

DTC
Diamond
Best Practice Principles
Assurance Programme
Workbook 2007



DTC

A DIAMOND IS FOREVER





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Preface

This document is the Workbook that must be completed by Sightholders and (as applicable) their contractors and sub-contractors, as well as the De Beers Group (including The Diamond Trading Company Limited) and its contractors and sub-contractors. It is also the document that will be reviewed or completed as required by the independent Third Party Verifier.

This Workbook sets out the performance indicators against which compliance with the Diamond Best Practice Principles (“BPPs”) will be verified, evaluated and reported through the Diamond Best Practice Principles Assurance Programme (“Assurance Programme”). The BPPs and the Assurance Programme are designed to lead to a general improvement in responsible business practices.

It is important to note that no particular answer denotes ‘compliance’ or ‘non-compliance’ and ‘penalties’ will not be incurred for one particular type of answer over another. Individual facilities will be assessed according to their own context and circumstances.

Please note that the requirements and performance indicators set out in this Workbook may be updated from time to time, as required.

The Workbook should be read in conjunction with the Diamond Best Practice Principles Requirements (“Requirements”) and the Diamond Best Practice Principles Assurance Programme Manual (“Manual”). Sightholders are contractually bound under the terms of the Supplier of Choice documentation to satisfy, and continue to satisfy (i.e. comply with), the BPPs. The Requirements, Manual and Workbook together set out the details for compliance with and monitoring of the BPPs. As such, they form an integral part of the Sightholder Policy Statement (which forms part of the Supplier of Choice Documentation) and as a result, are legally binding documents.

Failure to comply with the BPPs and the Assurance Programme will constitute a breach of a Sightholder’s obligations under the Supplier of Choice arrangements and will result in appropriate action being taken by the DTC pursuant to that documentation.

Save to the extent expressly stated to the contrary, words and expressions defined in the Supplier of Choice documentation (including, for the avoidance of any doubt, the Manual) shall have the same meaning for the purposes of this Workbook.



Assessment Details

Principal Sightholder Organisation/De Beers Company* Name:
Name of Assessed Facility:

First/Third* Party Assessment:

Assessment date:

Assessor 1 Name:

Male / Female

Assessor 2 Name:

Male / Female*

General Manager signature:

Assessor 1 signature:

Assessor 2 signature:

The Assessment

1. Is the facility being assessed currently certified to SA8000? (If so, please provide proof and do not answer the questions in **RED**. If 'no', please answer supplemental questions in **RED**)
2. Is the facility being assessed currently certified to ISO14001? (If so, please provide proof and do not answer the questions in **GREEN**. If 'no', please answer the supplemental questions in **GREEN**)

Note: It is not a requirement of the BPPs that those companies/entities/facilities have each of the above certifications – while it may make the task of completing the Workbook easier, it is not obligatory.



* Please delete as applicable

A Business Responsibilities

A.1 Ethical Standards

3. Has the company/entity/facility, any associated company/entity/facility over which it exercises control, any principals, directors or (in the case of a company) controlling shareholders thereof been involved in any activity that has resulted in a material conviction, or any material penalty imposed by a government, industry or other regulator, within the last 12 months?
4. Has the company/entity/facility, any associated company/entity/facility in which it exercises control, or any principals, directors or (in the case of a company) controlling shareholders thereof, been involved in any activity that has brought the diamond industry into serious disrepute or damaged the consumer's perception of Diamonds or the Diamond Industry, within the last 12 months?

A.2 Money Laundering, Terrorism Financing and Other Financial Offences

5. Is the appointment of the independent financial auditor free of any bias or influence relating to financial or other inducements?
6. Have the company's/entity's/facility's financial accounts, either independently or as part of a compilation of accounts, been approved as being acceptable to international accounting standards, within the Assessment period, by an independent financial auditor with internationally accepted accounting qualifications?
7. Is your financial auditor aware of, or have you alerted your financial auditor to, applicable legislation imposing special anti-money laundering (AML)/ combating the financing of terrorism (CFT) compliance rules on dealers in precious stones or high value goods?
8. Does the company/entity/facility have policies and/or procedures addressing money laundering, terrorism financing and other financial offences?
9. Does the company/entity/facility have an AML/CFT financial compliance officer who directly reports to one of the company's/entity's/facility's responsible principals?
10. Does the company/entity/facility train relevant workers in how to comply with its policies and/or procedures and all relevant legislation on money laundering, terrorism financing and other financial offences?
11. Does the company/entity/facility verify the identity of its Diamond suppliers and clients, understand the nature of their businesses and the source of suppliers' Diamonds and clients' funds?
12. Does the company/entity/facility adhere to all relevant regulations with respect to reporting cash and similar non-cash transactions in excess of US\$10,000 (or a different threshold as set by relevant applicable law) to the applicable Financial Intelligence Unit?
13. Does the company/entity/facility have procedures to provide it with the confidence that unusual or suspicious transactions are identified?
14. Does the company/entity/facility inform the relevant authorities of any suspicious transactions that may be linked to money laundering, terrorism financing or other financial or non-financial offences?
15. Does the company/entity/facility maintain business records relevant to AML/CFT compliance, for the appropriate amount of time, on each transaction in excess of US\$10,000 or other relevant monetary threshold?

