CIBJO ESG documents), the Guidelines identify between 4 and 16 measurement areas, as well as sample metrics for each theme. The section 'how to apply the guidelines' provides more guidance on using the Guidelines, to help companies take that first step or progress along their ESG journey. There is also a glossary of terms to help readers familiarise themselves with the terminology associated with ESG.

When it comes to measurement, the burning questions organisations often ask are: Which aspects of my business should I be prioritising as part of a sustainability strategy? What does good look like? How do I know my business is making positive progress? And, perhaps most importantly of all, what should be measured to assess the resiliency of my business in a climate-changed world? These are questions that these Guidelines seek to help answer.

Approach and methodology used to develop the guidelines

The Guidelines have been developed by the CIBJO Sustainability Development Commission and the Laboratory Grown Diamond Committee, with the help of external ESG specialists from Key and Co, consulting and advisory partner to CIBJO. They have been developed to be sector agnostic and flexible, to encourage organisations across the jewellery industry and wider supply chain to apply them.

The importance of robust measurement is referenced in many of CIBJO's existing publications, as well as in those published by many member organisations. The Guidelines align with these resources and are intended to be read in conjunction with them.

Company size and maturity

The Guidelines differ in scope and granularity of measurement based on size of organisation. While thresholds for grouping by size can vary by country and region, employee numbers and revenue are the two most commonly used indicators.

CIBJO acknowledges that, at the organisation and sector level, small and medium-sized companies (SMEs) have meaningful variations based on other factors such as business model, which part of the value chain they operate within, and technical and managerial capacities. Furthermore, size is not necessarily correlated with progression in ESG practices.

While these variations demonstrate that size, defined by employee number, is not the only way to group SMEs, research has shown that organisations of similar sizes share significant commonalities regarding resources and expertise available for environmental and social action, and disclosure. The guidance related to measurement areas and metrics takes these limitations into account in the following ways:

For small and medium-sized companies (SMEs)

- Reduced volume and scope of measurement areas, compared to those specified for large companies;
- Prioritisation of matters related to own operations and business activities under direct control (operational or financial) because the data required to substantiate these are often already captured in existing business systems and day-to-day operating procedures, or can be sourced relatively easily;
- Greater emphasis on foundational practices, such as operational governance, existence of company-wide policies, and the ability to monitor as a precursor to measurement;
- Reduced volume and narrower scope of metrics;
- Metrics specified to a lower (shallower) level of granularity.

For this group of organisations, the Guidelines include a reduced number of measurement areas (no more than 8) per ESG theme, while the majority have between 4 and 6 each.

For large companies

- More extensive scope in terms of both measurement areas and metrics, given that larger operations tend to have broader supply chains and more impact on the environment and society;
- Metrics more exacting in detail (granularity);
- Greater emphasis on activities and impacts beyond the direct control of the organisation in recognition of the increased ability to influence supply chains, address related impacts and risks, and catalyse change;
- Greater breadth and depth of requirements because large organisations typically have more mechanisms in place to capture and store ESG-related data, and more resources to source and analyse information needed for the substantiation of ESG claims.

The Guidelines assume each large company will apply the same measurements that are specified for SMEs (subject to materiality), plus up to 10 additional measurement areas, reflecting their increased capacity and wider operational reach.

The distinction in company size follows the internationally recognised standard adopted by the Science-based Targets Initiative:

- SMEs are defined as non-subsidiary organisations with fewer than 500 employees;
- Large companies are classified as having 500 or more employees.

Note on micro and small SMEs

The Guidelines do not further categorise between small (10-50 employees) and medium-sized (50-500) organisations. CIBJO acknowledges that reporting on all 14 ESG Principles may be too difficult for micro (fewer than 10 employees) and small (10-50 employees) companies, and that some of the indicators might not be relevant to them. In these circumstances, such companies are encouraged to use the guidelines to focus on theme 1 (climate action) while taking steps to prepare for broader measurement in future.

The decision has been taken not to develop a separate set of indicators for SMEs because as such organisations grow, along with their knowledge and reporting capability, they should start disclosing on all the measurement areas. Having the same set of indicators for all SMEs ensures that the data reported is consistent and comparable, facilitating its use in benchmarking and decision making by customers, investors, and other stakeholders.

Universal vs sector-specific guidance

CIBJO recognises that the jewellery industry and value chain are highly fragmented, diverse and multi-layered, and that there are significant differences in practices and differing levels of sophistication between countries and sectors, including precious metals and gemstones. In particular, the guidance takes into account that some sectors such as coloured gemstones, are highly dependent on artisanal mining sources and SMEs, and that this can make measurement more challenging. For each of the 14 ESG themes, metrics relevant to all participants in the jewellery value chain have been included, as well as some that are sector specific, such as use of laboratory-grown and recycled materials e.g. gold. The Guidelines have been developed in this way to enable organisations to add or adjust the metrics related to operations and activities that are unique to their industry segment.

Where sector-specific measurement areas and metrics are included, these should not be considered comprehensive. Alongside the stated ‘universal’ metrics, each CIBJO member is encouraged to add those material to the specific circumstances of their sector.

Alignment with international and industry standards

The Guidelines cover both mainstream metrics — those codified into standards written by industry associations, research and evaluation organisations — and custom metrics specific to jewellery industry sectors. This includes internationally recognised standards such as the Taskforce for Climate-related Financial Disclosures (TCFD) on which many sustainability regulations and reporting frameworks are based. For more details of references used, readers should refer to the relevant section in the appendix of this document.

By specifying an aligned subset of third-party metrics, the Guidelines seek to offer a somewhat simplified and standardised landscape for tracking and measuring ESG performance that is sufficiently flexible to accommodate the many differences across the industry.

Please note, this document uses terms such as *ESG* and *sustainability*, as well as *business, company* and *organisation*, interchangeably.

Exclusions

The Guidelines do not attempt to define a detailed methodology for measurement: Companies should determine the most appropriate approach aligned to relevant regulation, their own organisational culture and sector norms.

Consultation process

To help inform the development of this document, representatives from different sectors of the jewellery industry and supply chain were consulted through a series of interviews. Organisations were asked to discuss their ESG strategy and plans, as well as their approach to and challenges with measurement and metrics. This information was collectively used to inform the guidance content. Interviews included an industry trade association, a coloured gemstone corporation and a laboratory-grown diamond SME, among others.

Furthermore, the ESG metrics outlined in this document were put through an additional process by a European SME to identify some of the steps required to begin applying the Guidelines. This latter test helped to inform both the overall Guidelines and the chapter, *How to Use the Guidelines to Measure Progress.*

Like all ESG guidance and frameworks, readers should expect these to be continuously evolving in line with the latest climate science and as ESG reporting becomes ever more mainstream. It is anticipated that the Sustainable Development Commission and the Laboratory-grown Diamonds Committee will continue to consult with CIBJO members and communicate updates to the Guidelines in their respective Steering Committee meetings. Members and their supply chain partners are encouraged to share their experiences and learnings through these forums and contribute to the continuous improvement of ESG measurement in the industry.

Timeframe for applying the guidelines

Not all members will be able to implement the guidance immediately, nor comply with all associated metrics and practices in a single step. While every business is different, most organisations begin to take action immediately and then, typically, aim to achieve best practice within a three- to five-year period, adopting the principles of continuous improvement and aligning the pace of measurement to the company's individual capacity and stage of growth. Large companies are recommended to achieve best practice at the earlier end of this range.

This timeframe ensures that material changes are achieved in the jewellery industry before 2030, the timeframe set by the United Nations for realising the Sustainable Development Goals.

Materiality

The concept of materiality is an important one in ESG measurement and reporting. The term refers to the most relevant industry- and sector-specific matters that a company may impact and or be impacted by, in the broader social, cultural, political, legal, economic and environmental context. Material ESG topics form the basis of an organisation's ESG reporting and against which progress is measured.

These guidelines have been developed on the basis that the 14 ESG themes are universally applicable to CIBJO members. As examples, the climate crisis requires every organisation to take climate action by measuring and reducing its greenhouse gas emissions (theme 1), to avoid making unsubstantiated claims (themes 8 and 14) and to use resources efficiently (themes 2 and 4). It does not, however, assume that every measurement area and metric related to each theme is universally material.

The fourteen themes serve as an umbrella structure under which organisations can align the material topics specific to their organisational circumstances. As a general rule, small businesses typically focus on 8-12 material topics that span the 14 themes, each with a small number of sub-topics. Larger companies typically have around 16 material topics that they report on.

What is ESG? A brief reminder

ESG – the abbreviation for ***Environment, Social*** **and** ***Governance*** – is a collective term for an organisation's impact on the environment and society, as well as its robustness, ethics and transparency of governance, and how such concerns are integrated into its operating model. Governance tends to encompass but is not limited to such matters as company leadership, wage standards, internal controls, stakeholder rights and communications.

ESG measures how a business integrates related practices into its own operations and how these extend across the value chain, as well as the business model, its impact, and its sustainability.

Environment – how the business makes a positive impact and or minimises its negative impact on the environment. It covers a business's products/services, as well as its operations and supply chain. Examples of environmental business practices include:

- Reducing carbon emissions;
- Reducing energy and using renewable energy sources;
- Developing low- or no-carbon products and services;
- Switching to sustainable packaging using biodegradable materials;
- Reducing water usage and pollution that harms biodiversity and natural ecosystems;
- Encouraging recycling and reducing the amount of waste destined for landfill.

Social – how a business impacts workplace culture as well as wider society. Equality and fairness are at the heart of this.

Organisations can positively contribute to fairness in society, equal opportunities, as well as conditions for employees, people working in the supply chain, and local communities. Examples of social and ethical business practices include:

- Fully understanding how a company impacts its stakeholders;
- Preventing abuses within the supply chain, such as labour rights, including modern slavery and freedom of association;
- Ensuring production processes are safe and customer data is secure;
- Providing training and supporting health and wellbeing;
- Promoting equality in the workforce with diversity and inclusivity practices and policies;
- Investing in local community projects, such as skills-building initiatives.

