WORLD
DIAMOND
COUNCIL
WDC & the KP
Kimberley Process
Plenary
Kimberley Process
Plenary
Dubai, United Arab Emirates
www.worlddiamondcouncil.org
#KimberleyProcess

WORLD DIAMOND COUNCIL

The World Diamond Council and the Kimberley Process

www.worlddiamondcouncil.org

WORLD DIAMOND COUNCIL

Elodie Daguzan

Executive Director, World Diamond Council

ed@worlddiamondcouncil.org

Table of Contents

1. The WDC and its mission.....6
2. The WDC and the Kimberley Process.....13
3. KP Certification Scheme.....18
4. KP and System of Warranties.....22

THE WDC & ITS MISSION

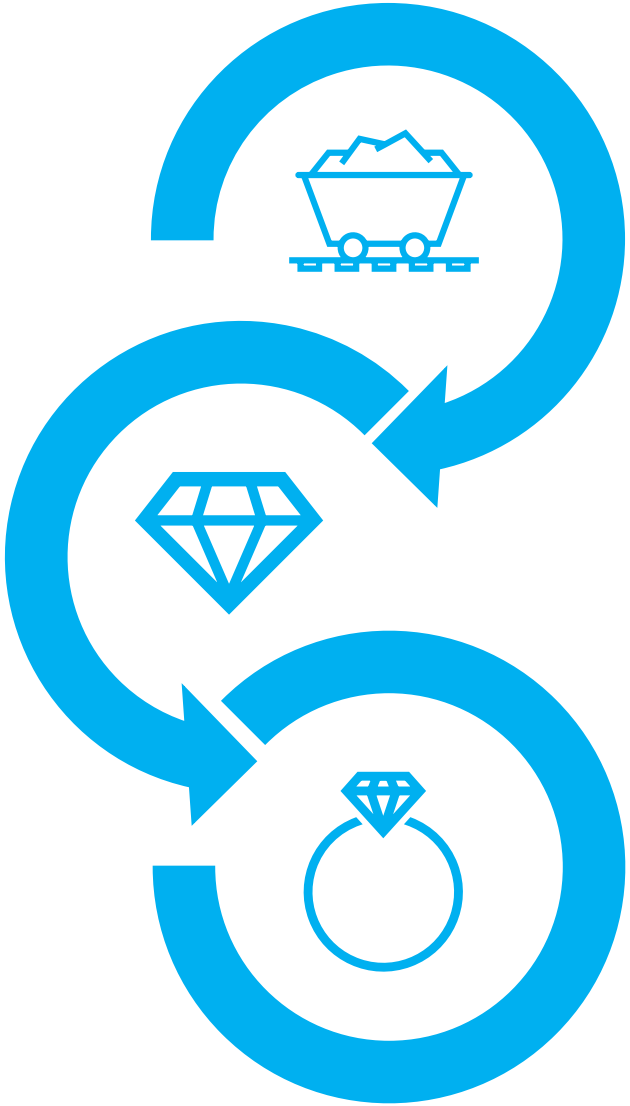
About Us

The World Diamond Council is an international organization representing **the entire natural diamond and jewelry value chain** including representatives from diamond mining, manufacturing, trading and retail.

Based in New York, the **WDC** was founded in **2000**, with the purpose to **combat** conflict diamonds* and the sale of these for the benefit of **rebel forces.**

* The Core Document of the Kimberley Process defines conflict diamonds as "*rough diamonds used by rebel movements to finance wars against legitimate governments.*"

