

THE
**COLOURED GEMSTONES
WORKING GROUP**

**SUSTAINABLY
PRODUCED**



Introduction to
Sustainability

GUIDANCE

2021

TDi

Sustainability

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Introduction to this Guidance

This Guidance has been designed to help you better understand the importance of sustainability and of formalising a commitment to conduct your business sustainably.

This Guidance includes:

- **An explanation** of what sustainability is and its relevance to the gemstones and jewellery industry;
- **A description of the key steps** you can take to formalise your commitment to sustainable business practices within your business.
- **A checklist illustrating** how the practices described in this Guidance are applicable and relevant to your business, depending, respectively, on the type of business (mining or non-mining) and on the size of your workforce.
- **A glossary** containing an explanation of key terms (highlighted in yellow) relating to the topic of Sustainability

Explanation of the Concept of Sustainability

Sustainability is the ability to meet the needs of the present without compromising the ability of future generations to meet their needs. In practical terms, this means promoting economic growth while being careful not to disrupt, pollute, or excessively consume precious natural resources, such as fresh water, and by being respectful of the workers and communities who contribute to, and are affected by, business activity.

This concept has become relevant in recent years as global environmental and social challenges, such as climate change and increased inequalities, demonstrate that we can no longer focus on economic development without also taking into consideration the effects and impacts of businesses on people and on the environment.

Aware of these global challenges, today, consumers, regulators, investors, and other categories of individuals or organisations that may be somehow connected to your business, also known as '*stakeholders*', demand that businesses produce jewellery pieces that are not only beautiful, but

also ethical, meaning, jewellery pieces that have been produced in a way that respects people and does not harm the natural environment.

For a business, acting in a 'sustainable' or 'responsible' manner means taking into account a variety of different topics that can be categorized, for convenience, into 3 main areas: the environmental, social, and governance areas.

Environmental topics are those related to environmental protection. This term refers to a business's efforts to protect precious natural resources, such as fresh water sources, and to minimise the *negative impacts* that business operations may cause on the natural environment, for example, pollution. In the gemstones and jewellery industry, businesses may negatively impact the natural environment especially during mining and manufacturing activities. For this reason, it is important that you commit to conduct your business responsibly. In the 'Environmental Protection' module you will learn more about how you can take action to implement your commitment to protect the environment.

Even if you are not a mining or manufacturing business, there are steps you can take to improve your environmental performance through sustainability practices in the workplace. In fact, offices may also have a negative impact on the environment, such as extensive use of paper, which may contribute to *deforestation*, and electricity, which may contribute to climate change. To mitigate your potential negative impacts, there are steps you could take including, for example, investing in digital technology in order to become paperless; adopting energy-efficient lighting; and training your employees on additional sustainability practices including recycling and waste management.

Social topics include those related to the right of workers to a safe work environment and to be treated fairly. Social topics also include those related to the relationship between a business and its surrounding communities. In the gemstone and jewellery industry, businesses may need to pay particular attention to safe working conditions, given, for example, the potentially dangerous activities carried out during mining if employees are not provided with proper protective

equipment and health and safety training, as well as the negative impacts that business operations (e.g. mining and manufacturing) can cause on local communities. You can learn more about what steps you can take to ensure you treat both workers and surrounding communities fairly in the modules on 'Health and Safety at Work', 'Human Rights and Equality' and 'Labour Rights and Fair Working Conditions'.

Finally, governance topics include those related to a business's ethical behaviour. This includes, for example, ensuring compliance with all applicable laws and regulations, communicating on products transparently, and taking measures to prevent criminal activities. It is an unfortunate reality that the trading of precious minerals used in the gemstone and jewellery industry has often been associated with practices such as money laundering and terrorism financing. This is why committing to sustainability practices is important, so to avoid such unethical behaviour.

Implementing Your Sustainability Commitment

You should formalise your commitment to sustainability by undertaking the following steps:



1 WRITE A SUSTAINABILITY POLICY AND/OR SPECIFIC POLICIES

You should formalise a sustainability commitment by writing a Sustainability Policy, and/or specific policies (e.g. environmental policy, human rights policy, etc.).