Governance – the processes of decision-making, reporting, and the logistics of running a business. It also looks at the business's ethical behaviour and its transparency with stakeholders about its activities.

Governance is linked to the environmental and social aspects of ESG through measuring the transparency and decision-making behind them. Examples of governance practices include:

- Accurate reporting to stakeholders on the risks and impacts of business strategy and operations;
- Ensuring business leaders and managers are accountable for risk and performance management;
- Undertaking ethic business practices, such as preventing bribery or human rights abuses;
- Ensuring diversity in all teams and being open about pay.

What is ESG measurement?

Measurement of and metrics for ESG issues are becoming increasingly important in decision-making by customers, investors and regulators, not just business owners, their partners and suppliers.

What gets measured gets managed, as the adage goes. Measurement is an inextricable part of doing business, and an inevitable and necessary mechanism for ensuring an organisation delivers long-term value in financial, environmental, social and ethical terms.

Measurement encompasses a set of performance evaluation criteria and metrics that any organisation can use to measure and monitor the robustness of its governance mechanisms and its ability to effectively manage its environmental and social impacts. These are themselves intertwined in many instances. This is why you will find metrics that refer to or are related to other metrics elsewhere in the Guidelines.

What are ESG metrics?

Due to the various ways in which a business can impact or contribute to, and be impacted by the environment and society, ESG issues encompass a vast array of data points or metrics. ESG metrics are often categorised into different topics, each branching into sub-topics with specific individual metrics.

ESG metrics are now commonly used by multiple different stakeholders to assess the viability, long-term performance and risks of an organisation alongside other traditional business metrics, such as statements of profit and loss.

Unlike financial datasets which are mostly numerical, ESG metrics can include both quantitative and qualitative information to help substantiate a company's actions and intentions more holistically. They assist every organisation to measure what is known as well as some of the factors that are hard to monetise yet are no less valuable, such as the integrity of business relationships and biodiversity impacts.

Metrics are used to track progress and performance and can come from standards, frameworks, or regulations, and can also be complemented with an organisation's own key performance indicators (KPIs). Metrics define the unit of measurement to be consistently applied during measurement cycles.

Why measuring ESG progress matters

ESG is the direction companies need to head to find sustainable growth paths to survive and thrive in a changing world.

To evaluate the risks and opportunities faced on this path, business performance on important aspects of ESG, such as decarbonisation, workforce diversity and sourcing products through responsible supply chains, needs to be evaluated and measured. Furthermore, evidencing progress through measurement means more transparency as well as the opportunity to improve.

This accountability of reporting a company's ESG initiatives is essential to building and maintaining trust, and to ensuring every market participant takes its responsibilities towards environmental stewardship, and social equity and fairness, seriously.

Companies that put ESG at the heart of their strategy win in the short term simply through reporting more data and providing more transparency to customers that is subsequently rewarded through sales, as well as often identifying areas to reduce operational costs. In turn, through doing this, companies can create long-term value for themselves and their stakeholders and contribute to a more sustainable and fair society which the market rewards through public visibility and brand recognition.

ESG measurement and reporting can:

- Support an organisations' growth
- Build trust among customers and other stakeholders
- Help management teams prioritise spending and resources on the areas that contribute to the most severe, widespread or frequent impacts of the business
- Improve governance mechanisms, and enable companies to pinpoint flaws before they become failings
- Reduce operational costs
- Enhance a company's brand at local and global levels
- Improve buy-in and help secure funding from investors
- Help ensure compliance with regulations and policies
- Help to develop long-term plans and prevent short-termism

Measurement Guidelines

Theme 1: Take climate action

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Executive accountability and governance
2. Materiality assessment
3. Greenhouse gas (GHG) emissions calculations for all scope 1, 2 and limited scope 3
4. Transition plan
5. Employee objectives
6. Action plan to reduce negative environmental impacts
7. Commitment to / membership of global climate initiatives

Large companies (same as SMEs, plus:)

8. Science-based targets
9. GHG emissions calculations for all material scope 3 activities
10. Carbon credits / offsets used to compensate for residual/hard to abate emissions

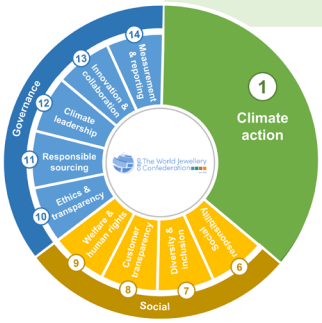
METRICS / KPIs

SMEs:

- Accountability for climate action [annual]: Executive ownership (Y/N) / Environmental policy or statement that includes energy, emissions, nature, water, waste (Y/N) / Progress checks (#) / Internal process to review plans and progress against metrics (Y/N)
- Materiality assessment Severity and likelihood of impacts/risks/ opportunities assessed (Y/N)
- GHG emissions [annual]: Scope 1 and 2 (tCO2e) / Scope 3 (tCO2e) / value chain (%) / intensity (tCO2e per $million revenue and per employee) / Business units/entities/geographies excluded (#)
- Transition plan [annual]: Reviews/year (#) / staff informed (#)
- Staff sustainability objectives [annual]: Performance targets achieved (%)
- Action plan [annual]: Continuous improvement initiatives (#) / Specific goals (#) / achieved (%) / revenue invested ($M, %)
- Company commitment to SME Climate Hub or equivalent (Y/N)
- Other metrics considered necessary for next stage of growth (Y/N)

Large companies (same as SMEs, plus:)

- Verified science-based emissions targets (% reduction, date)
- Public disclosure of emissions calculations covering all material scope 1, 2 and scope 3 [annual]: In place (Y/N) / operations measured (%) / value chain excluded (%) / Carbon intensity (tCO2e per $million revenue and per employee) / Production intensity (tCO2e per product)
- Progress of planned emissions reduction activities publicly communicated [annual]: In place (Y/N) / change (%) / verified (%) / Explanation of how carbon credits support transition plan goals (Y/N)
- Executive incentives linked to reduction in negative / increase in positive impacts [annual]: achieved (%) / compensation linked to short and medium-term emissions, water, biodiversity, waste, energy performance targets (%)
- Credits purchased/ retired [annual]: Offset (tCO2e) / nature-based/technological (%) / high integrity (%) / 3rd party verification (Y/N) / Standard used to verify/certify (Y/N)



TYPICAL DATA SOURCES

- Energy and utility bills
- Travel expenses and fuel receipts
- Supplier invoices, Supplier emissions calculations
- Online maps (for calculation of distances travelled for business, staff commute, transportation of products and supplies)
- Annual reports / expectations of larger companies (to prepare for next stage of business growth)
- Publicly available tools e.g. SME Carbon Footprint Calculator
- Government-supplied tCO2e conversion factors
- International standards and guidelines e.g. Greenhouse Gas Protocol Corporate Standard; CDP (formerly the Carbon Disclosure Project); SME Climate Hub; Task force on climate-related financial disclosures (TCFD); IFRS Foundation Climate-related Disclosures (IFRS S2); Science-based Targets Initiative Corporate Net-Zero Standard

Theme 2: Energy efficiency

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Energy sources and consumption, including out of hours usage
2. Energy expenditure
3. Energy usage assessments
4. Reduction and efficiency plans
5. Maintenance of production and office equipment, e.g. Diamond machines, mining tools, IT equipment, boilers, air conditioners, fans, pumps
6. Staff incentives and awareness

Large companies: same as SMEs

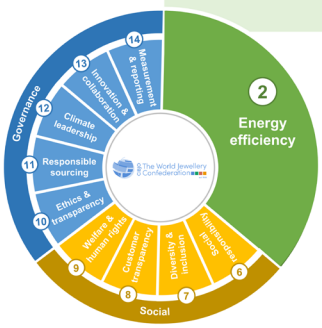
METRICS / KPIs

SMEs:

- Energy consumption in owned or controlled operations (electricity, gas or other fuels used in heating, lighting, cooling) [quarterly]: Consumption from air conditioning (#Joules or #kWh by type / $ / %) / Intensity (kWh consumed per carat produced, tCO2e per unit of energy used)
- Electricity consumption from renewable sources [quarterly]: Consumption by type (% / $M)
- Energy efficiency and reduction activities [annual]: Energy reduction (%) / Operating procedures modified (#) / Heat and heat loss controls (#) / lighting on sensors or timers (%) / lighting changed to LED (%) / space occupied per workday using natural light (m^2)
- Machinery usage [quarterly]: Time switched off (hours) / Non-working hours (%) / Process failures (#)
- Heating, cooling and equipment maintenance [annual]: Motor speeds optimised (#) / Replacements with highest possible energy efficiency rating (#) / Combustion efficiency adjustments (#)
- Staff awareness of cost of wasted heating / cooling and motivated to change [annual]: Staff aware (#, %)

Large companies (same as SMEs, plus:)

- Equipment lifecycle costs [annual]: Net present value or Capital cost + Operating costs + Maintenance costs + Replacement costs – residual value ($M) / proportion assessed (%)
- Air conditioning usage [annual]: Top ups by gas type (#) / intensity (tCO2e per 1kg refrigerant) / low or no-global warming potential (GWP) refrigerants (%)
- Reduction and reuse in heating / cooling [quarterly]: Reduction (%) / energy efficiency ratio (EER) (ratio) / climate-warming refrigerants phased out (%)
- Executive incentives linked to energy efficiencies and reduction in reliance on fossil fuels [annual]: achieved (%) / compensation linked to targets (%)



TYPICAL DATA SOURCES

- Company policies
- Energy bills and meter readings
- Tenancy specification / lease agreements
- Energy audits
- Heating / air conditioning maintenance reports
- Machinery operating instructions, procedures and servicing logs
- Publicly available tools e.g. The Lighting Business Case Tool, ISO 50001

