

## ABOUT **AWDC**

## MISSION



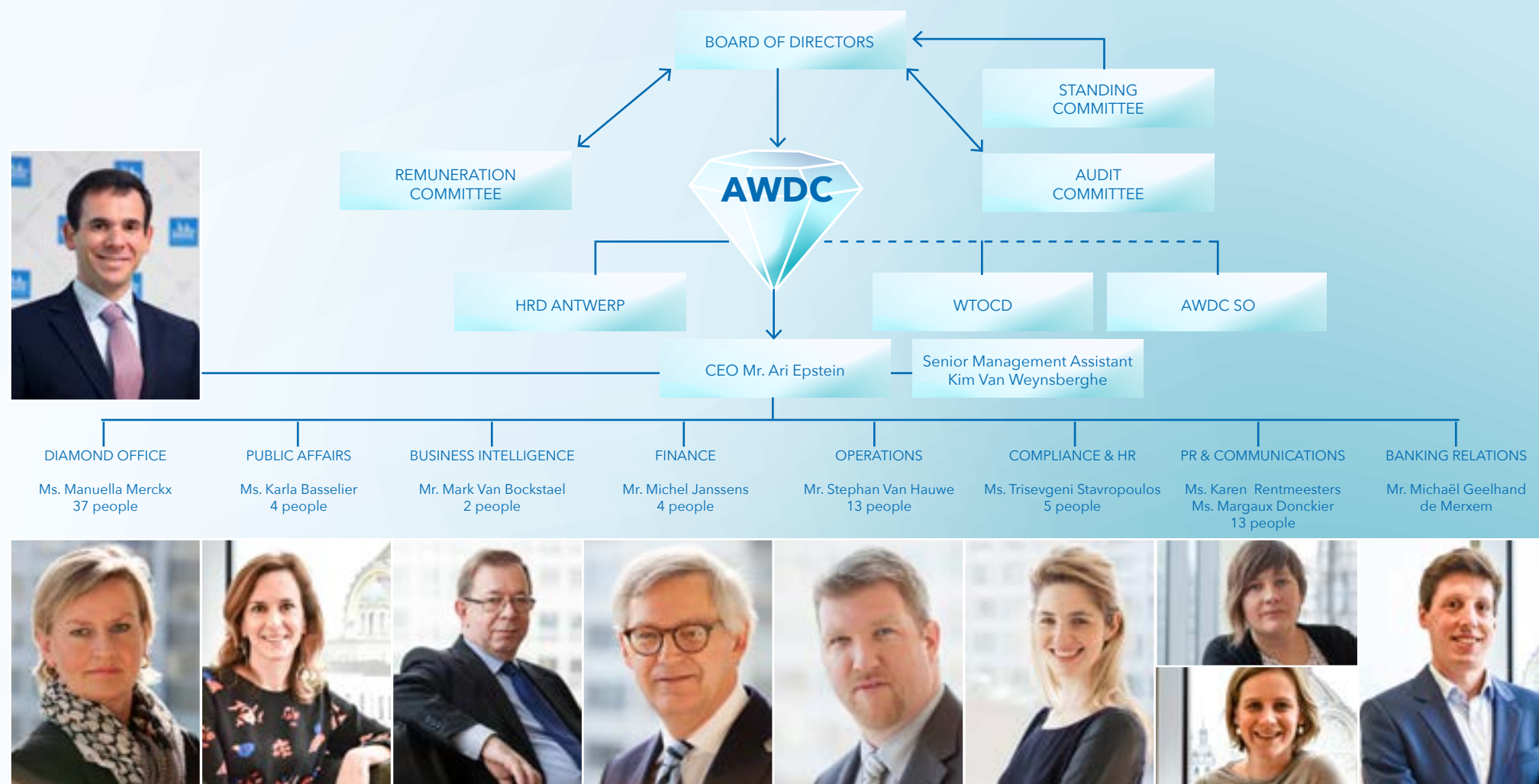
**A**ntwerp World Diamond Centre (AWDC) serves the collective interests of the Belgian diamond industry. The AWDC represents the entire diamond industry as a whole, irrespective of the scale of an actor's activities or the size of the company. The AWDC strives to maintain and strengthen Antwerp's position as the most important and most transparent diamond trading center worldwide and promotes it as such to the public. These activities are paired with a wealth of services for the Antwerp diamond industry: events in Belgium and abroad, advocacy, business intelligence, banking relations, services concerning security, compliance, marketing and communications campaigns, etc. More about all the services AWDC provides is detailed further.