About Us

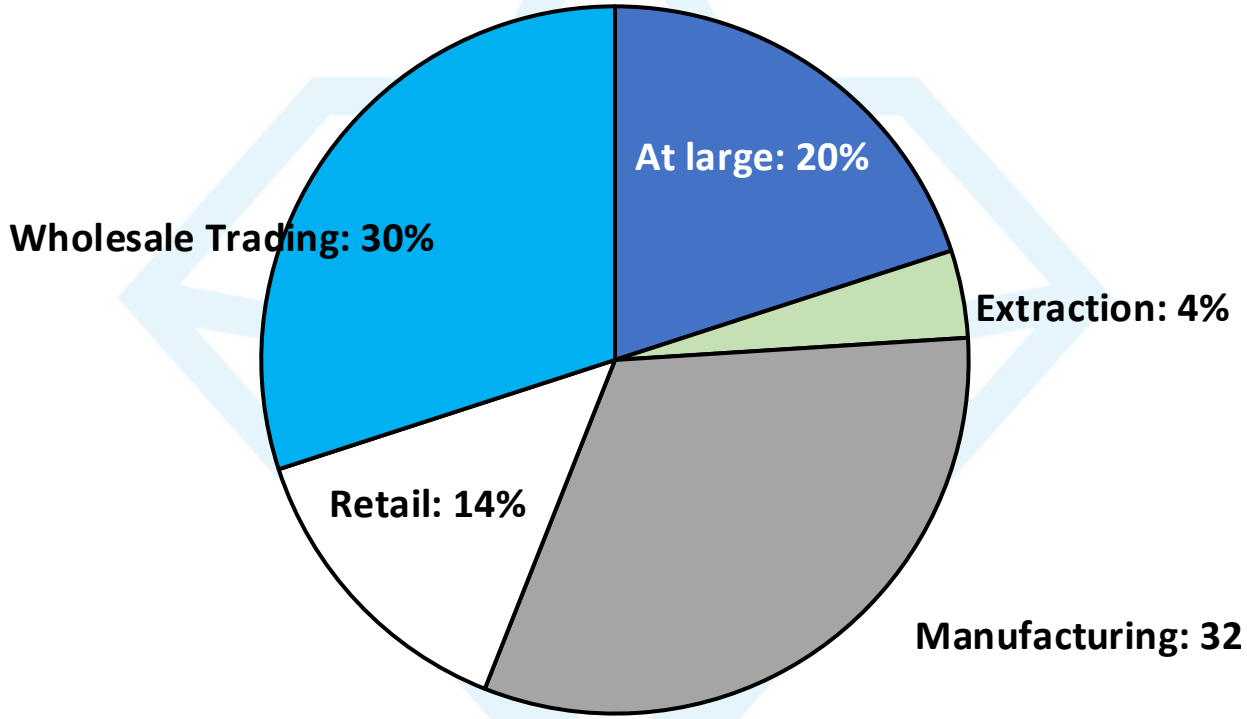


The **WDC** currently has 76 **members representing the diamond pipeline** such as:

- Extraction
- Trading & Polishing
- Retail
- Associations
- Industry service providers

Making it the only diamond body where **the entire diamond supply chain** is represented in full.

Apex body of natural diamond industry



WDC & its mission

International organization representing the **natural diamond & jewelry industry**
From mine to retail + a wide range of service providers ➔ full diamond ecosystem

A clear mandate:

1. **Represent and voices the positions** of the natural diamond & jewelry industry within the Kimberley Process and other forums
2. **Protect the integrity** of the natural diamond supply chain

Delivered on through:

- Development & Implementation of industry self-regulation processes & policies
- Promotion and Education on responsible practices and KP
- Constant engagement with governments on the industry behalf
- Strengthening of consumer confidence via responsible practices applicable by all

WDC’s primary objectives

- **Protect** the integrity of the natural diamond supply chain and grow consumer confidence in our product

- **Represent** the interests of the diamond industry and voice its positions within the Kimberley Process (KP)

- **Develop** self-regulation processes to further responsible sourcing, consumer confidence and sustainable development (WDC System of Warranties amongst others)

WDC's primary actions

Together with the **leading organizations,** WDC develops **coordinated actions** and/or processes and policies to benefit and strengthen the diamond industry in the following areas:

- Responsible sourcing
- Consumer confidence
- Sustainable development

Diamond industry

WDC & KIMBERLEY PROCESS

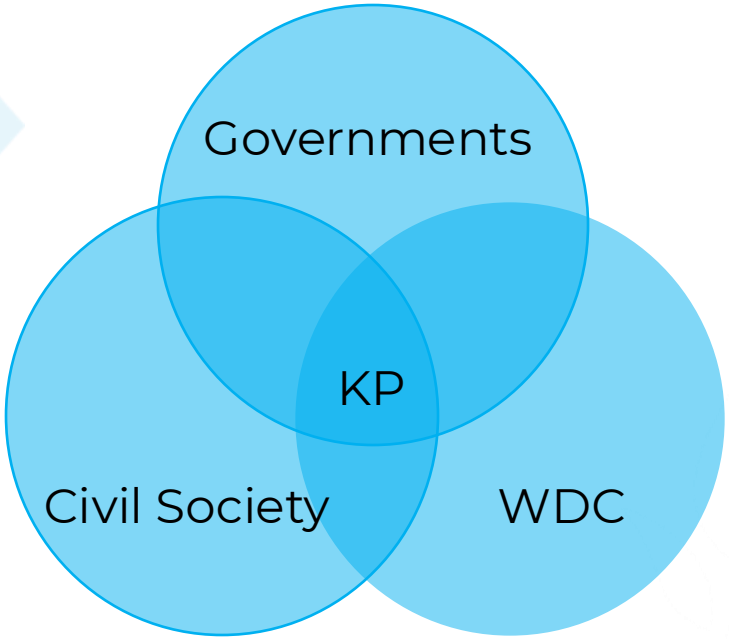
KP's structure

The Kimberley Process is the commitment of a **tripartite coalition** to remove conflict diamonds from the global supply chain.

The WDC is the diamond and jewellery industry's official representative in the tripartite coalition of the **Kimberley Process (KP)**, which also includes representatives of **86 countries and the Civil Society Coalition** which represents **NGOs.**

Thanks to the KP members, **99.8%** of the global production of rough diamonds is now conflict-free.

Before its inception, conflict diamonds represented 4%.



Chairing the KP

The KP's Core Document (its "*Constitution*") defines **conflict diamonds** as *rough diamonds used by rebel movements to finance wars against legitimate governments*.

The KP is **governed by the Chair**, who is an official appointed by the government of a designated **Participant country.** The Chairmanship rotates every year to another Participating country.

Heading and directing the management of the **KP administration**, the Chair serves for a full calendar year, starting on January 1, and oversees the **worldwide implementation of the KPCS**, as well as the operations of the **KP working groups and committees.**

At the beginning of the following calendar year, the position of Chair is assumed by the outgoing **KP Vice-Chair**, who is a **representative** of a government earlier selected by the KP Participants via consensus.

WDC's role and place in the KP

Holding **Observer** status along with civil society, WDC takes no part in the decision-making process, which is **consensus-based** between Participating countries.

Our role is to advise, bring information, data & expectations from the consumers' markets to protect the interest of our industry.

WDC's primary objective is to **collaborate** with the Participants and the civil society towards the development and implementation of regulatory and voluntary systems to control the trade in rough diamonds covered by **the Kimberley Process Certification Scheme (KPCS).**

To reach its objective, the WDC actively participates in **all Working Groups & Committees of the KP.**

Much of the ongoing work of the KP takes place within its working groups and committees. These include:

- Working Group of **Diamond Experts (WGDE)**
- Working Group on **Monitoring (WGM)**
- Working Group on **Statistics (WGS)**
- Working Group on **Artisanal and Alluvial Production (WGAAP)**
- Committee on **Participation and Chairmanship (CPC)**
- Committee on **Rules and Procedures (CRP)**

KIMBERLEY PROCESS CERTIFICATION SCHEME (KPCS)

One of a Kind

Launched at the beginning of **2003**, it is an international certification scheme **enforced** by KP Participanting countries to ensure that rough diamonds moving though the **legitimate chain of distribution** do not include stones associated with conflict.

It safeguards the shipment of 'rough diamonds' (imports and exports) and **certifies them as conflict free by** outlining the rules that govern the trade in rough diamonds

Based on the **"KP Core Document",** these rules and procedures are agreed upon by participating countries via consensus.
The concrete proof of the KPCS is the **KP Certificates** that member countries produced to allow movement of rough diamonds across borders.

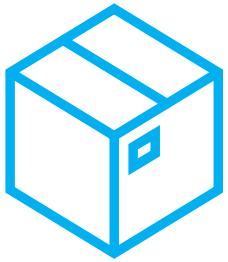
The KP, via the KPCS, created the first ever "**custom office**" dedicated to one product: **DIAMONDS**

One of a kind "entreprise" never done before, never replicated and the **baseline of diamond trading**.

