



**KIMBERLEY PROCESS ANNUAL REPORT
WORLD DIAMOND COUNCIL
2022**

In the framework of the Peer Review System of the KPCS, each Participant is required to submit an annual report on its implementation of the Kimberley Process Certification Scheme (KPCS) during the previous year.

As an Observer, the World Diamond Council (WDC) has agreed, on a voluntary basis, to submit an annual report on the support it provides to KPCS implementation and the KP, as stated in its mandate and mission statement.

The WDC 2022 Annual Report is submitted to the KP Chair and the Chair of the Working Group on Monitoring.

Institutional Framework of the World Diamond Council (WDC)

The purpose and objective of the WDC is to represent the diamond industry in the development and implementation of systems to control the trade in diamonds embargoed by the United Nations or covered by the KPCS.

As an Observer, the WDC assists the Kimberley Process (KP) by providing administrative, technical, financial and other support services on all Working Groups and Ad Hoc Committees. It also participates in Review Visits and Expert Missions. The WDC serves as the Chair of the Working Group of Diamond Experts (WGDE) and as the Chair of its Sub-Group on Valuation. During the recent KP review cycle that ended in 2019, the WDC led the Sub-Group on the Creation of the KP Permanent Secretariat of the Ad-hoc Committee on Review and Reform. In accordance with the 2019 KP Plenary Final Communiqué, the WDC took the helm of a Technical Expert Team in 2020, under the WGDE, to continue the work on establishing the KP Permanent Secretariat. As per the 2021 KP Plenary Final Communiqué, due to the lack of consensus on the presented evaluation, the TET mandate was extended by a year, to the end of 2022). Therefore, the WDC kept leading the TET in 2022.

The WDC hosts the Administrative Support Mechanism (ASM) and maintains the Kimberley Process official website.

Contact details/Contact persons of the WDC as regards the KP

The WDC is governed by a Board of Directors, the composition of which is representative of all sectors of the trade with a broad geographic distribution. The members of the Board of Directors are listed on the WDC website: <https://www.worlddiamondcouncil.org/officers-directors/>

The WDC Officers are:

- Presidents – Edward Asscher: since June 5th,2020 (president@worlddiamondcouncil.org)
- Vice President – Ferial Zerouki: since June 5th, 2020 (feriel.zerouki@debeersgroup.com)
- Treasurer - Ronnie VanderLinden, USJC (treasurer@worlddiamondcouncil.org)
- Corporate Secretary and General Counsel - Udi Sheintal, Israel Diamond Institute (secretary@worlddiamondcouncil.org)
- Executive Director – Elodie Daguzan (ed@worlddiamondcouncil.org)

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Members of the WDC

In 2022, the WDC had 38 core members (rising to 46 members currently in 2023), from every sector of the diamond industry, including extraction (mining), wholesale trading of diamonds, manufacturing, and retail sale of diamonds or diamond jewelry. Some of these members represent more than one company or organization. The WDC also has members who represent affiliated support services to the diamond industry, such as banks, diamond valuers, shipping companies, gemological labs or high-tech companies specialized in manufacturing. A list of all WDC members is available on its website:

<https://www.worlddiamondcouncil.org/members/>

Annual Report to the KP

Reports send yearly to the KP Chair and WGM chair can also be found on the WDC website:

<https://www.worlddiamondcouncil.org/annual-reports/>

2022 REPORT

Introduction

As the world eased back into the “new normal” post-COVID and the industry was able to travel again almost unrestricted, the WDC used every opportunity in 2022 to engage, listen and collect information to assess this unprecedented situation that the war in Ukraine created.

As an international organization, apolitical by definition but also representing members from every continent and segment of the value chain, the WDC felt the same issues that KP faced in terms trying to keep the dialogue open between its members.

In terms of legal impact of the war in Ukraine, the World Diamond Council (WDC), as an international organization representing the entire natural diamond value chain, urged the industry to follow national laws. Contrary to what some may think, it is a position that was not so easy, especially when your members have sometimes different if not opposed views on the matter.

With the WDC being incorporated in the United States, and therefore subject to the sanctions imposed by its government, it continues to recommend that its members (as well as all individuals in the diamond industry) pay extra attention to the sanctions being imposed by the U.S. and the U.K. governments on the Russian Federation, and how they may evolve in the future, therefore exerting extreme caution while doing business.

Aside from this aspect, the WDC used 2022 to improve its various tools, restructuring the WDC’s message, adapting its website, and campaigning for a successful adoption of the Revised System of Warranties, whilst gearing up to take a more leading role within the Kimberley Process (pushing for the Review Cycle).

Actions taken to support the KP in 2022

During 2022, WDC continued its active participation in all Working Groups and Committees of the KPCS. Despite the fact that now all KP meetings can be hybrid, the WDC delegation traveled to both Kasane and Gaborone (Republic of Botswana) for Intersessional and Plenary 2022, as well as to Dubai in September 2022 to work on the draft AD to launch the AHCR.

