

A close-up photograph of a person's hand holding a large, rough, uncut diamond. The diamond is the central focus, showing its natural facets and some dark inclusions. The hand is positioned below the diamond, with fingers slightly spread. The background is a soft, out-of-focus greyish-blue. The overall mood is one of discovery and natural beauty.

SustaDiamond Essentials

Together on the road towards sustainability

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Dear reader,

It is with pleasure that the Antwerp World Diamond Centre presents to you the ‘SustaDiamond Essentials’, an instrument developed to support enterprises active in the diamond industry on the road towards sustainability.

The SustaDiamond Essentials is a companion piece to the SustaDiamond, a new online sustainability tool designed specifically for the diamond sector, which is soon to be released. SustaDiamond is an extension to the [Sustatool](#), an online sustainability tool provided by MVO Vlaanderen. The tool contains a broad questionnaire to map your current position concerning sustainability and provides you with insights to improve it. Moreover, it includes an extensive list of concrete actions and KPIs that you can select from.

Before getting started with the tool, we advise you to read the SustaDiamond Essentials. It is an accessible starting point, explaining what sustainability means in the diamond chain. It introduces you to the most pressing sustainability issues in the industry and provides you with useful links, tools, and a set of concrete actions per sustainability theme.

The selection of themes is based on the expertise of our knowledge partners (CIFAL Flanders, Route 2030) and the practical experience of a group of entrepreneurs active in the diamond sector. This group explored the tool and provided us with useful feedback throughout its development.

The SustaDiamond and SustaDiamond Essentials are the results of a collaborative process between the AWDC, [CIFAL Flanders](#), and [Route 2030](#) with the support of the [Flemish Government](#). Together we are contributing to a sustainable diamond industry, characterized by responsible trading practices and transparent supply chains that improve the livelihoods of people while preserving the natural environment.

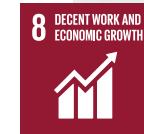


Ari Epstein
AWDC CEO



SUSTADIAMOND THEME 1

Buying & Supply Chain



The diamond supply chain is long and complex, crossing multiple international borders. Each actor within this global chain has the potential to contribute to responsible and sustainable practices in the diamond trade.

Companies that are involved in the mining of diamonds have a direct impact on local communities. On the one hand, they have the opportunity to help foster sustainable livelihoods, jobs, and welfare. On the other hand, their business activities may unintentionally cause adverse impacts, such as human rights violations or severe environmental damages.

To avoid the risk of doing harm, companies carry out a due diligence process, which helps them to identify (potential) adverse impacts related to their operations. On this matter, the [OECD Guidance for Responsible Business Conduct](#) provides an overarching due diligence framework and a set of general principles and suggested measures.

For downstream positioned companies, it is key to make responsible sourcing decisions. Some best practices have been established to facilitate transparency in the industry. The Kimberley Process is a commitment to eliminate conflict diamonds from the global diamond trade since 2003. At its core is the [KP Certification Scheme \(KPCS\)](#), under which diamond shipments can be classified as 'conflict-free' when they satisfy the KP minimum requirements. These requirements allow for full transparency regarding the identity of the exporter and importer.

Another source strengthening the KP is the [System of Warranties \(SoW\)](#) created by the World Diamond Council. The SoW provides all buyers and sellers of rough diamonds, polished diamonds, and jewelry containing diamonds, with statements that can be included in their invoices.

Lastly, the SustaDiamond lists a bunch of concrete actions that may help you develop a sustainable and ethically responsible supply chain policy.

HIGHLIGHTED ACTIONS

- Offer fair commercial terms to all suppliers, including ASM suppliers e.g. [Responsible Jewellery Council, Code of Practices](#)
- Adopt a supply chain policy that is consistent with [OECD Guidance for Responsible Supply Chains of Minerals](#) and communicate this policy to (potential) suppliers and other stakeholders
- Keep record of all your suppliers/buyers, their license number, and the amount and value of diamonds sold, exported, or purchased over the last three years
- Request warranty declarations from your suppliers about compliance with the [KPCS \(Kimberley Process Certification Scheme\)](#) and universal standards of human rights and anti-corruption practices
- Check obtained warranties on an annual basis concerning compliance with the KPCS and universal standards of human rights and anti-corruption practices as described in the [World Diamond Council System of Warranties](#)



SUSTADIAMOND THEME 2

Health & Safety

To guarantee the health and safety of your employees, a range of initiatives can be taken. The notion of health goes beyond the absence of disease. It implies a state of physical, mental, and social well-being. Health and safety measures should therefore not only focus on the prevention of work accidents but also include the promotion of healthy behaviours, ergonomics, mental health, etc.