KPCS: Minimum Requirements

“A license to operate”

Under the terms of the KPCS, member countries must comply with the **KP Minimum Requirements**



Certify shipments as conflict – free and provide the supporting certifications

Adhere to the minimum requirements and establish national legislations and import/export controls

Commit to transparent practices and to the exchange of critical statistical data

Trade only with fellow members who adhere to the fundamentals of the agreement

KP in numbers

60 Participants representing **86** countries under **1** United Nations mandate

2 Observers: WDC & Civil Society

1 KP Chair and **1** KP Vice Chair

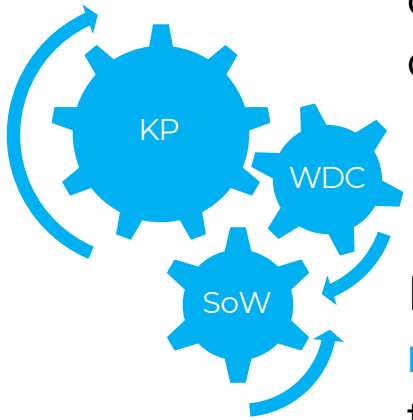
1 Core Document and **6** main Working Groups and Committees + many subgroups

Around **30** conference calls per year

2 in-person gatherings per year in the country chairing the Process

SYSTEM OF WARRANTIES (SoW)

System of Warranties (SoW)



Developed in 2002, the SoW was originally designed to **reinforce the effectiveness of the KPCS** by ensuring that **KP certificates** and their warranty of **conflict free origin** would be passed down the supply chain to polished diamonds and jewelry in diamonds.

It was a **warranty statement** required to be applied on **every B2B invoices and memos** by buyers and sellers from the whole industry, assuring the next buyer that the goods are from a conflict-free origin, in compliance with the **KPCS** and responsible business practices.

From Mine to Retail with a KP Certificate and the adoption of the SoW, goods can maintain proof of their conflict-free origin.

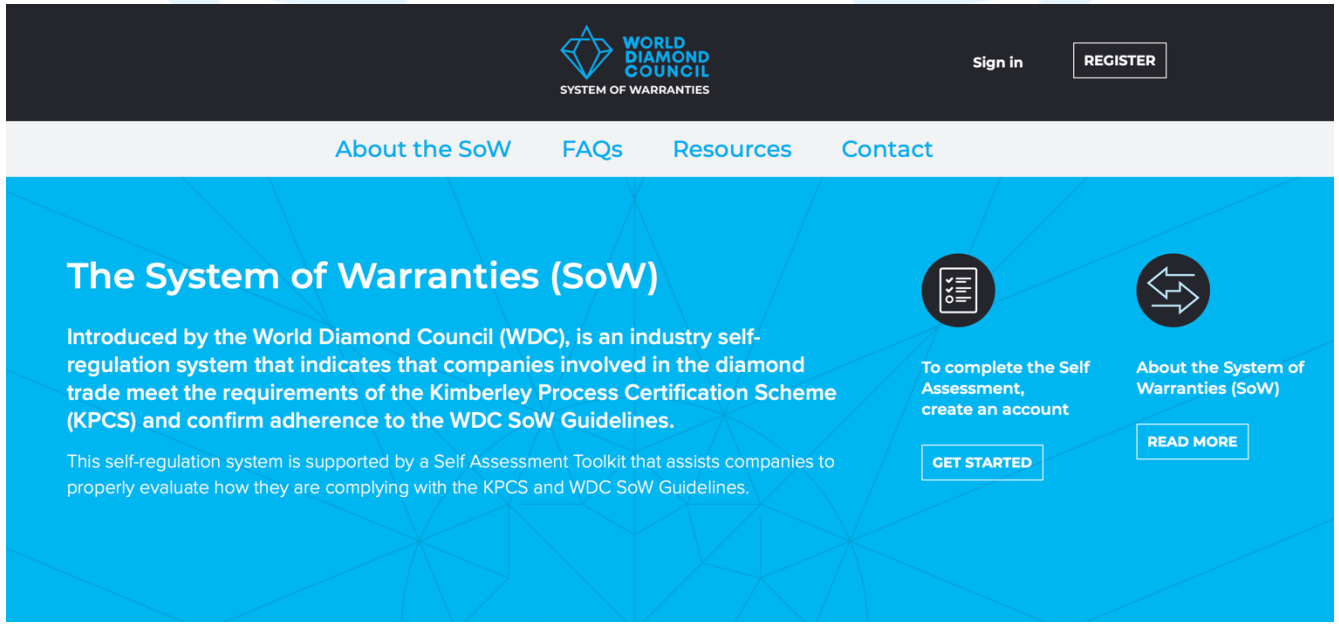
In 2021, the WDC launched an updated version transforming the SoW in a rigorous **self-assessment mechanism:**

The SoW Guidelines were created, along with the self assessment + full Toolkit

➔ Providing a stronger assurance

➔ Encourages Due Diligence

➔ Pushes for continuous improvement and reinforcement of responsible practices



Go register and take the self-assesment at www.wdcsow.org

The SoW is a warranty statement required to be applied on B2B invoices and memos by buyers and sellers from the whole industry.

