

GEMFIELDS

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Gemfields' China Report Reveals Coloured Gem Interest and Consumers' Willingness to Pay A Premium for Responsibly Sourced Gemstones

Shanghai, 16 July 2020

Gemfields' first-ever report on coloured gemstones in China reveals that now is the time to seize the opportunity of meeting Chinese consumers' expectations of corporate responsibility and sustainability. Titled *Sustainability: The Future of Coloured Gemstones in China*, the report also presents that up to 35% of Chinese jewellery owners plan to purchase rubies, and 25% wish to acquire emeralds in the near future, pointing to an opportunity for the coloured gemstone industry if pieces are correctly marketed.

Based on extensive qualitative and quantitative research among gemstone owners across China's different regions, city tiers and levels of affluence, the findings provide a set of clear conclusions as to the preferences and behaviours of gemstone owners in China across diverse demographics and geographies.

Sean Gilbertson, CEO of Gemfields, commented, "China is a very important market to Gemfields, and integral to our company's growth. It is highly positive that 97% of jewellery owners are willing to pay a premium for responsibly mined gemstones. We expect responsible sourcing will continue to receive ever-increasing attention, and become progressively more important to Chinese jewellery buyers."

Additionally, all jewellery consumers surveyed consider it 'slightly important to very important' that a brand acts in environmentally and socially responsible ways. Specifically, younger consumers (aged 21-38) in Tier 1 cities state that environmentally and socially responsible mining is 'very important.'

Some of the further discoveries made in the report were that for 92% of respondents, clarity of the gemstone is the most important factor when making a purchase decision. 85% view carat (weight) as the most important, narrowly followed by colour at 83% and cut (design) at 82%. The four Cs were first applied by the diamond industry to inform consumers' purchase decisions, and in the coloured gemstone industry, six Cs are required, adding character and certification. While a familiarity with the four Cs is heartening, improving understanding of these two additional factors amongst Chinese consumers could add to the appeal of coloured gemstones and boost their popularity, thus further marketing could be advantageous in these areas. Notably, only 76% of respondents think price is the most important factor, rating it of less significance than the gemstone itself.

Emily Dungey, Marketing and Communications Director of Gemfields, highlights, “It is encouraging to see that it is the gemstone itself – in terms of clarity, colour, carat and cut – that is the decisive factor in a purchase decision on gemstones. The research also indicated that an overwhelming number of consumers are specifically seeking coloured gemstones set in more contemporary jewellery designs, as well as advice on how to style coloured gems with their look. Therefore, I see an opportunity to increase the popularity of coloured gemstones by focusing marketing efforts on modern design concepts and creative, personalised styling.”

Summary of key findings	
Gemstones preferences	<ul style="list-style-type: none"> • Diamonds, the most preferred gemstones of 26% respondents • Rubies, 19% • Emeralds, 10%
Coloured Gemstone Purchase Drivers	<ul style="list-style-type: none"> • Clarity, a key factor for 92% respondents • Carat (weight), 85% • Colour, 83% • Cut (design), 82% • Price, 76%
Importance of responsible mining practices	<ul style="list-style-type: none"> • 40% respondents consider very important • 2% slightly importantly • 20% moderately important • 18% important • 0% not important
Premium willing to pay for responsibly mined gemstones	<ul style="list-style-type: none"> • 16% respondents willing to pay a premium of 41% or over • 18%, 31% - 40% premium • 24%, 21-30% premium • 24%, 11-20% premium • 17%, 1-10% premium • 3%, 0% premium

Full report available to download: www.gemfields.com/XXXXXX

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Sustainability: The Future of Coloured Gemstones in China
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Notes to editors

ABOUT GEMFIELDS

Gemfields is a world-leading supplier of responsibly sourced coloured gemstones. The operator and 75% owner of both the Kagem emerald mine in Zambia (believed to be the world's single largest producing emerald mine) and the Montepuez ruby mine in Mozambique (one of the most significant recently discovered ruby deposits in the world), Gemfields believes that those who mine gemstones should do so with transparency, legitimacy and integrity.

Gemfields introduced the most technologically advanced coloured gemstone sort house in the world at its operation in Mozambique, with state-of-the-art equipment, like optical sorting machines. In addition, a proprietary grading system, a pioneering auction platform and an active marketing presence have all contributed to Gemfields playing a significant role in the rise of African gemstones. Underlying this achievement has been the strong belief that coloured gemstones should create a positive impact for the country and community from which they originate.

Responsible sourcing for Gemfields means implementing industry-leading policies and practices across operations, transparency in its auction sales process, an active role in working groups to modernise the sector, projects to improve health, education and livelihoods for the communities around its mines and conservation efforts (#conservationgemstones) to protect Africa's great wildlife and biodiversity.

Fabergé – an iconic name with an exceptional heritage – is a member of the Gemfields Group. This partnership, and the beauty of Fabergé's designs and craftsmanship, improves Gemfields' positioning and brand perception, and helps to raise consumer awareness of responsibly sourced coloured gemstones.

As well as supplying the majority of the world's rough rubies and emeralds, Gemfields initiates activations to build desire for coloured gemstones: for example, collaborations with international jewellery brands and other creative partners. Often surprising, unexpected and unique, these collaborations are chosen to promote consumer awareness and increase the appeal of coloured gemstones, raising their profile, and, in turn, providing greater benefit to their place of origin in Africa.

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