HIGHLIGHTED ACTIONS

- Guarantee safe and healthy working conditions under applicable law and other relevant industry standards
- Provide workplaces with safe and accessible potable drinking water, sanitary facilities for eating food, clean and hygienic washing and toilet facilities, and suitable conditions for pregnant women
- Take preventive measures and sanctions regarding bullying, sexual harassment, physical violence, etc., and appoint a confidential advisor

Tools

- [Responsible Jewellery Council, Code of Practices](#)

To design effective health and safety measures, it is important to be aware of the specific risks of your business's activities. Typical risks associated with the diamond industry include the use of machinery; the storage, and handling of chemicals (including cleaning materials); exposure to excessive fumes, airborne particles, noise, and temperature levels; and repetitive strain activities. Involving employees and stakeholders in the design of measures will help to get a better idea of the specific risks related to your activities.

HIGHLIGHTED ACTIONS

- Provide employees with a mechanism, such as a joint health and safety committee, by which they can raise health and safety issues with management
- Ensure cobalt-free, diamond-impregnated scaives for employees who are engaged in the cutting and polishing of diamonds
- Provide and maintain workplaces with safety equipment, alarms, clearly marked and unlocked emergency exits, and escape routes
- Assess the risks of workplace hazards and adopt a control mechanism to minimize the risks of accidents and injuries to employees





SUSTADIAMOND THEME 3

Employees & HR



The 2030 Agenda for Sustainable Development includes the goal of promoting inclusive and sustainable economic growth and ensuring decent work for all (SDG 8). Decent work starts with respecting the labor rights of employees and remunerating them fairly for their work. As an actor in the diamond industry, you can contribute to this goal by ensuring that your Human Resources (HR) policies and those of your suppliers are in line with these conditions.

Furthermore, decent work is about ensuring flexibility, a healthy work-life balance, and learning opportunities. Offering a space for personal development does not only enhance the well-being and motivation of employees but also contributes to your attractiveness as an employer.

Last but not least, establish workplace democracy by enabling the participation of employees in decision-making at all levels of your organization. This allows for empowerment and improves job satisfaction. Adopt an inclusive HR policy by providing specific opportunities for people with a disability and/or groups with reduced chances of job entry.

HIGHLIGHTED ACTIONS

- Ensure that employment terms about wages, working hours, and other employment conditions are communicated to employees in writing before the employment starts, in a language that is understood by them
- Ensure that wages are the minimum wage plus associated statutory benefits, according to industry standards, throughout the whole value chain
- Apply the following principles for a fair wage policy: wage equal to kind of work, wage equal to wages in the region, wage equal to sectoral wages, and wage equal to at least the minimum wage

Tools

- [Responsible Jewellery Council, Code of Practices](#)

HIGHLIGHTED ACTIONS

- Evaluate the work-life balance regularly: look for the causes of bottlenecks and possible solutions in the organization
- Allow teleworking if possible
- Organize training on time management, focus training, burn-out prevention, etc.
- Give employees regular feedback, both formal and informal
- Develop a learning policy with both a strategic training plan tailored to the organization and a personal development plan tailored to the employee

HIGHLIGHTED ACTIONS

- Involve employees in choices regarding their workplace, e.g. when purchasing new office equipment or painting the offices
- Allow employees to organize time and work (following legislation and internal agreements)
- Communicate clearly about how cases of discrimination can be reported and how the guidance and follow-up will be ensured
- Collaborate with institutions that provide vocational/special education to recruit and support young people who experience difficulties finding a job



SUSTADIAMOND THEME 4

Environment

With the [Sustainable Development Goals](#), the [Paris Climate Agreement](#), and the [European Green Deal](#), policy-makers have designed global frameworks to limit our impact on the environment. Businesses play a key role in reaching the ambitions set out under these frameworks.

The environment can be described as the surroundings in which companies operate, including ecosystems, natural habitats, societies, and their interrelationships. Environmental management is about minimizing the adverse impacts of your business's activities on its surroundings. Start by mapping out the current and potential negative impacts of your activities, covering the whole value chain.