A sustainability commitment is a formal statement made to clearly and formally articulate your commitment to act responsibly. Formalising your commitments is important as it strengthens stakeholder trust, provides unity of purpose within the company, and clarifies expectations to stakeholders. Such commitment is more impactful and effective when it reflects sustainability topics that are relevant to your business, to ensure that limited resources are allocated to what may represent the greatest impacts. Your sustainability commitment can and should become a key component of your business identity and should align with your business values. Focusing on what matters most will demonstrate your business's commitment to sustainability and in turn, will engage your stakeholders as it makes sustainability a component of your business's identity.



COMMUNICATE YOUR COMMITMENT TO EMPLOYEES AND OTHER STAKEHOLDERS

It is important that your employees and other relevant stakeholders are aware of your sustainability commitment, as they play a critical role in ensuring that you can achieve your sustainability objectives.

Depending on the size of your business and your business culture, there are different ways of communicating your policy, which include, but are not limited to:

- Sending the policy to all employees via email or via your internal communication channel (for example, your intranet or internal newsletter);
- Adding the policy to new employees' welcome package;
- Posting a hard copy of the policy in a common meeting area, canteen or building entrance;
- Publishing the policy on your website;
- Incorporate the policy in your invoices or contracts with contractors and suppliers.

3 IMPLEMENT YOUR COMMITMENT

Implement your commitment through one or more sustainability systems. To do so, you should have procedures, roles and responsibilities, and resources in place. You will learn more about how to design a system through the Management Systems topic.



CHECK

4 MONITOR YOUR SUSTAINABILITY PERFORMANCE

As part of your implementation process, you should continuously monitor your sustainability performance to make sure that you are progressing against your sustainability objectives.



ACT

5 REVIEW YOUR POLICY

You should review your Sustainability Policy or policies regularly, to ensure that they are updated and consistent with your business objectives.







Applicability and Relevance to Your Business

A sustainability commitment is important for, and applicable to, all businesses, big and small, and at all points of the supply chain from mining through to retail. However, how a business takes action to manage these topics will depend on the business's size and availability of resources, both human and financial.

Below you can find a checklist illustrating the good practices presented in this Guidance, reflecting what is normally expected of a business in the gemstones and jewellery industry. There may be a number of ways you can go about to meet these expectations. In the checklist below you will see, indicated with a check mark (✓) those that are considered to be a minimum expectation for a business of your type and size. If you do not have these good practices in place yet, do not worry. Take the time you need to implement the practices that are best for you, given your business type, size, and circumstances.

INTRODUCTION TO SUSTAINABILITY CHECKLIST

BUSINESS SIZE AND RELEVANCE

		MINING		NON-MINING			
		1 	2 	3 	4 	5 	6 
Commit to implementing sustainability practices	Write a Sustainability Policy	✓	✓	✓	✓	✓	✓
Communicate your commitment to your employees	Send the policy to all employees via email or via your internal communication channel (for example, your intranet or internal newsletter)	✓	✓	✓	✓	✓	✓
<i>Note: You should choose at least one of the options listed here</i>							
	Add the policy to new employees' welcome package						
	Post a hard copy of the policy in a common meeting area, canteen or building entrance						
Communicate your commitment to your suppliers, contractors and other stakeholders	Publish the policy on your website		✓			✓	✓
	Send the policy to your suppliers and contractors via email or other communication channels (for example, your newsletter)		✓			✓	✓
<i>Note: You should choose at least one of the options listed here</i>							
	Incorporate the policy in your invoices or contracts with contractors and suppliers						

 = Small-Scale Mine;
  = Semi-Industrial and Large Scale Mine
 = Micro (<10 employees) ● = Small (10-49); ● = Medium (50-250), ● = Large (>250)
 = Minimum market expectation

Introduction to Sustainability

Glossary

Deforestation:

clearing or thinning of forests by humans to make the land available for other uses, which is a major driver for terrestrial habitat loss.

Impact:

The effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

Negative impact:

Negative effects that a company might have on the economy, the environment, and/or society

Stakeholder:

An entity or individual that is affected by the business's activities, products and services, or whose actions can affect the ability of the business to successfully implement its strategies and achieve its objectives. For example, stakeholders can include employees, suppliers, customers, the government, and civil society organisations.

Sustainability:

The ability to meet the needs of the present without compromising the ability of future generations to meet their needs.

TDi Sustainability

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www.gemstones-and-jewellery.com

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