



You are not alone: Finding guidance and support on your sustainability journey

By John Mulligan, President
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There is little doubt that societal and consumer concerns and expectations regarding the environmental and social impacts of products and materials is now reshaping luxury goods and jewellery businesses. Consultants at McKinsey have estimated that,

within the next few years, up to a third of global jewellery sales, valued at around U.S. \$110 billion, will likely be influenced by sustainability-minded consumers. And industry leaders and brands have come to understand and embrace that trend, moving from minimising their risks to considering their potential wider beneficial impacts on the planet and its people¹.

¹ *State of Fashion: Watches and Jewellery* (2021), McKinsey & Company.



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There is also very substantial evidence to suggest that this – the mainstreaming of sustainability as a core part of company business plans – will also be good for business. As the Luxury Communications Council recently stated; “Sustainability is a baseline for new luxurians.” Brand leaders are now “crafting exactly what luxury audiences didn’t even know they wanted – owning beautiful pieces in ways that uphold planetary health, inclusivity, social progression.”²

These factors – the focus on business impacts on climate change mitigation, environmental protection, and equitable development – are, of course, increasingly shaping buying and investment patterns across all consumer segments across the world. But they have become even more significant for an industry that depends on discretionary spending, often based on detailed scrutiny of the provenance and particular quality of the precious materials from which its products are crafted.

An article in *Harvard Business Review* (discussing research from Deloitte Consulting) articulates this well: “We’re fast approaching this tipping point where sustainability will be considered a baseline requirement for purchase, and companies should prepare now.”³

To ensure the jewellery sector is adequately prepared for this

2 The Future of the Jewellery Industry: 2024 Trends & Trajectories (2024), www.luxurycommunicationscouncil.com.

3 Research: Consumers’ Sustainability Demands Are Rising (2023), *Harvard Business Review*

“tipping point,” to support its resilience and responsiveness in the face of changing consumer demands, we need to map out what that preparation might involve. Specifically, we should define what risks and potential impacts need to be understood and addressed by companies across jewellery supply chains, and how might they then define their goals and move to act and demonstrate progress.

This can seem daunting to many companies. Navigating the extensive landscape of Environmental, Social, and Governance (ESG) issues and challenges that might be material to a business is no simple task, particularly for small to medium-sized businesses (SMEs), often constrained by limited resources and with less leverage on other market participants). Companies may also need to consider a wide range of perspectives and priorities on certain ESG issues in different local markets, often reflecting particular cultural and socio-political conditions and drivers.

Nonetheless, if the jewellery industry as a whole is to build and sustain consumer trust it needs to avoid fragmented and potentially contradictory responses. How then do we strive to encourage and support the global jewellery sector so that it might move in a relatively consistent or broadly convergent manner towards a set of common sustainability objectives?



Building on solid foundations

The World Jewellery Confederation (CIBJO), via its Sustainable Development Commission, has been considering this challenge. Building on the foundations of the organisation's earlier work on Responsible Sourcing, the Commission has sought to define a sectoral "ESG and sustainability roadmap" for jewellery market participants. It is intended to provide clarity and direction for industry associations and companies across their supply chains. The objective of the resulting guidance document, and the resources it references, is to condense the vast array of ESG topics and sustainability objectives into a structured and prioritised framework, tailored to the specific needs and characteristics of the jewellery sector.

Taken as a whole, this guidance, which is likely to be published by CIBJO quite soon as a Blue Book, should offer a clear set of reference points to enable jewellery companies to focus their resources, efficiently and effectively, on the ESG issues of most relevance to their businesses.

However, before jewellery companies consider the wider social and environmental impacts of their activities, they need to have undertaken the necessary work to ensure the integrity of their supply chains. To help with this and support ongoing improvement, CIBJO directs companies to its [Responsible Sourcing Blue Book](#), which gives structured advice for applying due diligence in the responsible sourcing of gemstones and precious metals. Furthermore, CIBJO has also created a toolkit, aligned with and complementary to Blue Book to provide further clarification and reference

materials to help companies establish they have adequate due diligence foundations in place.