Theme 3: Biodiversity Impact

[OFFICIAL]

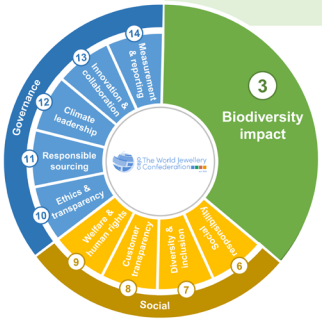
MEASUREMENT AREAS

SMEs:

1. Governance model
2. Impacts, risks and dependencies log
3. Biodiversity policy / statement
4. Business facilities
5. Conservation projects / partnerships
6. Supply chain Code of Conduct

Large companies (same as SMEs, plus:)

7. Action plan
8. Biodiversity and ecosystems assessment and footprint analysis
9. Impact reports
10. Chemical constituents used in operations
11. Job descriptions
12. Supplier contracts and policies
13. Reused and/or recycled laboratory grown materials
14. Local community collaborations
15. Executive incentives
16. Biodiversity impacts from resource use (see Principle 4)



METRICS / KPIs

SMEs:

- Business strategy and governance includes biodiversity considerations [annual]: In place (Y/N)
- Ownership and accountability for nature defined within the organisation (Y/N) / Seniority (by grade)
- Impacts and dependencies on nature [annual]: Scale and scope low-high (#Sites/hectares) / Irremediability low-high (#Sites/hectares) / Stakeholders engaged to identify impacts (#)
- Policy / statement publicly communicated [annual]: In place (Y/N) / Updates (#)
- Business facilities with 'green' infrastructure (#, %)
- Conservation projects and/or partnerships [annual]: In place (#) / impacts measured (Y/N)
- Code of Conduct shared with all suppliers (Y/N)

Large companies (same as SMEs, plus:)

- Biodiversity assessments [annual]: In place (#) / Low-high ecological sensitivity per site (#) / species and/or ecosystems in decline (#, %) / Rate of decline (%) / Sites rehabilitated (#) / net gain per site (% and #hectares) / Sites impacting ecosystems that deliver service benefits to Indigenous Peoples and/or local communities (#) / sites located in areas of or at risk of water stress (#) / proximity to operations (km) / water withdrawal from areas of water stress (litres)
- Air, water and soil pollution [annual]: Assessments (#) / Above permitted levels of heat, noise, vibration, heavy metals and particles, solid waste and other pollutants (#) / Water per method of disposal by substance of concern used in operations by type (litres per Tonne)
- Products and services with significant actual or potential impacts on biodiversity (e.g. mining, building construction, decommissioned sites) (#) / Low-high scale/scope/severity (#) / Upstream mineral extraction in operations or supply chain (%)
- Supplier impact [annual]: Total (#) / Resulting in biodiversity and/or pollution impact (#) / Severity low-high (#) / Reported publicly (#) / Business operations covered by biodiversity-friendly practices and policies (%) / Proportion of value chain by spend (%)
- Land disturbed by mining [annual]: Total (%) / Land returned to physically, biologically and chemically stable state (%, hectares)
- Executive incentives linked to reduction in negative and increase in positive impacts [annual]: Targets achieved or exceeded (%)

TYPICAL DATA SOURCES

- Biodiversity and pollution reports
- Water supply / utility bills
- Supply chain contracts
- Value chain impact reports
- Partnership agreements
- Facilities specifications
- Location reports of upstream mineral extraction
- Publicly available assessment tools and databases
- Publicly available measurement and reporting frameworks e.g. Task force for nature-related financial disclosures; Kunming-Montreal Global Biodiversity Framework

Theme 4: Resource Use

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Water consumption and reuse
2. Waste and other resource outflows
3. Action plan to reduce
4. Customer returns policy
5. Recycling activity
6. Packaging
7. Procurement policy
8. Employee incentives, training and engagement

Large companies (same as SMEs, plus:)

9. Lifecycle analysis
10. Artisanal and small-scale (ASM) sourcing
11. Plastics footprint
12. Employee incentives
13. Investment in water efficiencies and recycling

METRICS / KPIs

SMEs:

- Water consumption and re-use in operations, products and services [quarterly]: Total (#Litres or m^3) / Intensity (#Litres per unit of revenue and/or per product) / withdrawal from areas of water stress (%) / Wastewater avoided, reused, minimised (%) / recycled water used in production (%)
- Materials usage and waste reduction activities [annual]: Materials reused (%, #kgs) / Operational waste (tonnes) / Waste recycled/incinerated/sent to landfill (%) / Reduction in plastics (%)
- Take-back/buy-back scheme [annual]: In place (Y/N) / Rate of return (%)
- Sustainably sourced packaging and labelling [annual]: Recycled/biodegradable/compostable (%, #kgs)
- Procurement policy includes resource/plastics consumption, and waste considerations [annual]: Included (Y/N, % supply chain)
- Workforce trained in circularity and/or waste and water management [annual]: Employees (#, %)

Large companies (same as SMEs, plus:)

- Waste and water targets [annual]: Targets achieved (%) / Supply chain contracts (%) / Supply chain compliance (%) / Amount invested in water-efficient technologies for jewellery processing and recycling ($M) / Produced using water-efficient technologies (% and #Units)
- Contribution to restoration, regeneration and transformation of water ecosystems [annual]: Amount ($M) / Rate of change (%)
- Circularity in products sourced from supply chain [annual]: Recycled and/or laboratory-grown materials used in products manufactured, distributed and/or sold (Level % / % and #kgs) / Reuse of returned or defective products (%)
- Supply chain procurement [annual]: ASM sourcing including from artisanal associations and/or cooperatives (%) / Sourced using mass balance approach (gold) (%) / Site visits (#) / Suppliers and trading hubs located in conflict zones (#) / Development opportunities created (#)
- Plastics usage and disposal [quarterly]: Plastics used in production, packaging and distribution by type (kgs, kgs per unit sold) / bio-based materials used (%)
- Executive compensation linked to plastics/waste/water reduction targets and % water recycling used in operations [annual]: Targets achieved or exceeded (%)

TYPICAL DATA SOURCES

- Water bills
- Waste and recycling policies and reports
- Supplier terms
- Supplier product descriptions
- Customer returns
- Packaging descriptions
- Procurement invoices or receipts
- Plastic audits
- Investment records
- Publicly available frameworks and guidelines e.g. Kunming-Montreal global biodiversity framework; The World Water Quality Alliance (WWQA); UN Water

Theme 5: Climate Resilience

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Board governance
2. Fossil fuel dependency
3. Climate change impact and risk analysis and management processes
4. Transition and adaptation plans
5. Supply chain risk mitigation

Large companies (same as SMEs, plus:)

6. Scenario analysis
7. Productivity disruption preparedness
8. Revenue at risk
9. Capital expenditure and financial investments related to physical climate risks
10. Supply chain dependency on fossil fuels
11. Executive incentives

METRICS / KPIs

SMEs:

- Board review of organisation's climate change resiliency [quarterly/semi-annual/annual]: Assessments per year (#) / Capacity and adaptability of business to climate shocks/stresses assessed (Y/N) / Planning for long-term unpredictability (Y/N) / abated (tCO2e)
- Climate change risks and impacts to business [annual]: / Process for identifying and assessing climate-related risks and impacts (Y/N) / Low-high likelihood of occurrence by time horizon (#) / proportion of operations dependent on fossil fuels (%)
- Irremediability of environmental risks and impacts caused / contributed by business operations, products and services [annual]: Risks (#) / Impacts (#) / Severity low-high (#) / Estimated cost to remediate ($M) / Business activities exposed to regulatory or legislative conditions (#)
- Transition plan activities [annual]: Objectives (#) / Target date per objective (#) / Expected trajectory to achieve (#) / Status of progress (#) / business operations to which targets apply (%) / Base period from which progress measured (#) / Targets aligned to The Paris Agreement (#) / implementation cost ($M)
- Supply chain risk mitigation [annual]: Upstream/downstream suppliers that are high risk (#, %) / procurement spend at risk ($M)

Large companies (same as SMEs, plus:)

- 2.5-4 degrees Celsius warming scenarios analysed and publicly communicated (Y/N) / Assets at risk of damage from physical hazards (%)
- Productivity disruption [quarterly]: Annual productivity disruption due to physical and non-physical damage and/or loss to own operations (%)
- Revenue at risk [annual]: Revenue at risk from physical changes in climate ($M) / At risk from transition to low-GHG emission economy ($M) / From no- or low-GHG products and services ($M)
- No- or low-GHG capital expenditure and investment [annual]: Total ($M, % revenue) / no- or low-GHG R&D activities ($M, % revenue)
- Fossil-fuel dependent suppliers [annual]: Total (#, %) / Products and materials (#) / No- or low-GHG supplier (#)
- Executive incentives linked to decrease in fossil fuel usage and increase in no- or low-GHG procurement and investment [annual] (% achieved / #Rate of change)

TYPICAL DATA SOURCES

- Financial analysis and reports
- R&D projects
- Supply chain contracts
- Fuel bills
- Service agreements
- Hazard, exposure and vulnerability definitions
- Risk assessments
- Health and safety policy
- Adaptation roadmap
- Flood maps, publicly available planning tools and standards e.g. ISO 14091 Adaptation to climate change standard [HM1]

Theme 6: Social Responsibility

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Social responsibility policy
2. Impact assessment
3. Community initiatives
4. Proximity of social impact
5. Workforce participation

Large companies (same as SMEs, plus:)

6. Impact management and mitigation
7. Social value creation activities
8. Local vocational training and education
9. Community grievance process
10. Programmes
11. Executive incentives

METRICS / KPIs

SMEs:

- Social impact objectives defined and publicly communicated [annual]: (Y/N) / Reviews per year (#)
- Impact assessments [annual]: (# per year) / Jointly conducted (#)
- Community-based workforce [annual]: Skilled workforce from local communities (%) / artisanal/small-scale (%) / workforce with access to computer labs or other digital equipment for training and skills development (%)
- Proceeds donated to or invested in community initiatives [annual]: Non-profit/social enterprises supported (#) / Proportion <25 kms from operations (%) / amount matched or topped up by the business ($M / % revenue)
- Local supply chain [annual]: procurement within 50km of operations (%) / Jobs supported within 5kms of operations (#, %)
- Workforce volunteering [annual]: Time (Hours/days per employee) / Total pro bono time donated (hours) / Supply chain participating or supporting (%)

Large companies (same as SMEs, plus:)

- Local community impacts from operations, products/services [annual]: Positive/negative by geography/site (#) / Low-high severity (#) / Longevity of occurrence (#) / People affected (#) / Occurrences per month (#) / remediated (%)
- Socio-economic benefits delivered [annual]: People impacted (#) / Sites (#) / Economic improvement ($ per capita) / Distance from operations (km) / Capacity improvement per person, household or other aggregate unit to avoid poverty in the face of climate stressors/shocks (#) / Sites closed (#)
- Community engagement [annual]: Consultations (#) / Female, indigenous and tribal participants (%) / Initiatives supporting transition of artisanal and small-scale mining workers to the formal economy (#) / Protection programmes for informal workers (#) / Trust-building activities (#)
- Cooperatives or associations supported [annual]: Artisanal miners, producers and low-income workers represented by location (#) / distance from operations (km) / New jobs created (#)
- Employment and skills development [annual]: Community-based education/vocational training sessions by location (#) / Participation by women (%) / People experiencing social and/or economic disadvantage (#) / Paid work experience placements (#) / amount invested ($M)
- Local community grievances [annual]: Number by type (#) / resolved (%) / involving mediation (%)
- Executive incentives linked to social value created through business and value chain activities [annual]: Targets achieved (%) / Social value created ($M) / Rate of change (# per year)

TYPICAL DATA SOURCES

- Social policy or statement
- Social impact strategy
- HR policy and recruitment practices
- Training programmes
- Project plans
- Annual accounts and Capex investment
- Volunteer programmes
- Social value reports

Theme 7: Diversity & Inclusion

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Company culture and values
2. Diversity, inclusion, and anti-discrimination policies
3. Workforce representation
4. People processes including recruitment and selection, promotions and job moves
5. Staff turnover
6. Feedback / speak-up mechanisms
7. Action plan

Large companies (same as SMEs, plus:)

8. Working conditions for female employees
9. Pay gaps
10. Employee engagement
11. Supply chain diversity
12. Training and staff awareness
13. External communications
14. Executive incentives

METRICS / KPIs

SMEs:

- Zero tolerance approach to discrimination and harassment in operations and supply chain [monthly]: Executive oversight (Y/N)
- Diversity, inclusion and anti-discrimination policy or statement [annual]: Public updates (#)
- Workforce representation [annual]: By category e.g. gender, ethnicity, disability (%) / Median age (%)
- Equal employment opportunities and treatment [annual]: Proportion of workforce paid living wage (%) / Candidates in interview shortlists by category e.g. gender, ethnicity (#) / promotions by category (%) / Roles gender benchmarked (#)
- Employee retention [annual]: Turnover by type e.g. gender, ethnicity, disability, age and rank/level (%) / Workforce eligible for flexible working (%) / Rate of adoption of flexible working rights (%)
- Employee feedback [quarterly]: Feedback requests from management (#) / Speak-up procedure communicated to employees (Y/N) / Discrimination and/or harassment claims upheld (%) / Rating on Glassdoor or equivalent (#)
- Action plan to improve representation in workforce and supply chain (Y/N)

Large companies (same as SMEs, plus:)

- Working conditions for female employees [annual]: Investment in local infrastructure improvements incl. female accommodation ($M) / Preventative measures and protection mechanisms against sexual harassment (#) / Incidences of sexual or gender-based violence (#) / Initiatives addressing gender stereotyping (#)
- Gender and ethnicity pay gap analysis [annual]: Mean and median (%) / bonus gap (%) / men and women receiving bonuses (%) / men and women in each pay quarter (%) / Gap publicly communicated (Y/N)
- Employee engagement [semi-annual / annual]: Surveys (#) / eNPS score or equivalent (#, percentile ranking) / Business committees represented by members from different levels of the organisation (Y/N)
- Procurement levers for change integrated into supplier contracts and/or code of conduct [annual]: Proportion of value chain owned/led by women and/or ethnically diverse teams (%) / proportion of SME suppliers (%)
- Diversity, inclusion and unconscious bias training [annual]: Participation (%) / Spend ($M, % of revenue)
- Marketing and advertising [quarterly]: Imagery/content and language representative and inclusive (Y/N)
- Executive incentives linked to increases in diversity of workforce, supply chain and external engagement activities [annual]: Targets achieved (%) / Rate of change (%)

TYPICAL DATA SOURCES

- People policies
- HR system reports
- Gender and ethnicity pay gap reports
- Staff performance reviews
- Employee surveys
- Feedback from employee resource groups
- Recruitment site/job board reviews
- Supply chain contractual terms
- Learning and development programmes
- Marketing campaigns
- Publicly available standards, guidelines and tools e.g. United Nations Women's Empowerment Principles (WEPs); Watch and Jewellery Initiative 2030

Theme 8: Customer Transparency

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Sales, marketing and advertising governance
2. Sustainability claims
3. Customer feedback and complaints
4. Product and supplier integrity
5. Data privacy policy and governance

Large companies (same as SMEs, plus:)

6. Action plan to educate consumers
7. Training and awareness
8. Executive incentives

METRICS / KPIs

SMEs:

- Anti-greenwashing policy and/or procedures [annual]: Executive oversight (Y/N) / Defined procedural checks to prevent unclear, inaccurate and/or ambiguous marketing, advertising and/or product claims (#) / Staff trained in responsible sales/marketing techniques and practices / Accountability included in job descriptions (Y/N) / Greenwashing complaints upheld (#)
- Sustainability claims [quarterly]: Public statements (#) / Claims containing verifiable evidence (#) / Campaigns or product descriptions using absolute claims e.g. green, environmentally friendly, natural, eco, mining-free, sustainable and/or ethical when relevant to only part or none of a product, product lifecycle or service (#) / Relative claims e.g. 'greener', 'friendlier' with verifiable evidence to prove environmental benefit over comparable products (#)
- Customer feedback [quarterly]: Rating (#) / Complaints (#) / Acted upon (#) / Time to resolve (days)
- Product and supplier integrity [monthly]: Products with publicly communicated truthful, complete and accurate representation and disclosure of all relevant information on jewellery products, including their physical characteristics, types of treatments used to alter the appearance and place of origin (#) / Product range compliant with CIBJO Blue Books (%)
- Compliance with GDPR or equivalent privacy rules [annual]: Staff trained (#, %) / Breaches (#) / Accountability included in job descriptions (Y/N)

Large companies (same as SMEs, plus:)

- Marketing and advertising [quarterly]: Amount focused on repair, reuse and/or recycle (% and $M) / Advertising standards breaches (#)
- Customer-facing initiatives [annual]: Initiatives encouraging consumers to reduce their carbon footprint (#) / Customers reached (#) / Educational, carbon literacy-and/or industry-impact focused (% and $M)
- Ownership and commercial partners publicly disclosed (Y/N)
- Product provenance [quarterly]: Products with chain-of-custody certification or equivalent (#) / Sourced from artisanal and/or small-scale mining and/or producers (%)
- Executive incentives linked to transparency improvements [annual]: Targets achieved (%)

TYPICAL DATA SOURCES

- Marketing and advertising campaigns
- Marketing and advertising spend
- Product descriptions
- Customer service reports
- Customer complaints
- Glassdoor or equivalent ratings and comments
- Product lifecycle assessments
- Chain of custody accreditations, certifications and/or audits
- Role descriptions
- CIBJO Blue Books
- International advertising standards e.g. International Chamber of Commerce; Advertising Standards Authority; UK Green Claims Code; EU Green Claims Directive; US Green Guides

Theme 9: Welfare & Human Rights

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Human rights and labour policies, standards and due diligence procedures
2. Business code of conduct
3. Occupational health provisions
4. Workplace incidents and action plan to reduce
5. Employment terms, working hours, minimum wage standards, pay and benefits
6. Grievance mechanism and access to remedy
7. Employee training
8. Emergency preparedness and response plan

Large companies (same as SMEs, plus:)

9. Supply chain code of conduct
10. Resettlement impacts and mitigation
11. Whistleblowing
12. Executive incentives

METRICS / KPIs

SMEs:

- Publicly available human rights, health and safety policies [annual]: Executive oversight (Y/N) / Employees aware of rights, entitlements and Code of Conduct (%) / All forms of child and forced labour prohibited (Y/N)
- Due diligence of own operations [annual]: Human rights assessments (#) / Breaches (#) / Freedom of association and collective bargaining allowed (Y/N)
- Health and safety [monthly]: Inspections (#) / workforce with easy access to local occupational health facilities and/or mobile clinics (%) / On-site staff with improved knowledge of physical and mental health, incl. communicable and non-communicable viruses/diseases (#)
- Near-misses, incidents and hazards [annual]: Low-high severity (#) / Recordable accidents by hours worked (#)
- Working hours [annual]: Workforce on zero-hours/unspecified hours or short-term contracts (%) / Non-guaranteed time worked (hours per employee) / Time (average) worked over 17 weeks (#hours per employee) / Staff working overtime (#, %)
- Wages paid for a standard working week [annual]: Workforce on minimum national legal standard or industry/sector/country benchmark standard, whichever is higher (%) / Wage deductions as a disciplinary measure (#) / Reviews per year (#)
- Grievances [annual]: Total (#) / Investigated (#) / Upheld (#) / Resulting in dismissal (#)
- Emergency response plan [annual]: Conforming to World Health Organisation and/or United Nations guidelines (Y/N)

