

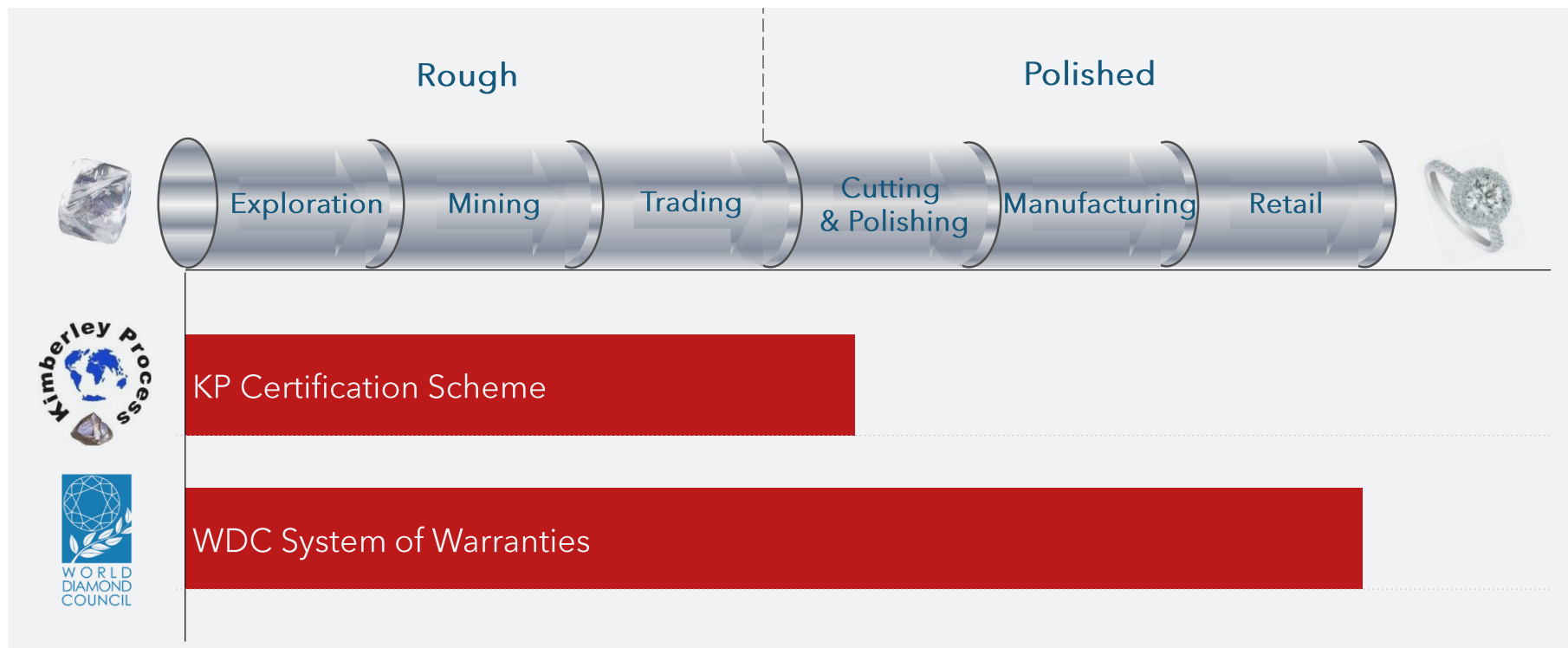


WORLD  
DIAMOND  
COUNCIL

# Introducing the WDC System of Warranties Guidelines

Explanatory Paper  
24 April, 2019

# Scope of the WDC System of Warranties (SoW)



# New WDC System of Warranties at a Glance

1

Updated single wording  
for all sectors...

*"The diamonds herein invoiced have been {sourced}\* purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding national laws {where the invoice is generated}\*\*. The seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines"*

New wording

2

...that is based on Guidelines with  
specific applications to each sector

## WDC SoW Guidelines

- Publicly available document for companies wanting to use the SoW;
- Endorsed by all WDC members;
- Compulsory in support of KPCS and trade in non-conflict diamonds;
- Voluntary in support of universally accepted principles on human and labour rights, anticorruption and AML;
- Cross-recognition with all available industry standards;
- Self-assessment tool is developed as a basic method of verification, to be filled out annually;
- Separate reference on artisanal small-scale mining (ASM).