The AWDC is located in the heart of the Antwerp diamond district. While we do not have any offices abroad, our activities are partly carried out on the international diamond scene. The AWDC works together with the Belgian diplomatic network and its partners on a wide range of international initiatives.

# GOVERNANCE AND STRUCTURE

The AWDC is a private foundation founded in 2007 and incorporated under Belgian law, and it is not a membership-based organization.

The Board of Directors is the body that oversees and participates in the activities of the AWDC. To fulfill its tasks and responsibilities efficiently and with a view to good governance, the Board of Directors set up several advisory committees.



**The AWDC's Board** is composed of 12 directors representing all stakeholders of the diamond industry.

- Six representing the diamond trade
- Three representing the diamond bourses
- One representing the diamond industry
- One representing the employees
- One independent director

Diamond traders can directly elect 'their' six board members. The voting procedure guarantees equal representation for small, medium-sized and large diamond companies. Each category is determined by the average annual turnover achieved during the two calendar years prior to the elections:

- two traders with an average turnover > € 100,000,000
- two traders with an average turnover between € 30,000,000 and € 100,000,000
- two traders with an average turnover between € 500,000 and € 30,000,000

The Federal Public Service (FPS) Economy provides these turnover figures, based on the stock declarations which all diamond traders submit to it on an annual basis. The AWDC organizes the Board election under the supervision of the Standing Committee, assisted by the FPS Economy.

The other directors are nominated by their respective associations/bodies.

The independent director is appointed by the Prime Minister of Belgium and must obtain a minimum of nine votes from the other Board of Directors members. The independent director in the AWDC Board of Directors is a person from outside the diamond industry, selected for his/her experience and expertise on the expansion of an internationally oriented commercial organization. The director guarantees objectivity and neutrality regarding the business operations and its approaches.

The AWDC Board of Directors currently has no member representing the employees. No candidate has been nominated by either of the respective associations/bodies.

The Directors have a four-year mandate, however, a rotation system renews half of the Board of Directors on a bi-annual basis to ensure the continuity of its operations.

In principle, the Board of Directors meets every month and at least eight times per year.

**The Board of Directors** (1 January 2019)



- Mr. Nishit Parikh - President - Trade
- Mr. Jean-Louis Van Strydonck - Vice-President - Bourses
- Mr. Samir Mehta - Vice-President - Trade
- Mr. Vimal Lakhani - Board Member - Trade
- Mr. Rajiv Kothari - Board Member - Trade
- Mr. Chetan Shah - Board Member - Trade
- Mr. Jacques Weisz - Board Member - Trade
- Mr. Jacques Claes - Board Member - Industry (no picture)
- Mr. Chaim Pluczenik - Board Member - Bourses
- Mr. Michel Nasielski - Board Member - Bourses
- Ms. Martine Reynaers - Independent Member



**The Standing Committee consists** of 12 members representing leading organizations across the Antwerp diamond landscape. This permanent body monitors the progress of the Board of Directors' election and conformity of the decisions of the Board of Directors with AWDC's statutes and objectives. The Standing Committee also has an advisory role.

The Board of Directors has the legal right to establish special committees. Currently a **Remuneration and Audit Committee** are in place. Both have an advisory role and provide an additional internal check on the operations of the Board. The priority of both committees is to monitor the finances of the AWDC.