Once companies are confident that they have robust and transparent due diligence processes installed to better manage their supply chains, they can plan how to extend their vision and ambitions to also consider their potential role in contributing to positive social and environmental outcomes. All the evidence and signals, including from both consumer research and environmental science, are indicating that now is the time for transformation. Now is the time to act. Fortunately, the barriers to change are easing and the knowledge gaps are narrowing, with an increasingly broad and accessible set of tools and resources available to companies to support improvement and progress.

Although some jewellery companies may have hesitated to embark on their sustainability journey because they have found the first steps the most challenging, there is an expanding body of supportive materials and reference resources to assist them in getting started. Indeed, the growing range and depth of these materials can be taken as indicative of how swiftly the jewellery industry's awareness of and sensitivity to the world's major sustainability challenges have evolved.

The key framework to allow us to understand the nature and scope of our shared social and environmental objectives is, of course, the United Nations Sustainable Development Goals (SDGs). These 17 interconnected goals address the major challenges of our time, including poverty, inequality, climate change, environmental degradation, peace, and

The Responsible Sourcing Book

CIBJO Sustainable Development Commission
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The Responsible Sourcing Blue Book. [CLICK HERE](#) to download.



The Responsible Sourcing Toolkit. [CLICK HERE](#) to access.

justice. Although progress towards achieving the SDGs has been frustratingly slow, there has recently been a significant shift in societal perceptions of how we might accelerate it. In many countries, we have seen a move away from simply waiting for governments to act, towards a firm belief that responsible business leaders should also intervene, and do so with urgency, to take actions that might avoid irreversible negative consequences to society, nature and biodiversity.

For the jewellery sector, understanding and aligning with the SDGs might offer substantial benefits. In aligning their contribution to wider global sustainability efforts, companies might find that the process of strategic alignment can also drive opportunities for additional growth, innovation, and the building of stakeholder trust.

Industry coming together

The CIBJO Board and executive recognise that these changes, and a clearer level of commitment to contributing to progress on the SDGs, are now of paramount importance. Fortunately, we are seeing different jewellery market participants and segments starting to respond in a more co-ordinated and coherent fashion.

The recent work of the CIBJO Laboratory-Grown Diamond Committee in mapping key ESG principles with the UN SDGs is highly relevant here, and wholly aligned with the coming “sustainability roadmap” guidance. Indeed, further work is now being planned to develop the committee’s ESG “mapping” work with a focus on implementation and impact measurement. The proposed outputs are intended to represent a practical example that other segments and sectors of the industry can align with or learn from. Ultimately, the goal is to encourage and support a coherent and convergent response from all CIBJO members and key jewellery industry participants, as they embark or advance on their sustainability journey.

Similarly, the close relationship between CIBJO and other jewellery associations and coalitions with a focus on sustainability objectives, such as the Responsible Jewellery Council (RJC) and the Watch & Jewellery Initiative 2030 (WJI2030), reflects an industry that is increasingly aware that progress on these objectives will require greater cooperation and collaboration. Indeed, the WJI2030 describes its mission in these terms: to identify and support “opportunities to work together to make a positive impact.”

In addition, and as a further indication of the increased convergence and sectoral collaboration on supply chain responses to ESG and sustainability objectives, the gold industry, with CIBJO and the other aforementioned jewellery

associations, has come together to commit to a Gold Industry Declaration of Responsibility & Sustainability Principles. The 10 Principles reflect the main material ESG factors and goals that 14 key global industry associations and exchanges have agreed to focus on, with the intention of contributing to demonstrable positive progress.

We highlighted these initiatives in the [Special Report produced for the CIBJO 2023 Congress](#), referencing those groups and coalitions now seeking to support their members by offering sustainability guidance notes and collating relevant tools for easy access. But it is important to note that these outputs and activities are increasingly aligned, demonstrating a greater shared understanding across the industry of the key challenges, priorities and pathways to progress.

Strategies and priorities

Using these tools and resources, companies can start to build or enhance their knowledge of “good practice” to develop an integrated ESG strategy. The effective implementation of such a strategy requires a structured approach, ensuring that the strategy is not only well-conceived but also seamlessly incorporated into core business operations.

The following steps represent the high-level actions jewellery companies will likely need to take in shaping and directing their ESG strategy.