HIGHLIGHTED ACTIONS

- Monitor direct and indirect carbon emissions and formulate actions to reduce these emissions
- Analyze complaints from local residents, employees and other stakeholders regarding possible nuisance and/or pollution and, if necessary, take measures to prevent it
- Provide training and information about environmental risks to all relevant employees, in a format and language that workers can easily understand

Tools

- [Responsible Jewellery Council, Code of Practices](#)



Once you have identified your environmental risks, the next step is to set up mechanisms to minimize the negative impact. SustaDiamond provides concrete actions to prevent or limit pollution and nuisance in different areas, such as emissions, noise, and waste.

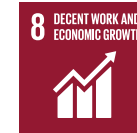
HIGHLIGHTED ACTIONS

- Replace hazardous substances in all processes, wherever technically feasible and economically viable
- Communicate risks associated with the use of hazardous substances to all employees who work with them, in a language understood by them
- Prevent noise pollution from machines and transport
- Limit the amount of wastewater
- Check which waste streams can still be sold and keep them separate
- Cluster waste collection with nearby organizations
- Look for sector-specific measures and existing waste management methods



SUSTADIAMOND THEME 5

Human Rights Due Diligence



Human rights are universal norms protecting our freedom, dignity, and integrity as human beings. The foundation of human rights can be found in the [Universal Declaration of Human Rights](#). States bear the primary duty to protect human rights, yet businesses bear responsibility too. This responsibility is described in the ‘[Protect, Respect and Remedy](#)’ framework, which defines a corporate duty to respect human rights. Negligence or breaches of this duty may occur in the diamond supply chain, manifesting in, for example, unsafe working conditions, exposure to toxic materials, or forced labor.

SustaDiamond illustrates concrete actions to implement [Human Rights Due Diligence \(HRDD\)](#). Although carrying out a HRDD process is not usually legally binding, some states, such as France, have included it in national legislation. At the EU level, a [conflict mineral legislation](#) has been adopted, which enters into force in 2021. Starting from 1 January 2021, EU importers of tin, tantalum, tungsten, and gold have to carry out due diligence throughout the supply chain. Other companies in the diamond supply chain are also encouraged to follow the due diligence guidance of the [OECD](#).

The first step in the HRDD process is ensuring policy commitment at the top level of your organization.

Secondly, businesses should identify the risks of their operations and activities concerning human rights and prevent any violations. The duty to respect human rights reaches beyond the core business and applies to other stages in the supply chain as well. Therefore, collaboration and dialogue with suppliers, business partners, and other stakeholders is essential.

HIGHLIGHTED ACTIONS

- Regularly assess risks of unsafe working conditions, risks of exposure to toxic chemicals and metals, and other significant human rights risks throughout your value chain.
- Engage annually with suppliers and assess their human rights due diligence efforts and remedy activities. Agree on a strategy for human rights risk mitigation

HIGHLIGHTED ACTIONS

- Publish a policy statement, endorsed at the highest level your organization, to respect human rights within all your operations and business relationships in line with the [UN Guiding Principles on Business and Human Rights](#) or get affiliated within the ambit of such policy commitment of any association member of the WDC

More info

- [United Nations Global Compact, How to Develop a Human Rights Policy](#)
- [World Diamond Council, System of Warranties Guidelines](#)
- [OECD Guidance for Responsible Supply Chains of Minerals](#)
- [Responsible Jewellery Council, Code of Practices](#)

Besides identifying and mitigating risks related to human rights, it is important to provide grievance mechanisms to employees at all stages of the supply chain. Grievance mechanisms ensure that issues can be communicated and redressed as effectively as possible.

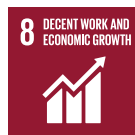
HIGHLIGHTED ACTIONS

- Set up a whistle-blowing mechanism for employees and/or other stakeholders in different stages of the value chain to report findings on adverse human rights impacts
- Install clear, confidential and unbiased grievance procedures and investigation processes
- Actively communicate your human rights grievance procedures to all of your employees



SUSTADIAMOND THEME 6

Business Ethics



Specific ethical risks within the diamond industry include bribery, money laundering, corruption. Having a clear regulatory framework regarding banking and fiscal policy is of crucial importance to the industry. SustaDiamond refers to specific systems and processes which help entrepreneurs comply with these regulations.

