

ACTION ON ETHICS

As issues of ethics, sustainability and environment continue to gain momentum in the eyes of consumers, Gem-A Ethics Manager, Vivien Johnston, speaks to leading industry figures to see exactly what, and who, is shaping the conversation in today's gemstone market.

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There are a number of initiatives emerging to improve supply chain responsibility and practice within the coloured gemstone industry. Often, these are initiated by standard-setters, or in response to external pressure on the trade from government, campaigners or consumers.

One group that has proactively mobilised to address this important reputation issue for the industry is the Coloured Gemstone Working Group (CGWG). Founded in April 2015, the CGWG was formed out of an interest in leading luxury jewellery brands and gemstone miners to better understand the risks and opportunities for positive impact in their coloured gemstone supply chains.

The working group brings together leading luxury brands and large scale mining companies, and includes Kering, LVMH, Cartier, Swarovski, Bulgari, Tiffany & Co., Gemfields and Muzo. The members of the group have dedicated the time and resources of senior and specialist staff to contribute to building a more responsible and transparent coloured gemstone supply chain.

The Dragonfly Initiative, a sustainability advisory firm of which I am an executive partner and project manager, was asked to manage the working group and develop and execute the technical work plan. Here are some of the areas that have been in the spotlight so far:

INSTRUMENTS FOR BETTER PRACTICES

Collectively, the members of the CGWG immediately recognised the need for practical guidance and management tools on best practices in the industry to facilitate the continuous improvement of businesses of all sizes and at all tiers in the gemstone supply chain.

Claire Piroddi, sustainability manager for watches and jewellery at global luxury group, Kering, comments: "Transparency across the supply chain is critical to transform our business models. At Kering, one of our sustainability targets is about ensuring a transparent and responsible supply chain, and to achieve this, we aim to trace our raw materials

all the way to their origins. This is exactly what we are doing for coloured gemstones; and we do it in collaboration with all the players on the market because we know that collaboration is key if we want transformational change."

With this objective in mind, they developed, and continue to improve, instruments designed for better practices in the colored gemstone supply chain.

Included is a framework of guidance for environmental, health and



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safety, business integrity and social best practices for the coloured gemstone supply chain from producer to retail, including artisanal and small enterprises in the mining and cutting and polishing industries. In order to avoid duplication and to collaborate with and contribute to industry efforts, the framework draws on and aligns with the RJC Code of Practices. Other aspects include a practical due diligence assessment tool for the industry that is applicable to different tiers in the supply chain and for different business activities, plus a series of coloured gemstone risk profiles that describe the social, environmental and governance aspects of the supply chain for a number of popular gemstones.

COLLABORATION

Members of CGWG have been clear from the outset that the group is not a standard-setting organisation, nor does it intend to displace existing standards. Instead, it hopes to galvanize action in the supply chain and standard setting organisations by implementing the tools they have built in their own supply chains and actively working with others to harmonize approaches.

"At Tiffany & Co., we have long focused on ensuring that we operate and source in an ethical fashion. We also recognize that collaboration is key to realising true, systemic change," explains Tiffany & Co. chief sustainability officer, Anisa Kamadoli Costa. "Participation in the Colored Gemstone Working Group allows

THE WORKING GROUP BRINGS TOGETHER LEADING LUXURY BRANDS AND LARGE SCALE MINING COMPANIES

us to partner with other luxury brands to identify opportunities to increase due diligence, widen stakeholder engagement and advance the industry towards a more transparent and responsible coloured gemstone supply chain."