Large companies (same as SMEs, plus:)

- Human rights due diligence of value chain [annual]: Proportion of suppliers (%) / Breaches (#)
- Management meetings with HR and Unions [quarterly]: Total (#) / Industrial relations consultations (#)
- Training sessions completed [annual]: Vocational (#, % workforce) / Female participation (#, % workforce)
- Indigenous Peoples and local communities impacted by business and/or value chain operations [annual]: Total (#) / Enhancements or detractions (#)
- Resettlement [annual]: People fairly compensated for involuntary resettlement (#)
- Whistleblowing mechanism [annual]: Confidential and anonymous (Y/N) / Instances (#) / Remediated (#)
- Executive incentives linked to improvements in human rights impacts [annual]: Achieved (%)

TYPICAL DATA SOURCES

- HR policies
- Employment contracts
- Complaints log
- Health and safety reports
- Due diligence reports
- Training plans
- On-site communications

- International labour standards and other publicly available guidelines e.g. United Nations Guiding Principles on Business and Human Rights (UNGPs); Ethical Trading Initiative Base Code; United Nations Environmental Programme Awareness and Preparedness for Emergencies at the Local Level for Mining
- Local employment laws and other legislative requirements e.g. UFLPA; the EU Forced Labor Regulation; Canadian Bill S-211

Theme 10: Ethics & Transparency

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Operating principles
2. Alignment with sector, industry and international standards and norms
3. Legal and regulatory compliance
4. Codes of conduct and other business and value chain policies
5. Feedback and speak-up culture
6. ESG standards alignment

Large companies (same as SMEs, plus:)

7. Stakeholder engagement
8. Internal and external risk controls and due diligence practices
9. Artisanal or small-scale mining (ASM)
10. Executive incentives

METRICS / KPIs

SMEs:

- Company operating principles [annual]: Include commitment to responsible business practices aligned with CIBJO Blue books and ESG 14 Principles (Y/N)
- International norms of behaviour and rule of law respected and endorsed by leadership (Y/N) / Company policies fully aligned (Y/N)
- Business compliance [monthly]: Licence and permit breaches (#) / Instances of legal or regulatory non-compliance (#)
- Code of Conduct and other business policies [annual]: Endorsed by top management and actively communicated to workforce (Y/N) / Made public (Y/N) / Instances of non-compliance and corruption (#)
- Speak-up culture [quarterly or semi-annual]: Employees feel free to speak up (%) / Incidences of misconduct, wrong-doing and/or negative behaviours (#) / Remedied (#) / Time to remedy (# days) / Employees who believe poor behaviour is properly dealt with (%)
- Operational alignment with internationally recognised ESG standards and norms [annual] (Y/N)

Large companies (same as SMEs, plus:)

- Stakeholder engagement [annual]: Engagements per stakeholder group by location (#) / Participants (#) / Principles of free, prior and informed consent (FPIC) and Do No Harm respected with local communities (Y/N) / Anonymous and confidential early warning, grievances/whistleblowing mechanism available to all employees and value chain (Y/N)
- Risk management framework (annual) Effectiveness of internal/ external risk controls assessed by Board (Y/N) / Conflict-affected and higher -risk regions/sectors monitored and managed (Y/N)
- Artisanal or small-scale mining (ASM) [annual]: On or adjacent to operational sites (#)
- Executive incentives linked to transparency improvements, reduction in compliance breaches and increases in stakeholder engagement [annual]: Achieved (%)

TYPICAL DATA SOURCES

- Company policies and statements
- Operating licences and permits
- Annual reports and accounts
- Company management systems
- Company and 3rd party audits
- Employee feedback survey or equivalent
- Complaints and grievance records, whistleblower reports

- Publicly available guidelines and standards e.g. Initiative for Responsible Mining Assurance; UN Global Compact 10 Principles; OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

Theme 11: Responsible Sourcing

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Know-Your-Counterparty and other policies
2. Supplier code of conduct
3. Procurement practices
4. Product and materials traceability
5. Supplier engagement

Large companies (same as SMEs, plus:)

6. Risk management framework
7. Supplier due diligence
8. Supply chain impacts
9. Advocacy and information sharing
10. Responsible sourcing assurance and certification
11. Action plan to increase traceability
12. Executive incentives

METRICS / KPIs

SMEs:

- Know-Your-Counterparty and other procurement policies [annual]: Aligned with recognised supply chain standards and sector guidance (Y/N) / Rate of internal adherence (#)
- Supplier code of conduct [annual]: Management reviews (#) / Whole supply chain coverage (Y/N) / Expectations of reliability of sustainability claims related to human rights, labour, the environment and anti-corruption included (Y/N)
- Procurement practices and record keeping [monthly]: Practices based on a respected framework (#) / transactions documented (%) / staff trained (%) / Risk assessments (#)
- Materials and product traceability [monthly]: Suppliers practicing responsible sourcing (#, %) / products/materials assessed (#, %) / Continuous improvement activities (#)
- Supplier engagement [annual]: Level of trust in information provided by suppliers Low-High (#) / Annual/bi-annual supply chain survey (Y/N)

Large companies (same as SMEs, plus:)

- Risk management framework [annual]: Board reviews (#) / Environmental and social risks and impacts in supply chain ranked by severity, likelihood and irremediability (#) / Mitigated (#, %)
- Supplier due diligence [annual]: Reviews per year (#) / Supply chain operations assessed for actual/potential environmental and social impacts (%) / Materials and products for which chain of custody and provenance known (e.g. country of origin, history, certification) (%) / Spend with artisanal and small-scale producers (% and $M) / Recycled (%) / Spend with suppliers practicing responsible sourcing, waste and water management (% and $)
- Supply chain impacts [Annual]: Extracted materials using methods that cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law (%) / Operating in or sourcing from conflict affected and/or higher-risk regions/sectors (%) / Abusive and exploitative practices occurring by type, severity (low-high) (#) / Rate of occurrence / Spend within #Kms of operations (%, $M)
- Advocacy and best practice sharing [semi-annual]: Cross-industry schemes supported (#) / Education and information sharing sessions (#) / SME participants (#)
- Product and/or materials assurance [annual]: Certificated or audited by accredited 3rd party (#)
- Action plan to increase traceability [quarterly]: Projects implemented by location (#) / supply covered (%) / Improvements delivered (#) / Methodology used (Y/N)
- Executive incentives linked to improvements in traceability and value chain transparency [annual]: Achieved (%)

TYPICAL DATA SOURCES

- Supply chain contracts
- Supplier records and impact reports
- Chain of custody certifications and accreditations e.g. Kimberley Process Certification Scheme (KPCS)
- Product warranties
- Product audits
- National, international and sector frameworks, standards and guidance documents e.g. OECD Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas; Responsible Jewellery Council Chain-of-Custody standard; ISO 20400; World Gold Council Responsible Gold Mining Principles (RGMPs)

Theme 12: Climate Leadership

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Executive sponsorship and accountability
2. Staff knowledge of latest climate science
3. Employee ESG performance objectives
4. Futureproofing of workforce
5. Operational preparedness for future regulation
6. Action plan to upskill workforce and increase ESG excellence

Large companies (same as SMEs, plus:)

7. ESG rating
8. Training and education plans
9. Supply chain upskilling
10. Executive incentives

METRICS / KPIs

SMEs:

- Executive sponsorship and accountability [quarterly]: Board members with ESG expertise (#) / Climate leadership defined and integrated into business strategy and plans (Y/N) / Board commitment publicly communicated (Y/N)
- Climate literacy and ESG skills within workforce [annual]: Workforce climate literate (%) / New competencies needed by business to successfully adapt to and mitigate climate change by time horizon (#)
- Employee performance objectives [quarterly]: Employees with ESG targets (#, %) / Achieved (#, %)
- Futureproofing workforce [annual]: Current operations assessed for climate change impact (%) / Roles with sustainability and/or climate change knowledge specified (#) / Proportion of workforce with recognised ESG qualification (%)
- Preparation for future ESG regulation [annual]: Impacts assessed (#) / Staff aware and trained (#) / Business units impacted (%)
- Action plan [annual]: Executive sponsorship (Y/N) / Learning and development roadmap identified (Y/N) / ESG skills development initiatives (#) / Initiatives to achieve company ESG targets (#)

Large companies (same as SMEs, plus:)

- ESG rating [annual]: Gold standard achieved (Ecovadis or equivalent) (#)
- Climate change and carbon reduction training budget [annual]: Amount ($k per employee) / training per employee (hours) / Sessions delivered (#) / Employees trained in existing or upcoming regulation (#) / Employees with knowledge of water security and biodiversity loss (#) / Staff with understanding of ESG reporting (#)
- Supply chain initiatives [annual]: Focused on educating about responsible sourcing, materials traceability and climate change (#)
- Executive incentives linked to upskilling workforce and company's ESG ratings [annual]: Targets achieved (%)

TYPICAL DATA SOURCES

- Ratings agency reports e.g. CDP, Ecovadis
- HR policies
- Training budgets
- Learning and skills development programmes
- Supply chain engagement programmes
- Job descriptions
- Regulatory reporting
- Impact reports of competitors
- Progress reports related to ESG targets

Theme 13: Innovation & Collaboration

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Innovation capability / New idea generation
2. Collaborations with experts
3. Industry engagement, memberships, partnerships and alliances with civil society organisations and NGOs
4. Horizon scans
5. New product development
6. Action plan

Large companies (same as SMEs, plus:)

7. Innovation strategy
8. Climate change-related technology experimentation, adoption and use
9. R&D spend
10. Executive incentives

METRICS / KPIs

SMEs:

- Product and service delivery innovations [annual]: New business models considered (#) / employees with skills required to fully understand materials lifecycle of future products and services (#, %) / Updates that reduced climate change impact (#)
- Academic collaborations [annual]: Collaborations with outcomes (#)
- Industry partnerships, networks and alliances [annual]: New partnerships required to meet organisation's sustainability goals (#) / Partners with environmental focus (#) / Civil society partners (#) / Events attended (#) / Employees participated by month/year (#) / Opportunities identified (#)
- Horizon scans [annual]: Technology use cases assessed that reinforce chain of custody transparency and decarbonisation (#)
- Product development [annual]: Low- or no-carbon products used or developed (#) / Product changes that resulted in reduced carbon emissions (#)
- Action plan [annual]: In place (Y/N)

Large companies (same as SMEs, plus:)

- Innovation strategy effectiveness [annual]: Revenue from breakthrough innovation output ($M) / Initiatives approved for implementation (#) / initiatives related to positive environmental and/or social change (%) / Innovations that can only be delivered in collaboration with others (#) / Patents and Citations (#) / green patents (%)
- Technology adoption and start-up collaborations [annual]: Licence agreements related to climate change and other ESG technologies (#) / royalties paid/received (#) / Environmental startups working with (#) / corporate venture capital investment ($M) / Projects (#)
- Environmental R&D [annual]: No- or low-GHG projects ($M, %, % of revenue)
- Executive incentives linked to innovation outcomes and number and reach of collaborations [annual]: Targets achieved (%)

TYPICAL DATA SOURCES

- Business memberships
- Patent registrations
- Financial accounts
- Technology roadmap
- Technology partner agreements
- Project plans or trackers
- Product range and future pipeline

Theme 14: Measurement & Reporting

[OFFICIAL]

MEASUREMENT AREAS

SMEs:

1. Governance of measurement and reporting related to Principles 1-13
2. Methodology and validation of calculations and metrics
3. Reporting robustness
4. Action plan

Large companies (same as SMEs, plus:)

5. Transition plan, progress and impact reports
6. Target adjustments
7. Disclosure of taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas
8. Alignment with external benchmarks
9. Executive incentives

METRICS / KPIs

SMEs:

- Measurement and reporting governance [annual]: Measurement framework (Y/N) / Accountability and ownership defined (Y/N) / Board oversight (Y/N)
- Methodology robustness [annual]: Method used to set targets defined (Y/N) / Method of assessment and verification defined (Y/N) / Business operations covered (%) / Exceptions and exclusions (#) / Use of estimates, extrapolations and proxy data included (Y/N)
- Reporting robustness [annual]: Inclusion of contextual information required to understand what is being measured (Y/N) / Generic environmental descriptors unsupported by evidence (#) / Negative impacts included (Y/N) / Progress against base period and targets (positive and negative) (Y/N) / Independent audit (Y/N)
- Action plan to continually increase the level and granularity of measurement and reporting [quarterly]: In place (Y/N) / Continuous improvement activities by date (#) / Improvements delivered (%)

Large companies (same as SMEs, plus:)

- Plans and impact/progress reports publicly communicated [annual]: In place (Y/N) / Measurement includes performance across all sites, geographies, business units (Y/N) / Proportion of business operations covered per target (%) / Proportion upstream and downstream value chain per target (%)
- Adjustments to previously stated targets [annual]: Revisions (#) / Values changed (#) / Rationale for adjustments (Y/N) / Proportion verified by 3rd party (%)
- Public disclosure of tax, fees, royalty payments to governments [annual]: Amount by location ($M, % revenue)
- Alignment with external benchmarks (Y/N)
- Executive incentives linked to achieving measurement and reporting robustness [annual]: Proportion achieved (%)

TYPICAL DATA SOURCES

- Sustainability strategy and targets
- Transition plan / Net Zero roadmap
- Measurement methodology
- Supply chain due diligence reports
- Annual accounts
- Reporting frameworks and guidelines e.g. SME Climate Disclosure Framework; GHG Protocol Corporate Standard; Task force for climate-related financial disclosures (TCFD); Task force for Nature-related Financial Disclosures (TNFD); EU Corporate Sustainability Reporting Directive (EU CSRD); European Sustainability Reporting Standards (ESRS); SASB; IFRS Sustainability Disclosure Standards (IFRS S1 , S2, ISSB, SASB); EU Corporate Sustainability Due Diligence (CSDDD)
- Latest scientific, technical, and socio-economic literature and international agreements on climate change e.g. The Paris Agreement; The Intergovernmental Panel on Climate Change (IPCC) reports

Getting started: How to use the guidelines to measure progress

There is no one-size-fits-all to a company's ESG initiatives. With so many different measurement frameworks out there, albeit starting to converge, it can be difficult to know where to start and can seem overwhelming at the beginning. Following a systematic and structured approach reduces this.

The Guidelines should be implemented in accordance with each company's industry- and sector-specific circumstances. Below are 10 simple steps for applying these guidelines.

Step 1

Start by nominating an owner responsible for measurement in your business.

Identify the executive sponsor who will support and help them to address any organisational barriers or challenges, as well as be accountable for reviewing progress annually, as a minimum frequency.

Familiarise yourself with the 14 ESG themes. You may find it useful to first read CIBJO ESG Principles (the Wheel) as this provides more information on the same 14 topics.

Using your knowledge of the business and the input of colleagues with different roles in the organisation, conduct an assessment to identify material topics that are impacting, or have the potential to impact your operations, the environment, and internal and external stakeholders, whether positive or negative. Also assess what external factors may have an impact on your business because of the changing climate (e.g. disruption to your supply chain due to extreme weather events).

Zoom in on those that matter to your operating and financial performance, your organisation's values, as well as those that matter to the protection of the environment and the betterment of society. Use the 14 themes to guide you, as well as topics and issues mentioned in publicly available frameworks and news articles to make sure nothing material is missed.

Rank the topics by severity of impact or risk, and the likelihood of occurrence over short-, medium- and long-term. Also include identified opportunities for positive impact and/or financial benefit. Shortlist the most material ones and document the results. Severity should take precedent over likelihood in your rankings.

Document these as they will form the basis of your ESG disclosures, alongside any other matters required by legislation and regulation.

Tip: As a general rule, small businesses typically focus on 8-12 material topics, each with a small number of sub-topics. Larger companies typically have around 16 material topics that they measure.

Step 2

Using the measurement table and the results from your materiality assessment, identify your priority areas of measurement for each shortlisted topic. Look at what other companies in your sector measure as well as industry and international norms.

Every CIBJO Commission and their members are encouraged to add material impact and risk metrics unique to their sectors, too.

Tip 1: Don't worry if some of the metrics you choose for measurement are different to those evaluated by another company operating in the same sector, especially if they are bigger or more advanced on their ESG journey.

Tip 2: If your organisation is measuring for the first time, it is recommended to start by adopting the metrics defined for small and medium-sized businesses, regardless of your company size. Increase the scope and number of metrics over time: Start with theme 1 'Take climate action' and aim to add at least 3 additional themes in each measurement cycle.

Step 3

Review whether your company is in scope of any ESG regulation in its operating region(s). For example, the Corporate Sustainability Reporting Directive (CSRD) applies to many companies that do business in the EU, or the U.S. Securities and Exchange Commission (SEC) Climate Disclosure Rule for large and publicly traded firms in the United States.

Refer to the main standards or frameworks that offer specific performance measures or metrics for material topics in your sector and add the ones that make most sense to your organisation. These may include metrics that you are already measuring, as well as those that can help you better manage the specific material issues your organisation has identified.

Tip: Even if your company is not yet in scope of existing or upcoming regulation, it can be useful to familiarise yourself with the requirements to increase knowledge and preparedness. It also helps to satisfy investor expectations.

Step 4

Develop an action plan for sourcing the relevant information related to each material topic and measurement area. The table provides a guide to the metrics commonly used for each measurement area.

Start with data already captured in existing operational processes and systems, and information included in invoices and expense claims.

Where data is not yet tracked by your company, start to put in place processes for closing the gaps and for continually improving the quality and comprehensiveness of your data. Expect to report in more depth and with more accuracy over time.

Tip: Capture the information in a single place. A dashboard or table can be useful.

Step 5

Using the metrics outlined in the measurement table, calculate the impact and financial consequence using publicly available guidance and methodology. Make sure to apply the correct conversion factors when calculating emissions data.

Document the results and methodology used, including conversion factors, formulae and any assumptions, estimates, extrapolations and exclusions. Where incomplete information is used in your calculations, this should be clearly stated.

Tip 1: Get external help if needed. There are several specialist firms that can assist with this, including those that specialise in helping SMEs. It is a good way to learn from those more experienced than you and can help to upskill your workforce.

Tip 2: Make sure to keep records of the metrics and methodology used as well as the results. These will be needed to demonstrate progress towards your ESG objectives.

Step 6

Set targets for each area of measurement.

For greenhouse gas emissions, submit your targets for verification to the Science-based Targets Initiative or an equivalent qualified body.

Tip: If you are a small or medium-sized company, several organisations, including the SBTi, have a verification process tailored specifically to SMEs.

Step 7

Audit the measurement calculations in the same way you would your company accounts. Best practice is to have the method of calculation, and the resulting information independently verified or assured by a third party.

Tip: Research into behavioural psychology has shown that for environmental concerns, we tend to compare our actions more favourably than those undertaken by others. Having your measurement process and results independently verified helps mitigate the risk of this occurring. It is also another way to keep up with reporting standards as they evolve.

Step 8

Communicate your progress.

Create an impact report evidencing both the positive and negative impacts of your business operations, and explain the methodology and assumptions used. Ensure the report does not include unsubstantiated or misleading statements and fully complies with anti-greenwashing standards.

Publish the results on the company website and share directly with stakeholders.

Ensure products for sale are accurately labelled, too.

Tip 1: Given resource constraints, many SMEs focus on measurement rather than reporting in the early stages of their ESG journey. Over time, when measurement processes become more established and employees become more confident, they start to report publicly, perhaps electing to do so every alternate year initially, and increasing the frequency over time. Large companies are expected to disclose at least annually.