Business ethics is about instating moral values and respectful practices. It is also closely linked to issues of compliance and governance under SDG 16. In general, business ethics is about doing good while doing (financially) well. It is about compliance with (international) law and regulation, such as the [Kimberley Process](#) which strives for conflict-free diamond trade.

The development of an ethical code or code of conduct is a best practice. Such a document covers the company's mission, vision, and its values. It also states the responsibilities of the company and the expectations of its stakeholders. The code of conduct therefore serves for external communication purposes, but is also and above all an important internal document. It serves as a guideline for ethical behavior in the workplace, decision-making, and dispute resolution.

Typically, a code of conduct also reflects an assessment of the most relevant ethical risks. These differ per business activity (e.g. mining companies vs. diamond traders), but also per geographic area in which your company operates. Setting up a dialogue with (international) employees and other stakeholders is essential to map ethical risks occurring in your organization's value chain (see also [chapter 7 'Stakeholders'](#)).

HIGHLIGHTED ACTIONS

- Integrate your commitment to sustainable development and CSR into the mission statement of your organization
- Organize an ethical reflection among your employees on the main values and principles of your organization, as the basis for the code of conduct
- Draw up a code of conduct for employees and management. Communicate it to all your stakeholders (e.g. via your website)
- Raise awareness among employees about your mission, values, ethical issues, and dilemmas (in the sector)

HIGHLIGHTED ACTIONS

- Identify the (international) risks of unethical behavior, corruption, or other breaches, in collaboration with stakeholders
- Establish low-threshold and confidential complaint handling procedures on ethical issues for both employees and external stakeholders

HIGHLIGHTED ACTIONS

- Notify suspicious transactions concerning bribery, money laundering, or any other form of corruption to the Financial Intelligence Unit (CFI) or AWDC
- When giving loans, document these loans in a loan/credit agreement, including the elements indicated in the ['Best practice guide for businesses in the Belgian diamond sector'](#) by AWDC
- Offer training to relevant managers and employees on policies and procedures with regard to corruption in all its forms
- Monitor the number of reports/cases of corruption and formulate actions
- Verify your Know Your Customer (KYC) information and update this information at least on a 3-monthly basis

More information

- [Anti-money laundering policy for the Belgian diamond trader](#)
- [MyKYCBank](#)

Setting up a code of conduct is only successful when it is embedded in the corporate culture. It should be integrated into all processes, for example, when screening suppliers, recruiting new employees, conducting performance interviews, and making strategic decisions. Compliance with the code of conduct should regularly be monitored and, if necessary, adjusted.



SUSTADIAMOND THEME 7

Stakeholders

Dialogue with and involvement of stakeholders is crucial to gain insight into which sustainability themes are important to your business. By taking into account the interests, concerns, and expectations of different groups in your sphere of influence, your organization is better informed to do what is truly relevant and necessary. It is not just about understanding (potential) negative effects, but also about identifying opportunities.

In the first place, it is important to know which groups are directly influenced by your business activities, but also which parties have a significant influence on your decisions. These are your key stakeholders.

HIGHLIGHTED ACTIONS

- Map all the stakeholders throughout your value chain
- Actively engage with stakeholder groups to identify their interests
- Based on regular stakeholder engagement, identify priority areas throughout the diamond chain where you aim to reduce potential negative impacts or generate positive impacts

Example

- [Report to Society 2014-2018](#), What matters to you: material topics, AWDC

The Antwerp diamond industry trades goods from all over the world. As such, the industry has a direct effect on local communities in diamond-producing countries. The question rises to what extent the local economies benefit from the revenues generated by the diamond industry. Efforts should be made to support local economies and communities.

HIGHLIGHTED ACTIONS

- Support local businesses and entrepreneurs through direct local purchasing
- Employ members of local communities whenever possible
- Invest in career development and training in order to build transferable skills of employees and local community members

Other important stakeholders are the organizations that operate within the same sector and umbrella organizations, such as AWDC. Exchange of experience and knowledge sharing with these actors can strengthen your sustainability strategy. Exploring collaboration with (local) government institutions, NGOs and civil society organizations can further increase the impact of your sustainability strategy.

HIGHLIGHTED ACTIONS

- Explore the benefits of a multi-stakeholder initiative (collaboration between government agencies, private actors, civil society organizations, citizens, ...)
- Support international, cross-sector sustainability initiatives
- Exchange knowledge, good practices and expertise with other players in the diamond industry





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