The CGWG monitors changes to and reviews other initiatives that are working on standards in the mining and mineral supply chains, not only to make sure its activities are informed by current thinking, but also to incorporate that thinking into its tools where possible. In particular, the CGWG has sought to align its due diligence approach as much as possible with the Organisation for Economic Co-operation and Development (OECD) guidance, while also considering the insights of Fairtrade and Fairmined,



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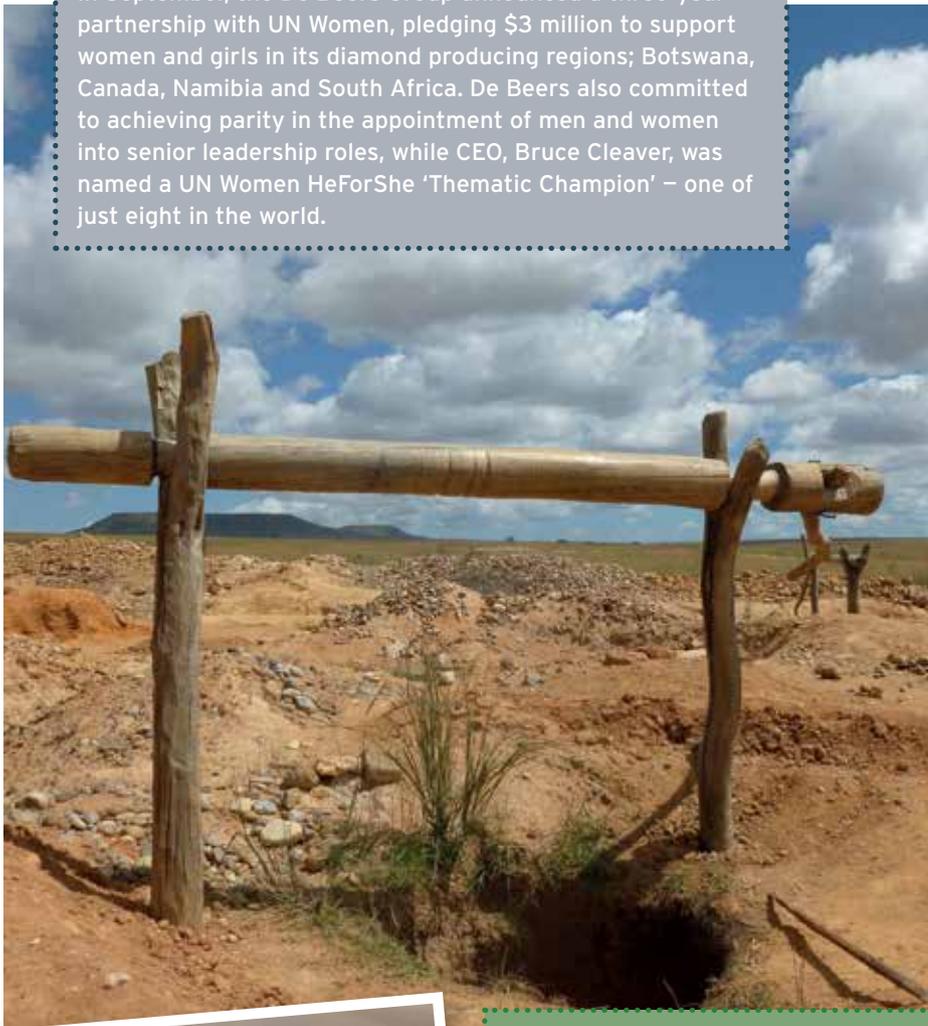
What is the Minamata Convention on Mercury?

This global treaty was adopted by 150 states in 2013 to protect human health and the environment from the adverse effects of mercury. As the Artisanal Gold Council explains, ore is mixed with mercury to capture the gold in a mixture known as amalgam. The amalgam is then heated to evaporate the mercury, leaving residual gold and other metals. Mercury vapour is proven to cause damage to the nervous system and kidneys, and result in insomnia, tremors, depression and gum disease. Once released into the atmosphere, mercury can travel far and wide, polluting fish species and entering the

food chain. The Convention entered into force on August 16 2017, and was swiftly followed by the first Meeting of the Conference of the Parties to the Minamata Convention on Mercury (COP1) in Switzerland from September 24-29, 2017. Now, the Convention is being implemented at a national level across the world, with support in place to help countries use state-of-the-art technology that reduces the need for mercury. The Convention also includes a ban on new mercury mines.