\*{sourced} - may be used by companies that do not purchase from open market, but source and aggregate diamonds from production facilities that are owned/partly owned by them

\*\*{where the invoice is generated} - may be used by companies if they specifically want to reference the country of invoice issuance

## WDC SoW Adherence to be based on Following Standards:

Obligatory:

- ✓ KPCS Minimum Requirements and Recommendations on industry self-regulation issues;

Voluntary:

- ✓ UN Guiding Principles on Business and Human Rights;
- ✓ UN Convention Against Corruption;
- ✓ FAFT 40 Recommendations and Guidance for Dealers in Precious Metals and Stones;
- ✓ ILO Declaration on Fundamental Principles and Rights at Work.



- ✓ Universal Declaration of Human Rights – *“support” for ASM with the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development “Mining Policy Framework” and Moscow and Washington declarations of the KPCS as reference for continuous improvement.*

Support of the KPCS with industry-wide initiative to  
incorporate universal basics in responsible supply chain

# WDC SoW New vs. Old

	Printed Statement	Statement Backing	Assurance and Verification	KPCS Compliance	Human & Labour Rights	AML, Anticorruption	Endorsement by all Pipeline Segments
Old SoW	Yes	Personal, Verbal	No	Voluntary	No	No	No
New SoW	Yes	Guidelines	Yes	Obligatory	Voluntary	Voluntary	Yes

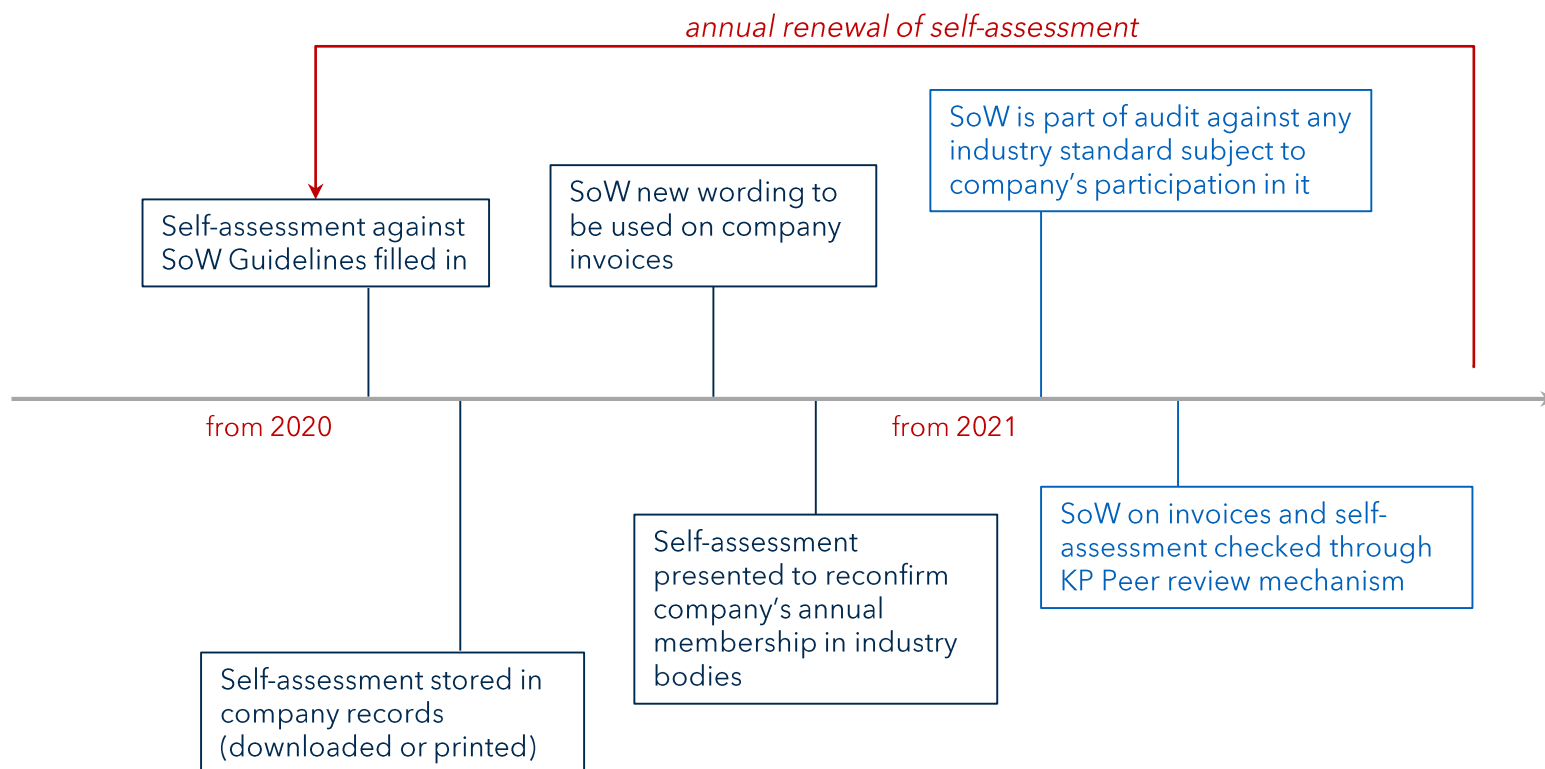
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Customized self-assessment tool for individual company as per SoW Guidelines

