

WORD OF OUR CEO

Dear readers,

The diamond trade is a global and geographically expansive business. It starts in mines - some worked with no more than a shovel and a sieve, while others are billion-dollar state of the art operations. It then spreads out across the globe, touching millions of lives along the way, from some of the poorest to some of the richest. Add to this dynamic the fact that such a high-value product does not always travel in the light of day, and what emerges is a challenge to sustainable practices on many fronts.

The Antwerp World Diamond Centre (AWDC), as the representative of the diamond industry in the world's largest diamond hub, is well aware of the challenges inherent to the sustainability of a global trade, and takes its responsibilities as an influential industry organization seriously. We know that vigilance, legislation, and a comprehensive attunement of the mentality of the industry's participants to the relevant Sustainable Development Goals, (SDGs) are imperative. This report is our latest endeavor to identify the SDGs that come within the scope of the AWDC's activities.

With 86% of rough diamonds and 50% of the world's polished diamonds passing through this trading centre, internal and external expectations of the AWDC are high. Our first objective is to serve the interests of the Belgian diamond industry while adhering to strict principles of good business practices. In close second, however, is our mission to safeguard the integrity of the diamond value chain and defend the reputation of the industry in Antwerp and globally by instituting progressive practices appropriate for a 21st century organization.

The fact that talking about 'sustainability' has become so omnipresent and obligatory in the business world today, however, carries the risk of companies using it as mere window-dressing to appear acceptable to consumers. Whereas in truth, it is a matter of survival: not just of our ecosystem and ethical standards, but of our business models themselves. It is not just a matter of protecting our reputation and securing the trust of end consumers - those whom we ultimately rely on for our continued existence as an industry - but also of doing what is right.

Promoting a sustainable and transparent diamond industry is therefore one of AWDC's key strategic priorities. We work to ensure that an increasing number of companies and organizations are aware of global expectations concerning issues of sustainability, social and environmental responsibility, ethics and compliance. I am proud to say that the AWDC made sustainability a priority in the diamond industry long before many others had even woken up to the idea.



WORD OF OUR CEO

Unfortunately, too many companies, and too many diamond trade centers, have declined to get on board. They are a minority, but they still exist, highlighting the need for stronger governance of the industry. Not only do malfeasant practices, wherever they occur, damage the reputation of the industry as a whole, they also confirm the negative perception that many people already have of our industry due to negative reports in the media. Generating trust is a critical issue to address, running like Ariadne's thread through all the material topics addressed in this report.

The deeper issue, however, is that a singular pursuit of profit may lead to less-than-sustainable practices. We at the AWDC believe that this type of mentality is based on a false choice: either pursue economic interests, or promote values such as sustainability. We argue that the goals of sound business and sustainability, the possibilities of aligning environmental conservation and profitability, are not conflicting objectives. We believe that the business model of the future must have sustainability at its core; that sustainability and growth are not mutually exclusive. Consequently, the AWDC took a calculated decision early on to make sustainability a priority in the Antwerp diamond industry.

Our efforts along these lines may best be described as an ambition to create an organizational identity focused on sustainable business practices. We have done this internally, and promote it externally. It is about defining who we are as an organization, and how we differ from other organizations. It is, as we proudly promote, our "5th C". In addition to the traditional 4 Cs, which determine the value of a diamond - carat, color, cut and clarity - our 5th C is the commitment to Compliance and CSR, to generate Confidence among stakeholders and consumers. This is the core of our business model and a core focus of our long-term strategy, not only for Antwerp but also for the global diamond industry.

When the AWDC in 2014 delivered its first Sustainability Report, we did not have many references against which we could measure our success and progress. It was not only a unique undertaking for the AWDC, but also for the diamond trade federations throughout the world. In our second sustainability report, we articulate specifically which domains of the global diamond industry pose the greatest sustainability risks, identify where we exert our greatest efforts, but also examine our successes and shortcomings regarding the issues we identified in our inaugural report.

We invite you to take a look at the challenges the AWDC and the diamond industry are facing and how we are tackling them, keeping in mind that there are still improvements to be made. An open dialogue with you, our stakeholders, will be the key to success of this process ahead.

We look forward to receiving your feedback,

Ari Epstein.



The reputation of the Antwerp diamond industry emerged as a core theme from our interviews with key stakeholders. Almost all of them mentioned it as a primary concern, or connected it to other significant issues. What follows is a selection of comments from these interviews.

*“The theme, ‘**Integrity in the diamond value chain**’ is the one that is most important to us. The issue of reputation is also important.”*

**“The three key issues?
Reputation, reputation
and reputation.”**

“Reputation is extremely important! The entire AWDC program should be constructed to save the reputation of the industry by demonstrating that **the industry has gotten the message and is working differently.**”

“Reputation is the responsibility of each single industry participant. Individual ethics is the minimum requirement of an industry’s reputation.”