→ **HRD Antwerp NV** is a subsidiary of the AWDC. The AWDC holds 99% of the shares of HRD Antwerp. It houses an internationally-renowned laboratory,

offers high-level training, carries out research and develops technologically-advanced materials. HRD Antwerp certifies polished diamonds and provides detailed identity cards for diamonds. HRD Antwerp also has offices in China, Hong Kong, Turkey and India.



The → **WTOCD** is the scientific and technical research center for diamonds. Legally, the two entities are completely separated from each other. According to the AWDC by-laws, it must invest in research

and development to benefit the diamond industry. The AWDC invests in the R&D of WTOCD as it supports the Antwerp diamond industry by developing and implementing cutting-edge technologies to improve manufacturing processes, helping it maintain and improve its competitive position as the leading polisher of high-value stones.



## Security Office

The **AWDC Security Office** (AWDC SO) is a private foundation, founded by the AWDC, established with the specific goal of ensuring the safety and security of the people and goods in the Antwerp diamond

community. The AWDC SO receives an annual dotation from AWDC to ensure sufficient resources to achieve this goal. Legally, the two entities are completely separate from each other.





## AWDC DEPARTMENTS AND THEIR LINKS WITH SUSTAINABILITY CHALLENGES

In 2019, the AWDC's operational structure consists of eight departments. The 'Business Development' department was split up into 'Business Development Rough' at the Public Affairs department and 'Business Development Polished' at the PR & Communications department.

In June 2017, the AWDC appointed a dedicated person to maintain relations with the financial industry. The position of Banking Relations has been created to develop new business opportunities and solutions to close the gap between the diamond traders and the financial industry.

### DEPARTMENT

**Diamond Office (DO)** is responsible for streamlining all diamond shipments imported to or exported from Belgium. Each shipment is physically checked and verified by sworn experts, under surveillance of the Belgian government.

### WHAT WE HAVE DONE SINCE 2014

*Challenges: Economic impact in diamond-producing countries - Integrity in the diamond value chain*

DO actively participated in the training of (future) valuers from DRC via internships.

DO actively participated in a valuation exercise with another KP participant.

DO regularly gives on-site explanatory tours and presentations to foreign delegations about the internal control procedures to promote transparent control mechanisms and encourage other countries/trading hubs to tighten their internal procedures to create a level playing field.

### CHALLENGES

DO will continue to use its experience to provide technical support to diamond-producing countries.

DO will focus on less paper consumption and reduce this by working and archiving more electronically.

DO still actively participates in a valuation exercise with another KP participant.

DO regularly gives on-site explanatory tours and presentations to foreign delegations about the internal control procedures to promote transparent control mechanisms and encourage other countries/trading hubs to tighten their internal procedures to create a level playing field.



## DEPARTMENT

**Business Intelligence department (BI)** consists of the following aspects: knowledge, collective memory and technical work for the World Diamond Council and the Working Group of Diamond Experts of the Kimberley Process.

## WHAT WE HAVE DONE SINCE 2014

*Challenges: Economic impact in diamond-producing countries - Integrity in the diamond value chain*

BI has continued its contribution to the KP during the reporting period by chairing the Working Group of Diamond Experts and the WDC Technical Committee.

Together with other AWDC departments, particularly PA and DO, time and resources have been allocated to the harmonization of rough diamond valuation methodologies and training of government valuers of mainly African artisanal diamond-producing countries. In 2014 and 2015, an important program to assist Côte d'Ivoire in creating a post-UN sanctions government diamond office has been conducted, co-sponsored by the Belgian Federal Public Service Foreign Affairs.

Diamond specialists appointed by the Côte d'Ivoire Ministry of Mines received intense 2 month-valuation training in Antwerp, and follow-up sessions in Abidjan. In 2017 and 2018, government diamond valuers from 8 KP artisanal diamond-producing countries in collaboration with the Diamond Development Initiative (DDI) have received specialized valuation training to hone their skills.