A.3 Kimberley Process and System of Warranties

16. Are there any monitoring systems and/or programmes and/or procedures in place to comply with the Kimberley Process and the World Diamond Council Industry System of Warranties?
17. Are the rules of the Kimberley Process effectively communicated to the relevant workers involved in the buying and selling of rough Diamonds?
18. Are the requirements of the World Diamond Council effectively communicated to the relevant workers involved in the buying and selling of polished Diamonds and/or Diamond jewellery?
19. Is there a full declaration of rough Diamonds in line with the Kimberley Process on all invoices for rough Diamonds received and/or issued by the company?
20. Is there a full declaration of polished Diamonds and/or Diamond jewellery in line with World Diamond Council recommendations on all invoices for polished Diamonds or Diamond Jewellery received and/or issued by the company?
21. Do the financial auditors for the group/entity/facility audit and reconcile the flow of Kimberley Process warranties in, and Kimberley Process warranties out, on an annual basis?
22. Do the financial auditors for the group/entity/facility audit and reconcile the flow of World Diamond Council System of Warranties in, and World Diamond Council System of Warranties out, on an annual basis?
23. Has the local Kimberley Process Authority denied the company/entity/facility an export certificate or detained any imported shipments within the Assessment period?

A.4 Disclosure

24. Are there clear policies and/or procedures in place to ensure full disclosure (as defined in the Requirements) prior to completion of sale and are these effectively communicated to the relevant workers?
25. Has the company/entity/facility sold any treated Diamonds, Synthetics or Simulants within the Assessment period. If so, was the disclosure of these fully in accordance with the BPP Requirements?
26. If the company/entity/facility has dealt with treated Diamonds, synthetics or simulants within the Assessment period, what steps has the company/entity/facility taken to ensure these stones are fully disclosed further down the supply chain, as far as the ultimate consumer?

A.5 Supply Chain Management / Best Endeavours

27. Has the company/entity/facility taken steps to ensure its Diamond suppliers and Diamond clients are acting in accordance with the BPPs?
28. Are there any policies and/or procedures and/or programmes in place to address compliance with the BPPs by contractors and sub-contractors that are directly involved in the mining, handling, manufacture and sale (or purchase where applicable) of Diamonds and/or Diamond jewellery?

B Social Responsibilities

Please note Question 1 before proceeding with this section.

B.1 Employment

29. Are all workers employed according to applicable law?
30. Are all workers compensated according to applicable law (this includes minimum wage considerations for piece rate workers)?
31. Do all workers normally receive at least one day off in every seven-day period, or the equivalent thereof?
32. Is overtime voluntary, restricted to the maximum permitted limit and compensated according to applicable law?
33. Does the average worker working week normally fall below the maximum permitted limit?
34. Are there policies and/or procedures to allow for freedom of association and collective bargaining?

B.2 Health and Safety

35. Does the company/entity/facility have policies and/or procedures on health and safety?
36. Does the company/entity/facility have policies and/or procedures to ensure that workers are not under the influence of, or abusing, drugs, alcohol and/or illegal substances, whilst at work?
37. Are there records of occupational accidents, occupational diseases, standard injury rates and fatalities?
38. Are there records of standard absentee rates?
39. Is a senior manager at the facility responsible and accountable for health and safety?
40. Are all workers trained with respect to their duties, responsibilities and rights with regard to health and safety and are they trained on the facility's health and safety procedures?
41. Does first-aid equipment comply with the requirements of applicable law and is it readily available?
42. Are there sufficient numbers of trained first-aiders, as required by applicable law?
43. Are there suitable fire alarms and other fire safety devices and is there adequate provision of fire-fighting equipment in current working order and accompanied with instructions understandable to workers?
44. Are there sufficient and appropriately placed emergency exits, which are clearly marked and unobstructed in any way that open outwards and afford free access for complete evacuation, or are there satisfactory alternatives?
45. Do workers have ready access to clean drinking water and sanitary food storage?
46. Is all electrical and mechanical equipment safely installed and free from any health hazard?
47. Are all workspaces sufficient in size and fit for the job performed there, and safe and clear of electrical, chemical, mechanical, noise or other hazards?
48. Is adequate personal protective equipment available where required (for example, when acidising or boiling, etc) together with proper instructions as to how to use it, and is this provided free of charge?
49. Are there adequate and safe facilities for the disposal of chemicals and waste (for example, used acid, etc)?