Did you know? Artisanal and small-scale mining is the source of the largest releases of mercury, estimated at 1,400 tonnes per year in 2011.

In September, the De Beers Group announced a three-year partnership with UN Women, pledging \$3 million to support women and girls in its diamond producing regions; Botswana, Canada, Namibia and South Africa. De Beers also committed to achieving parity in the appointment of men and women into senior leadership roles, while CEO, Bruce Cleaver, was named a UN Women HeForShe 'Thematic Champion' – one of just eight in the world.



A recent report by the CIBJO Pearl Commission suggests that unscrupulous pearl traders online and on social media are deceiving consumers through incorrect terminology. Kenneth Scaratt, president of CIBJO (The World Jewellery Confederation) Gemmological Commission, explains that 'cultured' is being omitted from descriptions of cultured pearls online, and coloured freshwater cultured pearls are being described as 'natural pearls' in sales pitches. When challenged, sellers argue 'natural' is referring to the naturally-occurring colour of these cultured pearls, rather than their growth origins. These sort of deceptive marketing practices were debated at the CIBJO Congress 2017 hosted in November in Bangkok, Thailand.

We are very happy about the progress that was reached by the CGWG and see this as a solid foundation towards establishing a transparent and responsible supply chain of coloured gemstones.

The second Jewelry Industry Summit was held in 2017, drawing a range of experts from all areas of the gemstone and jewellery industries to discuss key ethical, sustainable and environmental issues. As an incubator and facilitator of CSR and sustainability projects, the Jewelry Industry Summit supports a number of initiatives, including efforts to fight silicosis and other industrial illnesses among gemstone cutters led by Eric Braunwart of Columbia Gem House. In recent months, the Jewellery Development Index – proposed by Summit participants in January 2017 – caught the attention of the US State Department. This forward-thinking Index proposes a relative positive or negative score indicating the degree to which the jewellery and gemstone industries impact on the economic and social well-being of societies in a given country or region. Now, the US State Department is spearheading the project and is planning a full concept paper following in-depth industry consultation.



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the Electronic Industry Citizenship Coalition (EICC), the Responsible Raw Materials Initiative (RRMI), the Better Gold Initiative – Swiss Better Gold Association (SBGA) and others.

FIELD TESTING AND IMPLEMENTATION

Through the supply chains of members and a small reference group of businesses at different points in the supply chain, the CGWG has begun the testing and implementation of its Due Diligence Tools. Speaking on behalf of the group, Michael Schlamadinger,



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IN CONVERSATION WITH...

Dr. Laurent Cartier



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Laurent Cartier holds a Master's degree in Earth Sciences and a PhD from Basel University and completed his Gem-A Gemmology Diploma in 2008. He has been working for SSEF (Swiss Gemmological Institute) since 2010. Cartier is also a lecturer in Gemmology at the University of Lausanne (UNIL). He has widely travelled to gemstone mines and pearl farms worldwide, having spent prolonged periods of time in Sierra Leone, Madagascar and the Pacific.

You have achieved a great deal in the last 10 years – what are your career highlights?

Leading a National Geographic/Waite Foundation-funded research project to French Polynesia to evaluate the impact of pearl farms on the fish and reef ecosystems. It was incredible to dive with local fishermen and pearl farmers exploring those magnificent waters full of colourful fish. Seeing that beauty and its fragility really motivated me to pursue work on sustainable pearl; bringing together pearl producers, retailers, scientists, NGOs and other stakeholders in Hong Kong in 2014 to organise the Sustainable Pearls Forum, which showed how much is possible in our industry.

Overall, every visit to pearl farms and gemstone mining regions around the world to get a better understanding of how gems are formed, mined and traded has been a highlight in itself.

Why is sustainability important to you?

As cliched as it sounds, because it's the right thing to do. There is a heritage and an astounding beauty in gemstones that deserves to be around for many generations to come; some of the pearls farms and mining regions I have had the privilege of visiting these past few years should still be around in a few decades.

Do you separate sustainability from ethics and if so why?