BI also contributes to the functioning of the KP Monitoring Team on CAR by assisting the WGDE-Diamond Experts Team in the remote evaluation of footprint characteristics of monthly export shipments.

## CHALLENGES

The challenges for Business Intelligence remain the same: many diamond-producing countries with small-scale artisanal mining (about 10%) still need guidance and support to improve internal controls, create more transparency and ensure greater traceability of the stream of goods.

## DEPARTMENT

**Public Affairs (PA)** leads and coordinates the AWDC's advocacy vis-à-vis local, regional, national and supranational government bodies. The department informs policymakers about developments in the Antwerp diamond industry and advocates its interests. In addition, Public Affairs represents AWDC on various platforms and in organizations at the regional, national and international level.

This department also drives the AWDC's sustainability agenda, a key global public policy issue. Lastly, Public Affairs acts as the focal point of the Administrative Support Mechanism (ASM) of the Kimberley Process and carries out the task of "Knowledge Management and Institutional Memory" within the ASM.

## WHAT WE HAVE DONE SINCE 2014

*Challenges: Economic impact in diamond-producing countries - Integrity in the diamond value chain - Sustainability in the office & ecological footprint*

Over the past five years, PA ensured sustainability rose higher on the AWDC agenda and that of the diamond industry.

PA encouraged diamond companies to become members of the RJC, to support sustainability initiatives driven by CIFAL Flanders, to participate in discussion fora and surveys promoting the SDGs. PA supports and educates companies on their role and impact when it comes to sustainability and ethical business practices.

PA set up programs in and with diamond-producing countries to foster socio-economic development and strengthen the positive impact diamonds can have on local communities, especially at mine sites, and in artisanal and small-scale mining ("My Fair Diamond", collaboration with the DDI, valuation trainings for representatives of African diamond-producing countries, etc.).

PA also puts great effort into reinforcing the integrity of the diamond value chain through participation in various working groups within the KP, RJC and the WDC, where we were a driving force in the discussion for change with a focus on the need to set up a chain of responsibility and more transparency along the diamond value chain to protect human rights, labor rights, and other risks linked to (ASM) mining operations. One of the key files on which the PA department worked is the reform of the KP; the reform of the System of Warranties and the inclusion of the OECD due diligence guidance into the RJC Code of Practices.

## CHALLENGES

The successful implementation of the project in Guinea regarding aid for trade will be very important to convince diamond traders that this project has added value for diamond-producing countries, but that it also benefits the reputation of Antwerp as global diamond hub.

Furthermore, it will be important to ensure that CIFAL Flanders continues to deliver company-oriented work and that the organization can generate real value for its partners. CIFAL Flanders has to become the point of contact for the implementation of the SDGs both on a local and company level.

Finally, the AWDC, and PA in particular, will continue to advocate reform in the KP. We will push for the industry to show leadership in conveying a message showing that integrity and reputation are essential for the positive image of the diamond industry. It is only by investing more on our branding that Antwerp will be permanently anchored as a world diamond capital and will be able to make a difference regarding synthetic diamonds that are now undeservedly seen as an ethical substitute for (natural) diamonds.

## DEPARTMENT

**Legal & Compliance** handles the legal dossiers, advises diamond traders and implements legislation in the diamond sector. This department also works actively to foster transparency in the sector.

## WHAT WE HAVE DONE SINCE 2014

*Challenge: Compliance*

AWDC signed a cooperation agreement with GJKIC, a non-profit daughter company of the Indian equivalent of AWDC (GJEPC) concerning MyKYCBank, a platform where diamond traders can register to upload all their KYC information and connect with other traders to share KYC information among one another.

Belgian traders have free access to the Bureau Van Dijk database, which also contains certain company and KYC information, and helps traders make a risk analysis of the business relationship with their clients.