Tip 2: CIBJO recommends that members who would like formal recognition of their implementation of the Guidelines, and the ESG practices on which they are based, should do so through an internationally recognised organisation such as CDP or an ESG ratings provider such as Ecovadis.

Step 9

Create a feedback loop.

Share your measurement journey and learnings with CIBJO commissions, other companies in your sector, as well as with those in adjacent sectors. Use measurement to show climate leadership and to create competitive advantage for your business.

Celebrate your ESG measurement successes.

Tip: Consider bringing together other people in your industry with an interest in sustainability to share knowledge. Convene an internal group of ESG champions to help and support, and don't forget to credit them with helping measure your ESG progress.

Step 10

Focus on continuous improvement. The more measurement you do, the easier it becomes: What seemed overwhelming at the beginning starts to feel more manageable and familiar after a couple of cycles.

Ensure your measurement processes are robustly maintained and supported.

Increase the scope and frequency of measurement cycles over time. Learn from others and continuously raise the quality of your disclosures from one cycle to the next.

Tip 1: Invite people from different teams and different levels of your organisation to get involved (particularly graduates and those who are representative of more recent generations). Assign owners to each area of measurement.

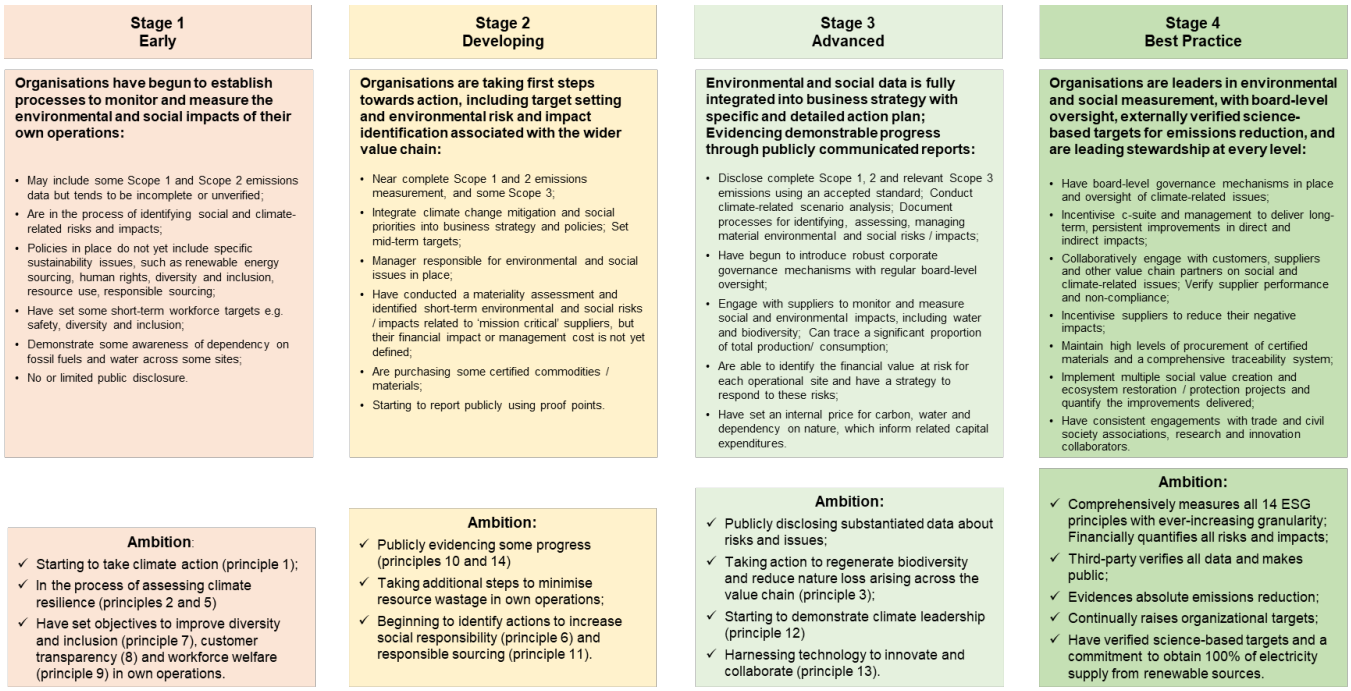
Tip 2: Aim to improve the accuracy of measurement with each cycle. Don't expect to get there in one go: pursuing an ideal can sometimes stall progress so focus on 'good' and 'better'.

Stages of measurement on the journey to best practice

The pathway to best practice is rarely achieved in a single step, regardless of a business's size. Further, considering the many differences between organisations across the jewellery value chain, the pace of each ESG journey may differ. That being said, the accelerating changes to both our climate and our planet brought about by our Anthropocene era serve as a reminder of the need for greater urgency.

The diagram below can be used by every company to help assess where it is on the journey to full sustainability. It can also aid in determining a realistic view of the organisation's current status and help guide the pathway to best practice.

As previously stated in this guidance, member organisations should aim to progress through these four stages within a three- to five-year timeframe. Large companies should aim to achieve best practice in the earlier end of this range. Organisations should not limit themselves, though. If they can make faster progress they should aim to do so, and should not regard best practice the end of the sustainability journey.



Credits, acknowledgements and contact information

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Contact information

CIBJO Secretariat: cibjo@cibjo.org, www.cibjo.org
Viale Berengario, 19 20149 Milano, Italy
Tel: +39 02 4997 7098/7097

Key & Co Ltd – Strategy advisors, and ESG and Sustainability Strategy Experts: Jon Key – Jon@keyand.co, www.keyandco.org
Registered office: 20-22 Wenlock Road, N1 7GU, United Kingdom
Tel: +44 (0) 7850 658061
Helen Mitchell – helen@blukudu.co and LinkedIn

About Key & Co

Key & Co is a global advisory and consulting network that enhances the value of its clients, their supply chains and their customers through value maximising strategies, technology innovation, ESG strategy and business transformation.

Founded by Jon Key, Key & Co has the capability to support large and small organisations with a flexible resource model of experts and affiliates, building the best team for the job from an extensive global network. The model is tried and tested in corporate, private equity and public sector environments.

Key & Co focuses on industrial sectors including energy, logistics, transportation, manufacturing, engineering, infrastructure and mining and can also draw on experience in consumer products, retail, luxury goods, financial services and technology.

Appendices

Glossary of terms

Action plan – a list of tasks or steps required to achieve organizational objectives and goals. An effective action plan works like a management plan for a company's initiatives, outlining the steps that need to take to make these larger goals a success.

Artisanal and small-scale mining (ASM) – formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labour-intensive technology. ASM can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners. For example, it is common for work groups of 4-10 individuals, sometimes in family units, to share tasks at one single point of mineral extraction (e.g. excavating one tunnel). At the organisational level, groups of 30-300 miners are common, extracting jointly one mineral deposit (e.g. working in different tunnels), and sometimes sharing processing facilities. (Source: Organisation for Economic Co-operation and Development (OECD)).

Biodiversity – the biological diversity of flora and fauna species on Earth, a complex web of life that underpins the natural life processes on the planet. Human-caused environmental damage reduces biodiversity, and creating a healthy, sustainable society requires increasing biodiversity.

Climate action – efforts taken to combat climate change and its impacts.

Climate change – Also often referred to as global warming. The altering of the planet's climate due to an increase in greenhouse gas (GHG) emissions from human activity. Effects include rising temperatures, leading to increased extreme weather such as heatwaves, floods, droughts and storms, and resulting in reduced water and food security and social stability.

Climate leadership – companies that have ambitious targets to decarbonise, consistent with or better than achieving a 1.5-degree scenario under the Paris Climate Agreement. It includes leading by example and inspiring others to follow suit, creating a ripple effect that amplifies the impact of efforts to combat climate change.

Climate-related risk – the potential negative impacts of climate change on an organization. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation, temperature and increased variability in weather patterns (e.g., sea level rise). Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

Customer transparency – the practice of being open and honest to customers in all aspects of an organisation's operations. This includes marketing, advertising and communications, pricing, business practices, risks and impacts, and how organisations capture, use and share data.

Decarbonisation – the process by which CO2 emissions associated with electricity, industry, and transport are reduced or eliminated.

Disclosure – The process in which a company submits requested information relating to the impact their business activities have on environmental and social areas such as climate change and water security. Capital markets and purchasing organizations use data submitted through disclosures to make informed decisions.

Diversity and Inclusion (D&I or DEI) – a variety of business practices and policies designed to enable a supportive and inclusive environment for individuals, regardless of race, ethnicity, religion, ability, age, gender or sexual orientation.

Employee incentives – activities, communications and rewards intended to encourage, motivate and incite employees to take action, perform better or change behaviour. These can be monetary or non-monetary.

Energy efficiency – the use of less energy to perform the same task or produce the same result. Energy-efficient equipment uses less energy to heat, cool, and run appliances and processes. Energy-efficient manufacturing facilities use less energy to produce goods.

ESG measurement – performance measures or indicators of a company's performance on environmental (E), social (S), and governance (G) issues.

ESG reporting or disclosure – the disclosure of qualitative and quantitative environmental, social and governance information. As with all disclosures, its purpose is to shed light on an organisation's ESG activities while improving transparency for stakeholders, and inspiring other organisations to do the same.

Ethics – the standards for morally right and wrong conduct in business. Business ethics enhances the law by outlining acceptable behaviours beyond government control. It also refers to implementing appropriate business policies and practices, including corporate governance, corruption and bribery, discrimination, social responsibility, and fiduciary responsibilities. An ethical culture ensures that decisions and actions are based on honesty, fairness, integrity, and respect for all stakeholders.

Governance – the processes of decision-making, reporting, and the logistics of running a business. It also encompasses the business's ethical behaviour and its transparency with stakeholders about its activities. Governance is linked to the environmental and social aspects of ESG through measuring the transparency and decision-making behind them.

Greenhouse gases (GHG) inventory – a list of emission sources and the corresponding emissions that have been calculated using standardised techniques.