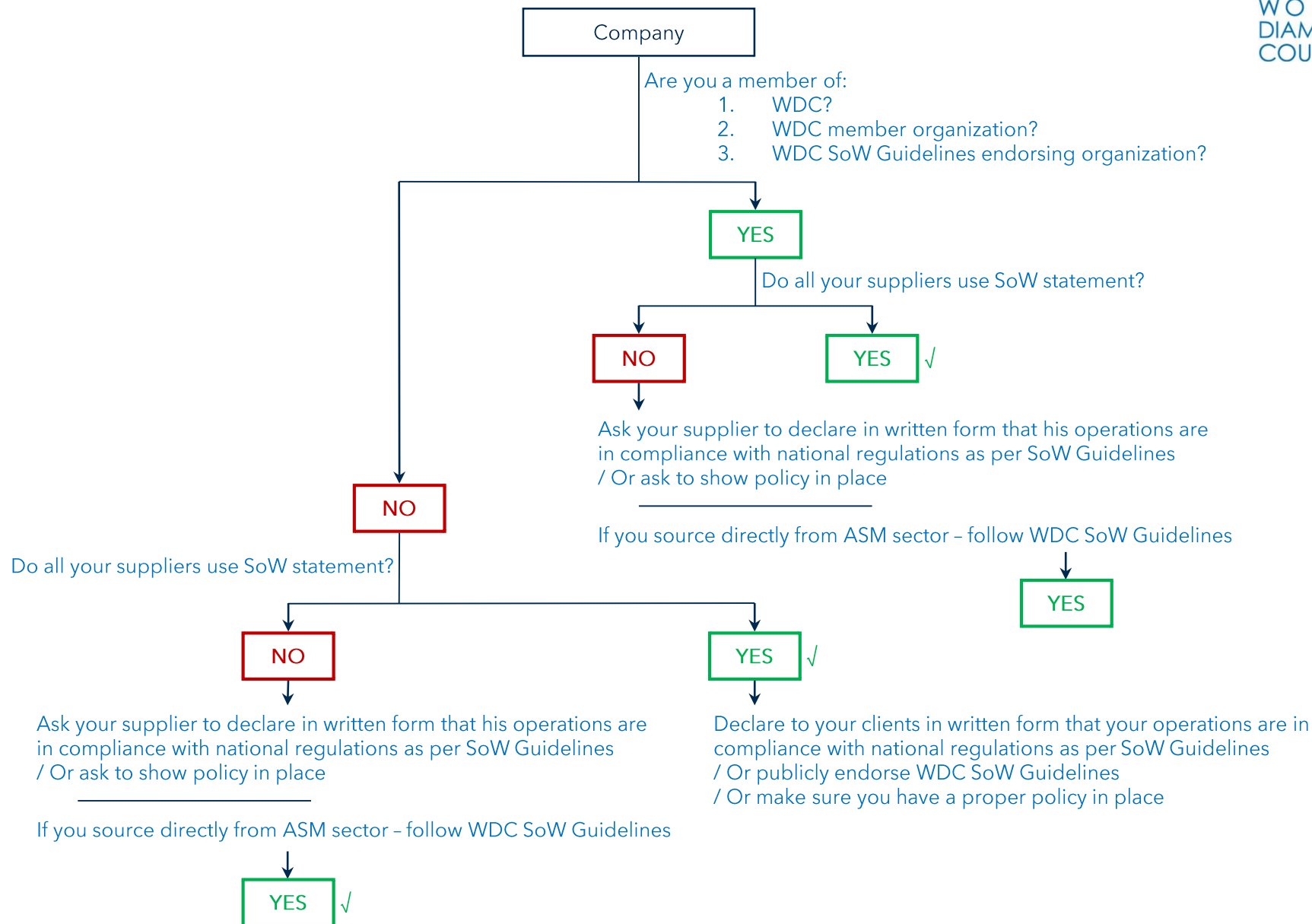
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To be determined by an industry organization