The AWDC AML & Compliance Helpdesk organizes AML & Compliance seminars which provide a good understanding of the legal and self-regulatory frameworks which apply to diamond traders, as well as of related issues such as sanctions.

## DEPARTMENT

**Human Resources (HR)** provides employees with information concerning HR policy and creates a framework within which all AWDC employees can perform their work in a driven and motivated manner. In addition, this department renders services to the industry.

## WHAT WE HAVE DONE SINCE 2014

*Challenges: Employment - Training, education & expertise*

AD Jobs, the Antwerp Diamond Jobs website, is successful in helping diamond companies find suitable candidates. The vacancies receive extra attention by publishing them in newspapers and magazines, initiating contacts with schools and participating in several job fairs to promote the diamond sector to young people from diverse backgrounds.

Internally, the AWDC provides an interactive onboarding process to its employees and encourages them to learn and develop their skills.

HR provides a variety of learning opportunities to ensure ongoing development and encourages the managers to promote a learning culture within their teams.

## CHALLENGES

An onboarding process is already in place; HR is planning to create a more complete and interactive onboarding brochure to make new employees feel welcome, adapt easily to the culture, and be rapidly effective.

HR is constantly trying to improve the work environment to maintain a low rate of employee turnover and improve employee engagement and motivation.



## DEPARTMENT

**Operations** provides support within the AWDC in the field of ICT, security, facility and purchasing.

## WHAT WE HAVE DONE SINCE 2014

*Challenges: Sustainability in the office & ecological footprint*

Many initiatives were taken in reference to waste management, energy saving and recycling.

## CHALLENGES

Priority goes to upgrading the air conditioning system in a sustainable way.

## DEPARTMENT

**PR & Communications** department promotes Antwerp as the world's leading diamond hub. This is done through the organization and coordination of numerous activities in Belgium and abroad, such as participation in trade fairs and organizing national and international events, including PR & prospecting missions, B2B network events, conferences and royal and economic missions.

## WHAT WE HAVE DONE SINCE 2014

*Challenges: Responsible advocacy - Transparency and open dialogue - Diversity and multiculturalism - sustainability in the office and ecological footprint*

The department extended its outreach via various initiatives. In 2015, the department launched The Diamond Loupe, an international news medium, designed to provide the most complete information and greater insight into the dynamics that drive the diamond business. The department organizes several initiatives to inform the Antwerp diamond industry on a regular basis. In 2018, the department launched The Sparklr, a collaborative blogging platform designed to inform a new generation of consumers, providing all-around access to the latest trends, rings and other sparkly things.

The registration process for participation in events was fully digitalized. AWDC is working with sustainable caterers and recycles as much as possible in the organization of events.

## CHALLENGES

Communicating about complex themes, especially concerning transparency and compliance in a way that is convincing to people in the industry, is still a challenge.

The still rather traditional nature of the industry also makes it challenging to generate interest for innovative initiatives concerning, for instance, alternative financing or marketing strategies. We recognize that industry-wide change in any global trade occurs incrementally, as many companies hold to the 'tried and true' way of doing business, despite the near-consensus agreement among analysts that the diamond industry should embrace the necessity of change. That is why the PR & Communications department endeavors to lower the bar for acceptance of sustainable innovation.

The department further makes it their mission to raise global consumer awareness about the benefits for diamond-producing countries associated with diamond jewelry purchases. We want to change the negative perception of diamond mining by telling the stories of the people behind the product.

Finally, we want to give Antwerp diamond companies the right tools to implement this strategy in their own marketing materials.

## DEPARTMENT

**Finance** coordinates all financial aspects of the organization.

## WHAT WE HAVE DONE SINCE 2014

*Challenges: transparent data, sustainability in the office and ecological footprint*

The finance department commissioned a new accounting package 'Adfinity', which automated a large part of the finance reporting, making it faster and more transparent. For incoming invoices, the finance department uses e-invoicing as much as possible and by digitizing the approval flow, departments no longer need to print their order and delivery notes.

