



**KIMBERLEY PROCESS ANNUAL REPORT
WORLD DIAMOND COUNCIL
2021**

In the framework of the Peer Review System of the KPCS, each Participants 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 its KPCS implementation and support to the KP, as stated in its mandate and mission statement.

The WDC 2021 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.

The WDC assists the Kimberley Process (KP) by providing administrative, technical, financial and other support services in its Observer status, 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).

The WDC hosts the Administrative Support Mechanism (ASM) and maintains the Kimberley Process 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 20 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

The WDC currently has 38 core members, 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 and shipping companies. A list of all WDC members is available on its website.

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

2021 REPORT

Introduction

2021 was a year that was still challenged by the COVID pandemic, with lockdowns and travel restrictions still affecting WDC's ability to meet in person or with our stakeholders and KP colleagues (Civil Society and Participants). Therefore, we maintained the "Zoom good practices" 2020 had taught us and doubled down on our efforts to cooperate closely. More than 40 Zoom meetings were conducted in 2021 for the purpose of official WDC work.

Actions taken to support the KP in 2021

During 2021, WDC continued its active participation in all Working Groups and Committees of the KPCS.

Most KP and industry events were still virtual.

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 Committees and Working Groups teleconference calls in 2021. The KPTF itself met virtually five times as well.
2. Some KPTF members took upon themselves to travel to Moscow for the first hybrid Plenary the week of November 8th, 2021 while the rest of the KPTF members participated via zoom.
3. 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. As the world was slowing opening back up and KP could restart its work on the ground, the WDC sent representatives to the 3 RV that took place: Kyrgyzstan, Qatar and Mozambique. As a principle, the WDC strives to participate in EACH review visit or mission planned by the WGM.
4. During the course of the calendar year, WDC President Edward Asscher highlighted and reiterated the WDC's engagement with 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 public appearances by the WDC President. Additional references can be found on the WDC website by

clicking on the following link:

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

- A. On July 15th, 2021, during the 11th Initiative for Arts & Culture Conference, WDC president received an award for Extraordinary Contribution to the diamond and jewelry industries. During his acceptance speech, he pointed to the importance of advancing the System of Warranties while cooperating with the Civil Society Coalition (who then coordinator Shamiso Mtisi was also present), while also advancing together on specific KP issues such as the expansion of the conflict diamonds definition.
 - B. Edward Asscher was also invited to give remarks at the opening of the Angolan International Diamond Conference that was held in Saurimo on November 25th, 2021. The WDC President made a clear call to action for governments and industry to cooperate closely and help the KP move forward in meeting the current challenges, and therefore meeting consumers' expectations.
 - C. In December 2021, WDC President Edward Asscher spoke during the "High-level Workshop on the Fight against Fraud and Smuggling of Rough Diamonds in Central Africa ", stressing once again how much the WDC is committed to the KP and believes in its process. This event was part of the regional cooperation to enhance the implementation of the Kimberley Process (KP) in Central Africa, an initiative presided by the Working Group on Artisanal and Alluvial Production (WGAAP).
5. The WDC President, WDC Officers, Executive Director and some Board members attended/participated in meetings and calls with the Civil Society Coalition (CSC), in order to exchange views on diamond governance and how best to strengthen the KP.
 6. The WDC held bilateral meetings via Zoom or phone calls with various KP Participants (Government representatives).
 7. Internally, the WDC KP Task Force held five meetings though out the year 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.
 8. The WDC chaired, through Ms. Iris Van der Veken (Responsible Jewellery Council), the WGDE sub-group called Technical Experts Team (TET), in order to identify and select the final host for the KP Permanent Secretariat. The TET held four meetings in 2021, plus three meetings during each formal KP gathering (Intersessional and Plenary), and also several bilateral calls with each prospective KPS hosting candidates.

9. 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.
- Mark Van Bockstael, on behalf of the WDC, returned to serve as Chair of the WGDE until the end of Intersessional, and then passed the baton to James Evans Lombe (USJC) when retiring. James has successfully taken over management of the Working Group.

Administrative Support Mechanism

As noted in the 2019 KP Plenary Final Communiqué, the 2019 KP Chair, with the approval of the KP Plenary, extended the ASM mandate until Plenary 2021, 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 2021 continued as they were performed in 2020, with always the same dedication. The WDC would like to commend Mrs. Elke Ceulemans for her unparalleled commitment to the success of the KP's daily K 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 2021

- WDC held four Board Meetings (Feb, March, June and Nov) to discuss the WDC Strategic Plan (rollout of the revised System of Warranties amongst others) and further KP engagement. It is important to note the despite the inconvenience of not being able to meet in person, technology such as Zoom also allowed for more complete attendance at the meeting and, therefore, the ability to conduct work effectively even in unprecedented times.
- 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 with regards 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 practices, encouraging them to take their responsibility and operate due diligence in their own supply chains. All information about the SoW can be found at the following website: www.wdcsow.org

- To underpin 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, as well as a promotional campaign to raise awareness on the SoW, following up its official launch on September 21st, 2021. To date, WDC has collaborated with 35 industry leaders throughout the world and the different segments of the pipeline, who acted as SoW Ambassadors. Furthermore, to ensure endorsement and cooperation within the pool of large companies of industry, which already facing a substantial amount of administrative work when it comes to being certificated as compliant with to 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). Companies already certified against the RJC standards, or the De Beers BPPs are automatically considered compliant with the SoW Guidelines and the KPCS, as their own scope of provisions goes beyond the SoW’s.

- In parallel, the WDC worked collaboratively with its sister organizations, in the form of international partnerships to raise awareness, promote, educate and implement the System of Warranties. Organizations such as CIBJO, RJC, WFDB and IDMA, as well as the NDC, and also regional organizations such as AWDC, IDI or GJEPC answered the WDC call, and worked with the WDC Executive Director, the SoW Team Leader (Peter Karakchiev) and the Secretary, 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>

- To serve the international diamond community as best as possible, WDC also hired a dedicated “SoW Coordinator and International Helpdesk”, who is strategically based in Antwerp.