# New WDC SoW Implementation Timeline for Individual Companies



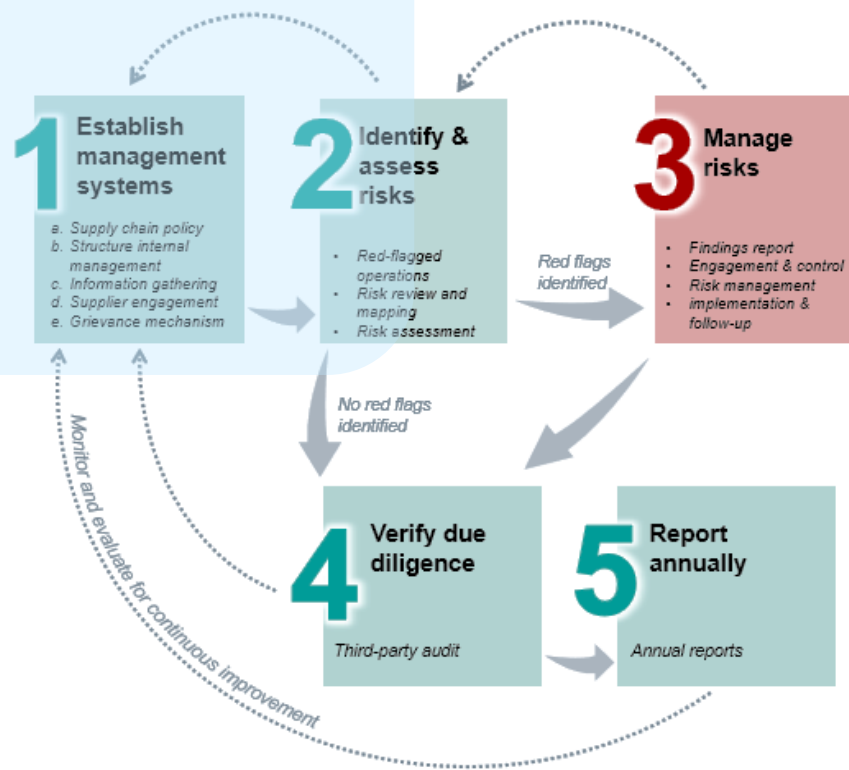
# New WDC SoW Implementation Procedure for Individual Companies



# New WDC SoW as part of the OECD 5-Step Framework

## WDC SoW Guidelines:

- KPCS Implementation
- Human and Labor Rights
- AML
- Anticorruption





Thank you!

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