## CHALLENGES

Finance aspires to become a completely paperless department by including everything in the digital flow. The department aims to offer customers an e-invoicing option to reduce the current extensive administration.

## DEPARTMENT

**Banking Relations** approach is twofold: attracting new financial institutions – both for banking and financing – to the industry and developing solutions to make it more attractive for these institutions to work in the diamond industry.

## WHAT WE HAVE DONE SINCE 2014

Not applicable (was created in 2017)

## CHALLENGES

Guaranteed access to the banking system is one of the main challenges the industry is faced with.

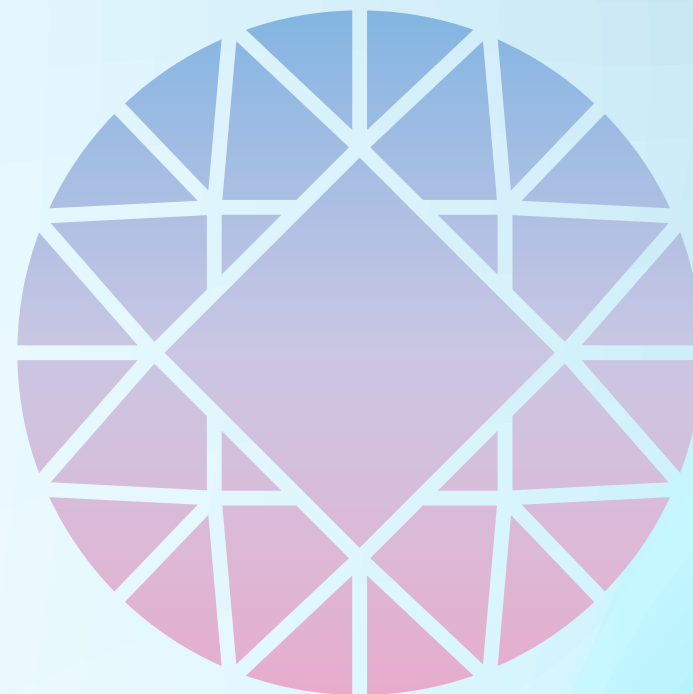
Furthermore, the industry is faced with the uncertainty of funding in the future. In addition, the lack of professionalism and transparency of some of the diamond traders create a risk for sustainable access to financial services for other diamond traders.

The negative attitude of the financial sector toward the diamond industry is extremely detrimental.

Together with the city of Antwerp, AWDC wrote the 'Diamond and Antwerp' charter which includes the values, principles, standards, and best practices the Antwerp diamond industry stands for. You can find the charter here → .

Together with the CEO, the department heads form the Management Team. This team gathers at least three times a week to discuss the general state of affairs within the departments. The CEO also attends the meetings of the Board of Directors.

Ms. Karla Basselier, Head of Public Affairs, is responsible for AWDC's sustainability policy. If you have any questions regarding this report or CSR matters, you can contact the Public Affairs department via [public.affairs@awdc.eu](mailto:public.affairs@awdc.eu).



## FINANCIAL STRUCTURE OF THE AWDC

The AWDC charges administration fees for the declaration of and controls on the import and export of diamonds in Diamond Office. These are the operating funds and only revenues of the AWDC.

The AWDC's equity includes the original contribution of the building, and since then, two capital increases have been implemented. This is unchanged since the previous report. Only the transferred results of the financial years that have been closed since then have been added.

