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PRESIDENT, WORLD DIAMOND COUNCIL

ADDRESS TO WORLD DIAMOND CONGRESS
SEPTEMBER 14, 2020

Dear friends and Colleagues

It is 48 years since I attended my first World Diamond Congress, which was in 1972 in Antwerp. My father had suggested I should go. For two years before that I had been immersing myself in the study of rough diamonds. It was something that took a long time in those days, before the advent of computers and Sarine, and we learned largely by doing and evaluating rough stones for production. My family had been receiving a sight since 1880 and I was traveling to London every 5 weeks. Today I still consider rough the most interesting part of our industry and, now, at the tail-end of my career, I find myself back in the rough diamond business, albeit from another perspective.

This year's meeting comes 20 years after the 2000 World Diamond Congress in Antwerp, at which the decision was made by IDMA and

WFDB to establish the World Diamond Council. It was a crucial moment in our history, and it changed the way we operate forever. It is fair to say that the industry before the 2000 World Diamond Congress was different to one that existed afterwards. May I remind you that it was my immediate predecessor, Stephane Fischler, who among a few others raised the attention of the diamond world to the problems around diamonds in Sierra Leone and Angola in those days.

While WDC was established as response to the then-raging problem of conflict diamonds, its creation represented much more than that. What IDMA and WFDB essentially were declaring was that we have a collective responsibility to ensure the ethical integrity of the entire supply chain, and that decisions we make as manufacturers and traders have consequences for all who work in the pipeline.

The establishment of the WDC was not simply an exercise in public relations. As we showed through our involvement in the Kimberley Process and through our continued involvement to this very day, we are ready to act decisively to ensure that the diamonds in the pipeline are not tainted by conflict and violence. It is notable that the Kimberley Process Certification Scheme, the system which has anchored our business since 2003, was largely designed from a document prepared by the World Diamond Council.

So how do we score in our 20-year report card? In terms of our original objective of ridding the pipeline of diamonds associated with civil conflict, we have been most successful. At present, such goods make up considerably less than 0,1 percent of the rough diamonds in the pipeline, with the only country being sanctioned right now being the Central African Republic, whose government is cooperating with KP so as to enable the export of certified goods from verified conflict-free sources. As always, WDC is an active participant in that operation.

But there is great deal more to do. Over the past two decades public perceptions of what constitutes ethical business, Corporate Social Responsibility and sustainability have evolved, as have consumer expectations of the integrity of the products they buy. For Millennial and Generations X, Y & Z, who today make up the bulk of the diamond-buying public, diamond jewelry needs to have more than just monetary or aesthetic value. It must also have social value. Human rights matter, as do labor rights, and today especially during these times of COVID, so does the environment and the health and security of the more fragile sections of our value chain.

As a business community we need to be seen as active partners in building sustainable societies. A commitment to the 17 Sustainable Development Goals of the UN must be become part of our and product's unique appeal.

There was a great deal said and written over the past several years about the KP's five-year review, which ended in 2019. More specifically, I am referring to the campaign WDC conducted, hand in hand with the Civil Society Coalition and a number of Participant countries, to expand the conflict diamonds definition. As many of you know at the KP Plenary last year it failed. But I am pleased to note that the Russian Chair of the KP has kept the issue of the definition on the organization's agenda for next year.

We will continue to struggle for what we believe is right, but at the same time we would be committing an error if we provide the impression that the KP has lost relevance because of the conflict diamond definition. This simply is not the case. Over its 20 years of existence the WDC has expanded its range of activities to become a primary force in guarding the safety, wellbeing and development of societies in the countries where diamonds are mined, and in particular a pillar of support for the artisanal and small-scale mining communities, upon whom literally

millions of people depend. WDC is involved in a great many of these activities, including regional initiatives designed to ensure that KP minimum standards are met, allowing artisanal miners to access the diamond pipeline and obtain fair value for the goods they sell. I should mention here, AWDC's Origuinée, De Beers and several NGO's GemFair Initiaive, Alrosa's Diamonds that Care, Signet's Responsible Sourcing Protocol, and many others.

And what do we need to achieve with the WDC is not only in the rough diamond sector, but in the polished and jewelry sectors as well. We currently are putting the final touches to a new System of Warranties, which will be phased in by the end of this year and 2021. It includes an online self-assessment, tailored according to the size of the diamond company, which will be a prerequisite for all companies including a new System of Warranties declaration on the invoices and memos they issue. It directly references human rights, labor rights, anti-money laundering anti-corruption. It will show that as diamond industry members we do not only talk the talk, but also walk the walk.

The role that will played by the bourses and the manufacturer organizations in promoting the adoption of the new System of Warranties will be absolutely essential. I am confident that we count on both IDMA and WFDB's support.

Twenty years ago, at a World Diamond Congress, we began a journey that has strengthened the foundations on which our industry operates. We need to protect the integrity of the diamonds we sell, and we need to prove to the new generations of consumers that our diamonds are contributing to the wellbeing of all in the pipeline, from the mine to the traders, the cutters and polishers, and that we can guarantee what we say. As I have said, for the industry this is a journey of continuous improvement towards transparency and responsibility in the supply chain.

In 1972, when computers did not exist, nobody had heard about conflict diamonds, nor of Sustainable Developments Goals. That no longer is the case. In our fast-changing world, we as an industry must adapt to what is happening around us, and as business leaders we should guide our members into a future of transparency and responsibility, protecting society and the relevance of our own diamond industry.