- 50. Are relevant workers trained in safe handling and disposal of potentially hazardous material?
- 51. Are temperature, light, cleanliness and ventilation in the work environment consistent with the task being performed (given the requirements of the operation) and in compliance with applicable regulation?
- 52. Are sanitation facilities adequate, lockable, clean, well maintained and available to the entire workforce?
- 53. Where the facility operates dormitories for the workers, are these provided as required by applicable law?

B.3 Non-discrimination and Disciplinary Procedures

- 54. Are there policies and/or procedures in place that allow workers to make complaints without fear of redress (for example, in confidence or to a third party), with regards to illegal behaviour of colleagues?
- 55. Is there a policy that seeks to prevent all forms of discrimination in compliance with applicable law?
- 56. Are there discrimination and disciplinary appeal procedures?
- 57. Do records show evidence of discrimination in contravention of applicable law?
- 58. Have deductions in wages been made for disciplinary reasons?
- 59. Has the company/entity/facility engaged in or supported corporal punishment, mental or physical coercion and/or verbal abuse?

B.4 Child Labour

- 60. Are there policies and/or procedures in place to exclude the use of child labour (as defined by ILO Convention 138), including policies and/or procedures to ensure children are not hired in error, and are these policies and/or procedures in respect of child labour effectively communicated to relevant personnel and other interested parties?
- 61. Is any worker younger than the lesser of either 15 years (14 by ILO exceptions in ILO Convention 138) or the minimum applicable school-leaving age?
- 62. If children are present in the labour force, are there policies and/or procedures in place for the children to transition to and remain in some form of education until minimum school-leaving age or 15 (or 14 by ILO exceptions in ILO Convention 138), whichever is greater, and is there evidence of these policies and/or procedures being applied?

B.5 Forced Labour

- 63. Does the company/entity/facility have policies and/or procedures in place to prevent forced or compulsory labour and restriction of movement and are these applied?
- 64. Are security guards used in a manner commensurate with keeping people against their will and/or is there evidence that worker movements are unreasonably and unnecessarily restricted?
- 65. Where the facility operates hostels for workers, do workers (and their dependants, as applicable) have reasonable freedom of movement within the accommodation and to come and go?
- 66. Does management retain any important document (e.g. passport, driving licence, work permit, etc.), sums of money (e.g. one month's wages) or any 'hidden' bonds (e.g. payment/deposit for tools or housing) or other items belonging to the workers, while they are employed?

B.6 Human Rights

67. Are there policies and/or procedures in place covering human rights, including, but not limited to, the prevention of physical, sexual, racial, religious, psychological, verbal, or any other form of harassment, threat or abuse (whether manifested in behaviour, language or gesture)?
68. Do all relevant personnel receive training in accordance with applicable law and/or on the United Nations Universal Declaration of Human Rights?
69. Do security personnel receive training on policies and/or procedures concerning all aspects of human rights relevant to operations?



C Environmental Responsibilities

Please note that this section is particularly relevant to large-scale operations, especially those involved in exploration and mining, and may not be entirely applicable to operations further downstream. Please note Question 2, before proceeding with this section.

C.1 Best Environmental Practice and Regulatory Framework

70. Is there a policy on environment that requires compliance with applicable environmental legislation and regulations and is this policy communicated to all employees?
71. Does the policy include a commitment to pollution prevention?
72. Does the policy cover the use of materials, energy and water and the environmental impacts of emissions, effluent, waste, goods and services?
73. Has the facility taken steps to minimise the environmental impacts of its activities, products or services?
74. Has the company/entity/facility taken steps to minimise waste?
75. Has the company/entity/facility taken steps to minimise its emissions to air and water?
76. Does the company/entity/facility have a procedure to identify the risk of, and response to, environmental accidents and emergency situations and have a procedure to prevent and mitigate the environmental impacts of these?



Notes





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