AWDC ASSETS	2015	2016	2017
Revenue	€ 20,484,994	€ 20,190,066	€ 18,512,959
Equity	€ 24,984,756	€ 25,592,021	€ 24,347,098
Liabilities	€ 3,559,881	€ 4,332,060	€ 3,367,680

### EQUITY 2018

Share capital	31,346,821
Retained result	- 12,294,415
Equity 2018	19,052,406

### LIABILITIES 2018

Loans to be paid over several years	31,851
Loans to be paid in one year	21,836
Accounts payable	1,304,832
Paid taxes and social charges	1,284,277
Accounts Receivable	16,825
Other liabilities	14,187
Accruals and deferred income	30,751
Total	2,704,557

### BREAKDOWN OF AWDC EXPENSES 2018

Donations & sponsorship	307,000
WTOCD	1,026,726
Taxes	96,435
RSZ	1,169,975
Personnel	5,413,039
AWDC Security Office	360,000
Bank loan repayment	0

\* These figures are provisional; the final figures still need to be approved by the AWDC Board of Directors.





## EMPLOYMENT











100% of the AWDC employees are covered by collective bargaining agreements. The values, principles, standards and best practices expected from the AWDC staff are stipulated in the AWDC labor regulations.

Because the AWDC switched to a new wage system, we cannot provide the total number of employees by employment contract for the previous years. On 31 December 2018, all employees had a fixed contract; there were no temporary employees at the AWDC.











### TOTAL NUMBER OF EMPLOYEES BY AGE

Age	2014	2015	2016	2017	2018
- 20	0	0	0	0	0
20 - 35	20	17	17	21	17
35 - 45	19	17	14	17	15
45 - 55	16	17	22	21	20
+55	24	25	24	27	26
<b>TOTAL</b>	<b>79</b>	<b>76</b>	<b>77</b>	<b>86</b>	<b>78</b>

### TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT BY GENDER

	2014	2015		2016		2017		2018		
										
Office Staff	36	39	36	36	37	36	42	40	37	37
Laborer	2	2	2	2	2	2	2	2	2	2

### TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE BY GENDER

	2014	2015	2016	2017	2018					
										
Full-time	31	26	30	23	33	25	37	29	31	26
Part-time	7	15	8	15	6	13	7	13	8	13

## HR POLICY

As AWDC employs less than 100 persons, the Comité voor Preventie en Bescherming van de Werknemer (CPBW - Committee for the Prevention and Protection of the Employee) takes on the function of the Works Council (Ondernemingsraad or OR) by law. However, the AWDC chose to install both organs, which function independently and cover 100% of the staff.

## MEMBERSHIPS

### PUBLIC AFFAIRS PARTNERSHIPS

	Member of the Board of Directors?	Active participation in projects?	Financial contributions in addition to membership fee?
NATIONAL ORGANIZATIONS			
The Shift		x	
Verbond der Belgische Ondernemingen (VBO)	x	x	x
Unie voor Zelfstandige Ondernemers (Unizo)	x	x	x
Voka Kamer van Koophandel Antwerpen-Waasland		x	x
Chamber of Commerce Belgium-Luxembourg-Africa-Caribbean-Pacific (CBL-ACP)		x	
Flanders Investment & Trade (FIT)		x	
Syndicaat der Belgische Diamantnijverheid (SBD)		x	
Fonds voor de Diamantnijverheid		x	
Rijksverlofkas (RVK)			
Federatie der Belgische Diamantbeurzen		x	
BEPACT	x	x	x
Nationaal forum		x	
Koninklijke Kring Officieren Lokale Politie		x	
INTERNATIONAL ORGANIZATIONS			
Responsible Jewellery Council (RJC)	x	x	x
Anti-Money Laundering Europe (AME)		x	
UN Global Compact		x	
American Society for Industrial Security (ASIS)		x	
World Diamond Council (WDC)	x	x	x
European Corporate Security Association (ECSA)		x	
World Jewellery Confederation (CIBJO)		x	
European Federation of Jewellery (EFJ)		x	
CIFAL Flanders	x	x	x
Diamond Development Initiative (DDI)		x	x
African Diamond Producers Association (ADPA)		x	
Diamond Producers Association (DPA)		x	x
World Federation of Diamond Bourses		x	x