Greenwashing – the intentional or unintentional sharing of false, incomplete, unsubstantiated or misleading information, and or the false promotion of the environmental and social efforts and impacts of an organisation's practices, and or spending more resources to promote the organization as green than are spent to actually engage in environmentally sound practices. This includes the deceptive practice of making misleading or unsubstantiated claims about the environmental benefits of a product, service, or company. Greenwashing aims to create a false impression of sustainability or eco-friendliness.

While greenwashing is often discussed in the context of marketing campaigns, it is also a key concern in reporting practices and investor communications.

Human rights – the rights we have simply because we exist as human beings. These universal rights are inherent to us all, regardless of nationality, sex, national or ethnic origin, race, religion, language, or any other status.

Impact assessment – a structured, evidence-based process that evaluates the potential and actual effects of an organisation's practices, policies, procedures and proposed actions on the environment and people. It's a tool used in decision-making and planning, and it can be applied at all levels of decision-making.

Innovation and collaboration – a broad range of approaches including technology and innovation management that seek to address global challenges and or organisational, social and economic changes. Innovations on climate change include **energy efficiency** as well as low-carbon and non-carbon technologies, carbon reduction technologies and fostering climate action, shaping policy, promoting experimentation and learning in collaboration with others, and examining effectiveness.

Life cycle assessment (LCA) – a systematic analysis of the environmental impacts of a product, process, or service throughout its entire life cycle. It considers resource extraction, production, use, and disposal to identify areas for improvement and inform sustainable decision-making.

Materiality assessment – one of several analytical techniques for identifying, prioritising and validating the most relevant industry- and sector-specific matters a company might impact, and be impacted by, in the broader social, cultural, political, legal, economic and environmental context. There are hundreds of ESG issues: Assessing what is material helps an organisation define what ESG means to it, in the specific context of its business model and position within an industry. A materiality assessment is evidence-based and systematic, conducted regularly (often annually) in advance of any reporting, and involves the highest governance body of the organisation in making materiality judgements. When implemented correctly, this analysis is considered the foundation for the development of ESG strategy, corporate governance and sustainability reporting. Practitioners use this, alongside other techniques, including **impact assessments** and **risk assessments**, to gain a deeper understanding of the full scope of a company's ESG risks and opportunities. It is not a form of benchmarking, target setting, or outcome measurement, and does not assess how likely a particular risk or opportunity is to occur, or how best to optimise ESG opportunities to drive positive social and environmental change. What is important to an organization and its key stakeholders is ever evolving. As such, the needs and expectations of stakeholders can change; What's immaterial to a business today could be a material issue tomorrow.

Nature-based solutions – actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human wellbeing, ecosystem services and resilience and biodiversity benefits.

Net-zero – achieving a balance between the greenhouse gases emitted into the atmosphere and those removed or offset, resulting in no net addition to the overall amount of greenhouse gases. The outcome of limiting catastrophic climate change requires companies to become net-zero. Many national and commercial policies are based on achieving net-zero within certain time frames.

Paris Agreement – a legally binding international treaty on climate change, adopted at COP21 in Paris in 2015. Its goal is to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels, to avoid the worst impacts of climate change. Aligning with a 1.5°C world currently means businesses of all sizes should reduce **Scope 1, 2 and 3 emissions** to zero, or close to zero, and neutralising any residual emissions by 2050 at the latest.

Product Integrity – the ability of a product to meet or exceed a customer's expectations for performance, quality and durability over the life of the product. In the context of the jewellery industry, product integrity relates to the precious metals, gem materials and other products manufactured or sourced through the supply chain that are correctly and accurately represented and disclosed in accordance with the CIBJO Retailers' Reference Guide and/or the relevant CIBJO Blue Book, including providing certificates and other verification where applicable (e.g. diamond grading reports, gold purity/assay certificates).

Renewable energy – energy derived from naturally replenishing sources, such as sunlight, wind, water, and geothermal heat. Unlike fossil fuels, renewable energy sources have a reduced environmental impact and contribute to reducing greenhouse gas emissions.

Resource use – the appropriation, removal and use of raw materials, energy, ecosystems, naturally occurring materials, such as minerals, water, and surface area from the natural environment.

Responsible sourcing – the practice of selecting suppliers and materials based on their social and environmental performance. Responsible sourcing in the fashion industry aims to ensure that raw materials, components, and finished products are obtained in an ethical and sustainable manner.

Risk assessment – a systematic process of evaluating the potential or actual risks that may be involved in current or projected activity or undertaking. It includes examination of what might cause harm to the environment, people and business operations, what is needed to avoid it, and assesses the effectiveness of any control measures in place. It can also be used to determine the measures required to comply with statutory duties and regulations.

Science Based Targets initiative (SBTi) – a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. The SBTi's goal is to accelerate companies across the world to support the global economy to halve emissions before 2030 and achieve net-zero before 2050. The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF) and is one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets.

Science-based targets – emissions reduction targets adopted by organisations to reduce GHG emissions are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2°C compared to pre-industrial temperatures, as described by the Intergovernmental Panel on Climate Change (IPCC). They provide a clearly defined pathway for companies and financial institutions to reduce greenhouse gas emissions in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.

Scope 1, 2 & 3 emissions – Scope 1 emissions refer to direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organisation. These emissions include those generated from on-site combustion of fossil fuels, such as emissions from company-owned vehicles or equipment, as well as emissions from industrial processes.

Scope 2 emissions refer to indirect GHG emissions associated with any purchases of electricity, steam, heat, or cooling made by an organisation. These emissions occur outside the organization's boundaries but are associated with its activities. Scope 2 emissions are typically generated by external sources, such as power plants that supply electricity to the organization.

Scope 3 emissions cover all indirect emissions that occur in an organisation's value chain (upstream and downstream). These emissions are out of the company's operational control but typically make up the majority of GHG Emissions associated with an organisation's practices. As scope 3 emissions are the result of activities from assets not owned or controlled by the company, one company's scope 3 emissions may originate from another company's scope 1, Scope 2 or even scope 3 emissions. Scope 3 emissions are calculated across 15 different categories, including purchased goods and services, business travel, transportation, waste disposal, sourced commodities and raw materials and extraction.

Social impact – the effect of an organisation's activities on society. It encompasses both positive and negative outcomes and involves considerations such as community development, poverty alleviation, human rights, and social justice.

Social responsibility – the ethical duty of individuals, organizations, and businesses to act in ways that benefit society at large. This involves considering the social impacts of decisions, supporting communities, and promoting positive change.

Social value – a means to creating additional social, economic and environmental wellbeing above and beyond the 'core' value of the goods, service or work.

Supplier code of conduct – a set of guidelines or principles that outline the expectations and requirements for suppliers' social, environmental, and ethical practices. It helps ensure that suppliers align with a company's sustainability goals and values.

Supply chain or value chain – the multitude of companies, activities, resources and technologies involved in the creation and distribution of a product or facilitating a service, for example manufacturers and providers of constituent materials used in a final product. It encompasses all stages from raw material extraction to end-user consumption and disposal. Activities from a company's supply chain constitute its scope 3 emissions.

Supply chain transparency – the extent to which information about the processes, practices, and impacts within a supply chain is readily available and accessible. Transparent supply chains enable stakeholders to make informed decisions and hold organisations accountable.

Sustainable consumption – the practice of using goods and services in a way that minimizes negative impacts on the environment, society, and the economy. It involves conscious choices, resource efficiency, and minimizing waste generation.

Sustainable packaging – designed, sourced, produced, and managed in a way that has reduced environmental impacts. It aims to minimise resource consumption, promote recyclability or compostability, and reduce waste generation

Traceability – capability to trace the journey of raw materials from their origin through the entire supply chain. Effective traceability enables businesses to verify that their materials are responsibly produced and sourced.

Transition plan – a time-bound action plan that clearly outlines specific strategies and clear accountability mechanisms to track progress towards a trajectory that aligns with the latest and most ambitious climate science recommendations, i.e. halving greenhouse gas (GHG) emissions by 2030 and reaching net-zero by 2050 at the latest, limiting global warming to 1.5°C. Climate transition plans enable organizations to navigate evolving regulations and policy changes, ensuring compliance and avoiding regulatory shocks. Robust climate transition plans are essential for attracting investment and securing stakeholder support, as initiatives emphasize the importance of credible and ambitious net-zero strategies.

Transparency – the openness and the willingness to share information, both positive and negative, with all relevant parties.

Water security – the capacity of a population to safeguard sustainable access to adequate quantities of acceptable quality water for sustaining livelihoods, human wellbeing, and socioeconomic development, for ensuring protection against water-borne pollution and water-related disasters, and for preserving ecosystems in a climate of peace and political stability (from UN Water). Reduced water security is an impact of climate change.

Water stress – occurs when the demand for water exceeds the available amount during a certain period or when poor quality restricts its use.

Welfare – the necessary conditions of a person being autonomous, free, healthy, prosperous, safe and having positive well-being.

Where to go for help and further information

General Measurement

1. The Practice of Management, Peter F. Drucker *("What gets measured gets managed")*
2. The Measurement Advantage (Bain), The Measurement Advantage | Bain & Company

ESG measurement

3. How to Avoid a Climate Disaster: The Solutions We Have and the Breakthroughs We Need, Bill Gates
4. GRI standards – https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/
5. CDP – https://www.cdp.net/en/guidance/guidance-for-companies/organizational-guide-for-environmental-action
6. Task Force on Climate-related Financial Disclosures (TCFD) framework/International Sustainability Standards Board (ISSB) standards
7. ISO 20400 guidance on delivering sustainability objective through the supply chain – https://www.iso20400.org/?gad_source=1&gclid=Cj0KCQjw4Oe4BhCcARIsADQ0cskKHaQ0010a_oXSuAlrlodw9WqReDAPmcVFV6V2WF93d230ZqvVF_oaAkwpEALw_wcB
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