Both words are rather overused and there are diverse interpretations to what they mean in the trade. I would rather people focused on the issues and finding solutions. Some people argue that sustainability is totally misplaced in the gemstone mining/trading context. I would disagree. Gemstones have been 'recycled' for centuries if not millennia. There is a need to address how gemstone extraction can fund long-term sustainable development. That road is filled with challenges, but also full of opportunities.

What do you see as the three issues affecting the coloured gemstone or organics industry currently?

For pearls, I would say global environmental change (including rising sea levels, rising sea temperatures and pollution), and the economic difficulties that pearl farmers are facing. With gemstones certainly treatments (that are rarely highlighted in recent sustainability/ethics discussions), and the whole question of how to address sustainability issues in such a complex and fragmented industry that is experiencing rapid changes.

You are working with Delaware University on a gem knowledge hub – how did this idea come about?

The Sustainable Pearls project that Prof. Saleem Ali and I had initiated in 2011 had shown that people both in the trade and consumers were hungry for information about (sustainability) issues in the sector, and possible solutions. Pearls were a great place to start, as there are a lot of business-conservation synergies in marine pearl farming.

Having learned valuable experiences from this, we felt that a 'Gemstones and Sustainable Development Knowledge Hub' that brings together existing knowledge, research and sustainability initiatives around these themes could be a great way to move things forward in the gemstone industry. We also wanted to target some parts of the supply chain (such as the cutting and polishing sector) which we felt were important but often forgotten in bringing some of the discussions to the next level.

The project is based at the University of Delaware and involves a range of different partners including University of Lausanne and University of Queensland, along with gemmological research labs (such as SSEF and GIA), museums, industry associations, gemstone miners, cutters, dealers and retailers.

GEMSTONES HAVE BEEN 'RECYCLED' FOR CENTURIES IF NOT MILLENNIA.

What other action can those interested in sustainability take to improve the gem business?

Accepting that there is no one size fits all solution. There is such a diverse range of gems in our industries, coming out of so many different countries, different geological and ecological environments and different cultural environments. Some gemstones are treated, others are not. Some mines are only active for very short periods of times because they come from small deposits but produce very high quality stones (e.g. Winza in Tanzania). Disclosure, as with treatments, is an important topic. Engaging with stakeholders across the supply chain. Supporting projects that are trying to both understand some of the issues involved and developing solutions to improve the footprint of the industry, such as for example 'Conservation Gemstones'. Finally, education seems vital, for miners, traders, retailers and consumers. ■

IN CONVERSATION WITH...

Kathy Chapell



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Kathy Chapell has worked in the gemstone business for over 20 years. She emigrated to Canada as a child in 1965, settling in the gold mining town of Red Lake, northwest Ontario and later in the diamond province of Guyana and then South Africa, returning to the UK in 1974.

Through the family gemstone business she has successfully marketed the Nyala Ruby from the Chimwadzulu mine in Malawi. She buys stones from source and has a working partnership with Columbia Gem House - a leading proponent of ethical sourcing and distribution.

She is a member of Women in Mining, and was named special advisor on ethical issues to the London Diamond Bourses' Council of Management.

Your role at the London Diamond Bourse has been newly created, what prompted this move?

The decision to appoint an ethics advisor arose from the increasing demand for ethically produced gemstones among purchasers. My position is designed to bridge the gap between the ethical community and our members and assist them in any particular areas of concern. Ethics increasingly applies to all goods, particularly those produced in low-income developing countries. Gemstones are emotive because the majority are sourced from developing countries and diamonds, by value, are the largest proportion of the total. I am in a position to teach our members about the route

of diamonds from the mine to the market place. We are also building a database which will be available to members dealing, for instance, in goods from specific countries where there are ethical concerns.

What are the top three threats you see to the reputation of the diamond industry currently?

Synthetics: There has been a practice of mixing synthetics with natural – particularly in small, calibrated sizes, without declaration. Almost any gemstone can be produced by laboratory methods. Diamonds lead because they parallel natural stones in almost all respects. If declared and marketed as such, they will hold a place in the chain, but will always be cheaper.

