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WDC presents its revised and strengthened System of Warranties at OECD's Responsible Mineral Supply Chain forum in Paris



The deep-dive session focusing on recent standard-making developments in upstream and downstream diamond supply chains, at which the WDC presented its revised System of Warranties, in session on April 24, 2019.

NEW YORK: APRIL 24, 2019 – Senior officials of the World Diamond Council (WDC) have provided an overview of the organization's revised System of Warranties (SoW), during two sessions on April 24 at the 13th Forum on Responsible Mineral Supply Chains of the Organization for Economic Cooperation and Development (OECD) in Paris. During the briefings, WDC President Stephane Fischler described the revised SoW as an “essential building block” for participants in the diamond supply chain towards implementing the OECD's due diligence guidance for minerals from high-risk areas.

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The first of the sessions was an early-morning side event organized together with the Responsible Jewellery Council (RJC), at which the WDC presented its revised SoW and RJC explained its new Code of Practices. The second was a deep-dive session that was part of the OECD forum's main agenda. Titled "Putting Commitments into Action," it focused on recent standard-making developments in upstream and downstream diamond supply chains.



WDC President Stephane Fischler addressing the deep-dive session at the OECD Responsible Mineral Supply Chain forum on April 24, 2019.

The deep-dive session was moderated by Terah de Jong, a technical advisor at the USAID Artisanal Mining and Property Rights Project.



WDC Board Member Peter Karakchiev, who chaired the side event at the OECD forum on April 24, 2019.

The WDC's revised SoW was approved by the organization's Board of Directors in October 2018. Like the earlier version of the SoW, it requires all participants in the diamond and jewelry value chain, from mining companies to jewelry retailers, to issue warranty statements on their B2B invoices and memos, testifying that the diamonds being sold originated from sources in compliance with the Kimberley Process Certification Scheme (KPCS). But the statement now also verifies that the



Marie-Chantal Kaninda, WDC Executive Director, during the side event at the OECD forum on April 24, 2019.

participants adhere to the revised SoW, which requires that they conduct a self-assessment to ascertain whether they comply with universally accepted principles on human and labor rights, anti-money laundering (AML) and anti-corruption.

The revised SoW Guidelines specifically reference the UN Guiding Principles on Business and Human

Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Convention Against Corruption, and also national AML guidelines that comply with the FAFT 40 Recommendations on Money Laundering for Dealers in Precious Metals and Stones.

“The revised SoW has to be seen within the context of a range of responsible supply chain opportunities being offered to a very diverse industry,” said Mr. Fischler. “The ultimate objective for all of us is the same – ensuring consumer confidence in the products we sell. The different systems need to be complementary, being building blocks on the road to full compliance.”

“The revised SoW is designed to support the KPCS, covering not only the trade in rough diamonds, but polished diamonds as well, and also trading between every participant in the diamond and jewelry value chain, and not only trade between participants in different countries,” explained Peter Karakchiev, the WDC Board member who chaired the side event on April 24. “We are hoping that the KPCS will be expanded



WDC Board Member Ferial Zerouki, speaking during the side event at the OECD forum on April 24, 2019.

to include provisions related to human rights, labor rights, anti-corruption and AML, but we are not waiting for it to happen, and have already incorporated those elements in our own system.”

Mr. Fischler and Mr. Karakchiev both explained that diamond companies are not permitted to pick and choose what elements to implement. “Members of the trade who implement the SoW are required to fulfill all of its elements depending on their size and sector, as they are outlined in the Guidelines,” Mr. Karakchiev said. “The self-assessment toolkit that is being developed will help them do that.”

It should be noted that implementation of the SoW is already required by a range of industry bodies, including RJC, the World Federation of Diamond Bourses (WFDB), De Beers’ Best Practice Principles and CIBJO’s new Responsible Sourcing Blue Book.

To assist in the implementation of the new SoW, WDC is creating a toolkit based on self-assessment questionnaires, which will assist members of the industry in properly evaluating how they are complying with the process. It will take into consideration the stage or stages of the diamond and jewelry value chain in which the member is involved, the size of the member’s business, and whether the member is already compliant with other due diligence systems, like that of the Responsible Jewellery Council.

About the World Diamond Council

The World Diamond Council (WDC) is an industry organization focused on preventing conflict diamonds from entering the global supply chain and on preserving the value attached to natural diamonds. Formed in 2000, it is the only organization where the diamond trade is represented in full, from producer to retailer, and includes the most influential commercial businesses, not-for-profit organizations, and individual companies in the industry today. The WDC is the voice of the international diamond industry in a tripartite collaboration with governments and civil society known as the Kimberley Process (KP). The KP secures and manages monitoring processes that have virtually eliminated the trade in conflict diamonds to ensure that the world’s supply of diamonds is from sources free of conflict. Visit www.worlddiamondcouncil.org to learn more.