It needs to be included each time a diamond changes hands, assuring the next buyer that the goods are from conflict-free origin, in compliance with the **KPCS** and responsible business practices, that creates a **Chain of Warranties.**

The 2018 SoW comes with a Toolkit and an online self-assessment to include specific Guidelines relating to international conventions such as:

Human rights, Labor rights, Anti-money Laundering, Anti Corruption

	Old WDC SoW	New WDC SoW
Printed Warranty Statement	Yes	Yes
Usage Guidelines	No	WDC SoW Guidelines 2018
Compliance Self Assessment	No Limitation to abstract support of the KP	Yes Self Assessment as a key element of SoW implementation
Scope	KPCS, Industry Self-Regulation	KPCS, Industry Self-Regulation + universal standards on human rights, labor rights, AML/CTF and anti-corruption practices
Cross-recognition with Industry standards	No	Yes + OECD awareness

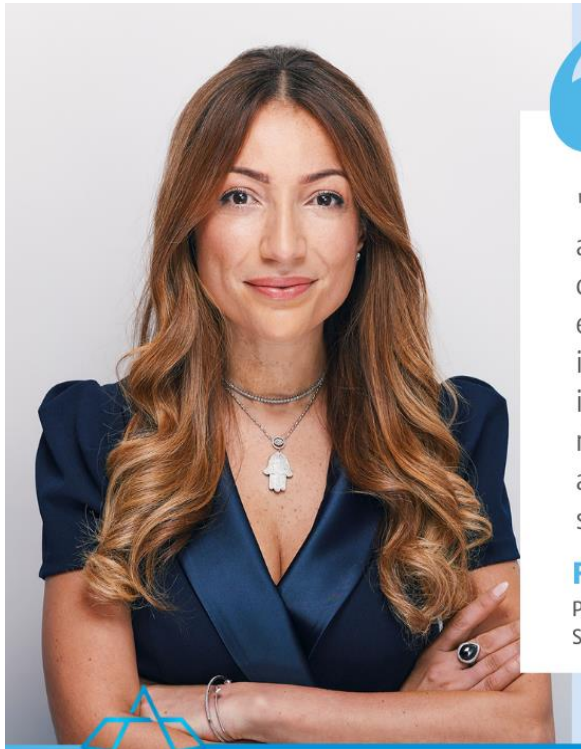
Go register and take the self-assessment at www.wdcsow.org

The WDC is an **active force** in leaving **no one behind:**

1. The SoW is a Tool open to all
2. Brings a stronger assurance than before
3. Provides equal opportunities to build responsible practices
4. Avoids administrative burden thanks to cross-recognition w/ existing industry standards

Go register and take the self-assesment at www.wdcsow.org

WDC’s leadership view on the SoW



"The WDC's System of Warranties plays a key role in providing assurance for diamonds. Evolving it required intensive engagement with the full spectrum of industry stakeholders, whilst extending it beyond conflict-free to include human rights and business integrity - not just at the source but across the diamond supply chain."

Feriel Zerouki
President - World Diamond Council
Senior Vice President, Corporate Affairs - De Beers Group

WORLD DIAMOND COUNCIL System of Warranties

"The updated SoW arms companies with an essential product that provides reassurances throughout the diamond and jewellery supply chain.
The ultimate goal is 100% consumer confidence in our products.
As President of IDMA, one of the founding organisations of the World Diamond Council, I and my colleagues know that it is absolutely imperative for, and strongly encourage, all companies (large and small) to adopt the revised SoW into their company's code of practices."

Ronnie Vanderlinden
President - IDMA
Vice President - World Diamond Council

WORLD DIAMOND COUNCIL System of Warranties

WORLD DIAMOND COUNCIL

QUESTIONS?

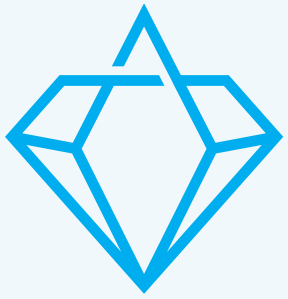
Elodie Daguzan
Executive Director

ed@worlddiamondcouncil.org

Marianne Riou
SoW International Helpdesk

sow.helpdesk@worlddiamondcouncil.org

Thank You!



WORLD
DIAMOND
COUNCIL