Artificial enhancement: Diamonds can be fracture-filled, surface-coated or coloured to enhance their appearance for sale. If undisclosed, this is criminal. Dealer trust and certification are two obvious routes to handling the problem.

The industry is slow to change: I feel that the majority of diamond retailers are slow to recognise the growing desire from consumers to know the origin of their diamonds. They are slow to adjust to the growing requirement to show that their diamonds are mined, cut and polished in an ethically-friendly environment. Knowledge of and desire for ethically produced stones is growing among end consumers, especially millennials. A child in school is now taught the benefits of fair trade on the environment and the world as whole. This is an issue that will grow with the younger generation; it will only intensify and will not disappear.

What advice can you give to anyone who is concerned about a supplier or who would like to check their supply chain for risks?

I would advise purchasers to ask as many questions as possible, to ask for verbal and written assurances and where possible for a full disclosure of the supply chain from the mine to the cutting factory to the seller. ■

Dutch artist and technologist Daan Roosegaarde installed a seven metre tall Smog Free Tower – a giant air purifier – outside his Rotterdam Studio in 2015. The project caught the attention of the Chinese government, who decided to erect one in Beijing's 798 Arts Zone in September 2016. The by-product of this purifying process is carbon dust, which Roosegaarde is now transforming into diamonds via the HPHT process. Each 'Smog Free Diamond' is cut into a cube and can be worn as a ring or cufflinks.

head of procurement at D. Swarovski & Co, says: "The Due Diligence Tools have been designed to take into account differences between various sites and facilities in terms size, organisational level and availability of resources based on a progressive approach that we think was needed for the coloured gemstone industry. Swarovski, along with other members, has started testing the tools in our supply chain. We are very happy about the progress that was reached by the CGWG and see this as a solid foundation towards establishing a transparent and responsible supply chain of coloured gemstones."

Now, the Working Group is completing field visits in priority gemstone countries, including Colombia, Brazil, Madagascar, India, Tanzania and Sri Lanka. Testing the approach and tools of the CGWG will be achieved by visiting mines – large and small – cutting and polishing facilities, and holding consultations with industry and government representatives. ■



GIVING BACK

Gems&Jewellery contributor Christa Van Eerde MA MLitt Cert. GA DGA reports on a group of inspiring gem-lovers who turned a trip to Madagascar into a long-term educational mission.



The Devon Foundation began in 2008, when Nancy Schuring, Joe Portal and Debbie Swinney took a life-changing trip to Madagascar - a former French colony set in the Indian Ocean far off Africa's southeast coast — with Jim Fiebig. The aim was to have an educational and gem-hunting experience, and that was achieved, but so was much more. Touched by the people they met, people who form an integral part of each individual business' success and the jewellery industry, Nancy, Debbie and Joe created The Devon Foundation to help those in the gem trade in East Africa by providing them with lapidary skills and educating them about the stones they discover.

The trip included a stop at IGM, the Institute of Gemology of Madagascar, located in Madagascar's capital city of Tana. IGM was founded in 2003 and is

an accredited Gem-A teaching centre. Since then, more than 1,800 students from 31 counties have graduated from the institution. Nancy recognised that many of the students were not from the region, due to the tuition being unaffordable to locals. That realisation is where the idea to provide scholarships to fund gemmology and lapidary education for people in gemstone mining areas stemmed from.

After the success of the first Devon Foundation scholarships, awarded to eight students, four men and four women, the Foundation hit a roadblock. The political situation in Madagascar in 2011 made it increasingly challenging to operate, yet The Devon Foundation was not deterred. Upon advice from Roger Dery, the Foundation turned its attention to the Arusha Gemmological and Jewellery Vocational Training Centre in Tanzania; a small, independent, vocational school that was in dire need of equipment. Thanks to The Devon Foundation, it received much-needed gemmological instruments, including two facetron machines, refractometers, dichroscopes, and polariscopes, as well as the opportunity to award scholarships and expand by constructing another school room.