- Establish clear leadership and responsibility
- Secure buy-in from senior management
- Define clear objectives and purpose
- Align the business with established frameworks, standards and applicable regulations
- Conduct a materiality assessment
- Review existing policies and procedures
- Integrate ESG considerations and goals into corporate strategy
- Engage with supplier and stakeholders on the relevant goals and actions
- Build further capacity and train your staff accordingly
- Monitor, report, and communicate your actions and progress
- Commit to a continuous cycle of improvement and adaptation

The coming CIBJO guidance is designed to address many of these steps in a practical way of particular relevance to the jewellery sector. At the highest level, it is framed around consideration of our People, our Planet, and our Products, with a set of key priority industry issues associated with each, as summarised in the following table.

| Priority ESG issue | Category | Scope and description |
|--|----------------|---|
| Human rights and labour practices | People | Addresses the ethical treatment and welfare of workers throughout the jewellery supply chain. This includes ensuring fair labour practices, safe working environments, and the protection of fundamental human rights at every stage, from raw material extraction to final product assembly and retail. |
| Inclusion, diversity and employee wellbeing | People | Focuses on fostering an equitable and inclusive environment within the workplace. This encompasses embracing diversity in all its forms - gender, race, ethnicity, age, sexual orientation, and disability - both within organisational structures and in broader business practices. |
| Climate change and energy | Planet | Addresses the impacts of business operations on climate change – typically, with a focus on energy consumption. This involves assessing and reducing greenhouse gas (GHG) emissions, implementing energy-efficient practices, and transitioning to renewable energy sources. It underscores the necessity for businesses to mitigate their carbon footprint and contribute to global efforts against climate change. For supply chain participants that regularly interact with communities in potentially vulnerable locations, actions to support resilience against the local physical impacts of climate change can also produce. |
| Waste and circularity | Planet | Examines the strategies and practices for effectively managing waste generated by business operations. This includes reducing waste production, promoting recycling and reuse, and ensuring the responsible disposal of waste. Plans often emphasise the importance of minimising environmental impact through sustainable waste management practices. The topic also refers to the adoption of circular economy principles in business practices, particularly focusing on the use of sustainable materials. In the context of jewellery, this includes the utilisation of recycled precious metals and the integration of circular economy concepts into aspects like packaging design. |
| Nature and biodiversity | Planet | Focused on the identification, assessment, and management of the ecological footprint across the entire supply chain. Plans often highlight the importance of understanding and mitigating environmental impacts such as resource depletion, pollution, and habitat destruction that can occur at various stages of the supply chain, from raw material extraction to manufacturing and distribution. It underscores the need for a comprehensive approach to environmental stewardship throughout the supply chain. |
| Traceability | Product | Centres on the capability to trace the journey of raw materials from their origin through the entire supply chain. This is vital for the broader due diligence work related to human rights and environmental impacts in the supply chain. Effective traceability ensures transparency and accountability, enabling businesses to verify that their materials are responsibly produced and sourced. |
| Responsible marketing and transparency | Product | Involves taking a responsible approach to promoting products, particularly in the context of sustainability claims. It highlights the importance of credible, honest and transparent communication regarding a company's sustainability commitments and achievements. It emphasises the need for businesses to avoid overstating or misrepresenting their environmental and ethical practices — a practice commonly known as «greenwashing.» Instead, companies should aim for clarity, accuracy, and authenticity in their marketing, ensuring that all sustainability claims are substantiated by tangible actions and verifiable data. |



These key ESG issues, against the backdrop of the UN SDGs as the overall “blueprint” for progress, are expected to be of substantial relevance to the jewellery industry for years to come. The challenges they represent may seem formidable and, to some, even overwhelming. But there are many helpful tools available to assist companies of all types and sizes, and CIBJO is committed to building on these tried and tested resources for its members and the wider jewellery industry.

By embarking on their sustainability journey and following the pathways laid out by established “good practice” guidance, jewellery companies can ensure that their operations not only meet regulatory requirements but also align with broader consumer expectations and global sustainability priorities. This can make them more resilient and responsive businesses and enhance their overall value proposition, signalling that they are companies that are committed and equipped to translate profit into purpose and positive impact.



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