1. Representatives of the WDC KP Task Force (KPTF) committee (which has about 15 members), the WDC Secretary & General Counsel and the WDC Executive Director attended all KP Committee and Working Group teleconference calls in 2022. The KPTF itself met virtually four times in order to reflect on the work of each Working Group and determine the WDC’s position on each matter that directly concerned the industry. The KPTF also spent time together during Intersessional, Plenary and the September Dubai meetings. A smaller

delegation also went on a visit to Zimbabwe right after the Plenary.

2. The WDC is a member of all KP Committees and Working Groups and performed tasks as assigned and allotted by the Chairs of each Committee and Working Group, such as annual report reviews. With KP restarting its work on the ground, the WDC sent representatives to the Zimbabwe Review Visit.
3. During the course of the calendar year, WDC President Edward Asscher highlighted and reiterated the WDC's engagement with and commitment towards the Kimberley Process, and also with the industry in general. Almost every time he spoke publicly, WDC President reaffirmed his motto "Leave No One Behind", explaining that it is the WDC's way to facilitate a future of responsible sourcing for everyone in the diamond industry, taking up the challenge of ensuring that responsible practices can be implemented by all, and not only the larger players.

Please find below a few examples of promotion, support and commitment to the KP by the WDC President. Additional references can be found on the WDC website by clicking on the following link: <https://www.worlddiamondcouncil.org/news/>:

[Message from the WDC President: Looking back at a 'challenging' time, and forward to better days \(23/12/2022\)](#)

[Reform of Kimberley Process essential to ensure relevance, WDC President tells Opening Session of 2022 KP Plenary \(02/11/2022\)](#)

[WDC President Edward Asscher addresses the opening of the 2022 Kimberley Process Plenary \(07/11/2022\)](#)

[Message from the WDC President: Promise and hope beckon, even in the shadow of a difficult year \(05/10/2022\)](#)

[WDC President Edward Asscher and JCK journalist Rob Bates discuss KP and the WDC at IAC 2022 in New York \(20/08/2022\)](#)

[As 2022 Intersessional Meeting draws to close, WDC President notes positive shift to reforming the KP \(news 27/06/2022\)](#)

[WDC President calls on the KP to move forward or risk a two-tier market with dire consequences \(news 22/06/2022\)](#)

[WDC President addresses Kimberley Process Challenges during special meeting of United Nations Economic and Social Council \(news 20/03/2022\)](#)

4. The WDC held bilateral meetings via Zoom, phone calls and in person meetings with various KP Participants (Government representatives) and Observers.
5. The WDC chaired, through Ms. Iris Van der Veken (Responsible Jewellery Council at the time) and then Mr. Wim Soons (Antwerp World Diamond Council) the WGDE sub-group called the Technical Experts Team (TET), in order to identify and select the final host for the KP Permanent Secretariat. The TET held five meetings in 2022, plus two to three meetings during each formal KP gathering (Intersessional and Plenary). Also, the TET Chair held several bilateral calls with each prospective KPS hosting candidate and TET member. As it turns out, the TET completed its mandate and presented a candidate to the 2022 Plenary (Botswana), which the Plenary unanimously approved. After the groundwork during the previous Review cycle (2017-2019) and the 2 following years (2020 & 2021), the KP Secretariat is now about to be “built”.
6. It was the WDC that officially requested the launch of the Review & Reform Cycle of the KP by sending a formal letter to the KP Chair right after the Intersessional. It was also the WDC who helped organize the September meeting of the KP Chair and Working Groups chairs in Dubai to start drafting the relevant Administrative Decision, by asking the DMCC to host. As a future candidate for the 2024 KP Chairmanship, the UAE through DMCC, immediately agreed to host the meeting, hence contributing greatly to the successful launch of the review cycle.
7. WDC representatives in service of the KP:
 - WDC Secretary Udi Sheintal continued to serve on the CAR MT, as requested in the Administrative Decision on CAR and the subsequent Operational Framework. The WGDE Chair and other technical experts support the CAR MT through examination and monitoring of export shipments from CAR.
 - James Evans Lombe served as Chair of the WGDE and has successfully taken over management of the Working Group. Under his leadership, the sub-groups are fully active: Diamond Experts Team and Scientific subgroup. He also reformed the Evaluation subgroup.
 - As mentioned above, Mr Wim Soons served as TET chair.