In 2013, Nancy travelled to Arusha and



met Peter Salla, an inspirational figure in the gem trade who founded the Arusha Training Centre in 2000. Nancy brought with her donated gemstones from her New Jersey-based retail business Devon Fine Jewelry, for students to work with and test as part of their training. Nancy also met Jessica and Sabrina, both scholarship recipients, which proved an emotional meeting for all involved. Sabrina had been cast out of her village for refusing to marry at the age of 15, and when Salla met her begging in the streets for money to attend school, he offered her a Devon Foundation scholarship.

She began the very next day, graduated with distinction, and is currently employed in the gem trade. Since opening, the school has seen over 800 students graduate, one third of whom are women.

The next focus for the Devon Foundation is the launch of the first gemmological and gemstone faceting school in southern Kenya. There is no better time to support The Devon Foundation and play a part in providing locals with the power of knowledge to properly identify, cut, export and value stones accurately. ■

Visit devonfoundation.com to find out more.



TALKING TREES

The recent rush to discover sapphires in Madagascar has wreaked havoc on the natural environment. Communications consultant, Michael Hoare, shares how the International Tree Foundation (ITF) is working to restore and revive this biologically diverse corner of the globe.

Earlier this year, Madagascar experienced what has been called possibly the country's largest gemstone rush in its history. Sapphires were discovered in a protected rainforest area, and gem traders, as well as tens of thousands of local people, flocked to the forest to try their hand at artisanal mining, hoping to get lucky.

In the process, large areas of rainforest were stripped of trees, becoming huge open-air mines and supporting temporary housing. The rainforest is home to 14 types of endangered lemurs and over 2,000 endemic plant species found nowhere else on Earth. This rich biodiversity is now at risk.

In the jewellery context, precious metals, diamonds, and gemstones are viewed as the main 'offenders' and their extraction and processing has been blamed for conflict, oppression, human rights abuses, exploitation, and displacement of indigenous peoples. Not to mention environmental degradation.



ITF partners with Ny Tanintsika (meaning 'Our Land') - a Malagasy NGO that contributes to poverty reduction and improving natural resource management. Photo credit Ny Tanintsika/ ITF



A community tree planting project underway in Rwanda. Photo credit ITF

Numerous campaigns have sought to raise the collective consciousness about the human and environmental costs involved in extracting raw materials. Since the turn of the century, retailers – as the interface between consumers and the supply chain – have been encouraged to apply pressure on their suppliers to bring about change.

During my 12 year tenure as former CEO of the National Association of Goldsmiths, I witnessed a lot of good work done on cleaning up the supply chain. Members of the Responsible Jewellery Council (RJC), for instance, now commit to – and are independently audited against – international standards on responsible business practices for diamonds, gold and platinum group metals. These standards address human rights, labour rights, environmental impact, mining practices, and product disclosure in the jewellery supply chain.

Since leaving the NAG I have involved myself with the work of International Tree Foundation (ITF), as a way of putting something back into the continent that has given so much to the jewellery industry. ITF's work brings multiple benefits to rural, forest-adjacent communities in Africa, including improved ecosystem functioning, living standards and well-being.

Madagascar has lost over 80% of forest cover. ITF are working with two partner organisations on the island to restore rainforests and to build secure livelihoods. Working with vulnerable households, they are planting trees to increase biodiversity, conserve habitats for wildlife, and improve soil quality and watershed functions.

But added to pure conservation, trees have the potential to greatly improve livelihoods across the African continent. Trees are a source of economic benefits, including fruits and nuts, timber, fibres, cosmetics, and medicines. Tree products open up sustainable income generating opportunities, especially for women.

ITF works with businesses to engage their staff and customers in tree planting initiatives across Africa and in the UK. I urge you to get in touch about how you can support the restoration of ecosystems and the improvement of livelihoods across Africa. Jewellers – let's get planting! ■

For more information, please email: info@internationaltreefoundation.org.