Administrative Support Mechanism

As noted in the 2021 KP Plenary Final Communiqué, the 2021 KP Chair, with the approval of the KP Plenary, extended the ASM mandate until Plenary 2022, to continue its role in hosting and implementing the Administrative Support Mechanism for services that are administrative in nature, unless the KP Secretariat would be formed prior to this date. The ASM, through members of the WDC, continued to voluntarily undertake the designated tasks including:

- Antwerp World Diamond Centre – Central Focal Point of the ASM including Knowledge Management, Institutional Memory and KP website hosting and maintenance.
- Gem and Jewelry Export Promotion Council of India – Logistical support for KP Chair, KP Vice Chair, Chairs of WGs and Ad Hoc committees.
- Israel Diamond Institute – Communications.
- The Diamond Development Initiative, an Independent Observer that is not a member of WDC, provides technical and professional assistance to the ASM.

Activities of the ASM in 2022 continued as they were performed in 2021, always with the same dedication. The WDC would like to commend Mrs. Elke Ceulemans for her unparalleled commitment to the success of the KP's daily work. She has once again outdone herself and remained available for all Members of the KP family at all times. These activities specifically included:

- Providing communications services for the KP Chair and Chairs of the Working Groups and Committees, and facilitating all messages sent to Participants and Observers of the KPCS.
- Providing administrative support to the Working Groups, Committees, Ad Hoc Committee and the CAR Monitoring team.
- Through the hosting and maintenance of the KP website, providing enhanced compilation of KPCS official documents, final review visit reports and annual reports.
- Collecting minutes of all working group telephone conference calls and meetings, following up on submission of reports, questionnaires, upon the request of Chairs of the Working Groups and Committees.

Other WDC activities in 2022

- The WDC continued its work on the System of Warranties (SoW). It is critical to recall that this global mechanism of industry self-regulation was created by WDC to extend the effectiveness of the KPCS beyond the export and import of rough diamonds and covering all transactions in trade. It encompasses all the

segments of the diamond pipeline from mine to retail, thus going from rough to polished to diamonds set in jewelry. The revised SoW includes industry self-regulation of other aspects of responsible sourcing according to universally accepted principles, such as compliance with human and labor rights principles, anti-corruption, anti-money laundering and countering the financing of terrorism.

That global mechanism is now composed of a declaration on memos and invoices, but in order to apply it users must successfully complete an online self-assessment, designed to support every company/industry member's responsible practice, encouraging them to take their responsibility and do due diligence in their own supply chains. All information about the SoW can be found at the following dedicated website: www.wdcsow.org

- **Visual Communications:** To support the global rollout of the SoW (which included promotional and educational programs), WDC first worked on revamping its own identity to reflect the step forward that the organization was taking in expanding the scope of SoW. This was in line with today's societal and consumer expectations and underscores our commitment to grow consumer confidence. Additional tools were developed, such as a new website, and an entirely new visual identity, a new logo, as well as a promotional campaign to raise awareness on the SoW. Following the official adoption of the policy on September 21st, 2021, the new graphic identity and new WDC website were launched in February 2022.
- **SoW Campaign:** To date, WDC has collaborated with 35 industry leaders throughout the world and from different segments of the pipeline, who acted as SoW Ambassadors.
- **Alignment Exercise:** Furthermore, to ensure endorsement of the revised SoW and cooperation in this respect with large companies in the industry, which already are conducting the substantial amount of administrative work required to becoming certificated as compliant with international standards, the WDC worked on an "alignment exercise" with the RJC (and its Code of Practices) and the De Beers Group (and its Best Practice Principles Assurance Programme). As a result, companies already certified according the RJC standards or the De Beers BPPs are automatically considered compliant with the SoW Guidelines and the KPCS, as the scope those compliance systems go beyond the SoWs. This alignment exercise turned out to be a success, as about 50% of the companies that successfully transitioned to the revised SoW are recognized as either RJC COP-certified members or BPP-compliant companies.
- **Dedicated help:** To serve the international diamond community as best as possible, WDC also hired in 2021 a dedicated "SoW Coordinator and International Helpdesk", who is strategically based in Antwerp.

- International Partnership: In parallel, the WDC kept working collaboratively with its sister organizations, in the form of international partnerships to raise awareness, promote, educate and implement the System of Warranties. Internationally-present organizations such as the CIBJO, RJC, WFDB and IDMA, and the NDC, and also regional organizations such as AWDC, DMCC, IDI ,GJEPC and Canadian Jewellers Association answered the WDC call, and worked with the WDC Executive Director to create and organize webinars and work on training. You may find some of them on the WDC YouTube channel:

<https://www.youtube.com/channel/UCGuyG9V8zvC1t3A4c0KshDg>

- Other project: WDC also partnered with CIBJO on an educational project launched by the latter in 2022. It is the first-ever training and certification programme for sustainability officers working in the jewellery industry. The training programme offers a series of modules on a dedicated e-training platform. To that end, WDC Executive Director recorded two modules with regards to regulations specific to the diamond industry (Kimberley Process Certification Scheme) and industry self-regulation (WDC System of Warranties), earmarked for a section dedicated to industry association standards and guidance.