

Diamond Best Practice Principles

Workbook 2005

Document 2 of 4



DTC

A DIAMOND IS FOREVER

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II PREFACE

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

The Workbook provides the explicit requirements and performance indicators against which compliance with the Best Practice Principles (BPPs) will be evidenced (verified), evaluated and reported through the Diamond Best Practice Principles Assurance Programme (BPP Assurance Programme). The Best Practice Principles and the Assurance Programme are designed to lead to a general improvement in standards, not as a policing exercise.

It is important to note that there is no particular answer that denotes 'compliance' or 'non-compliance' and 'penalties' will not be incurred for a particular type of answer. Individual facilities will be assessed on 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 is designed to include additional questions in three stages, starting with the first stage in July 2005. This is in order to promote continuous improvement and ensure best practice.

The Workbook Companion should be referred to for guidance in completing the Workbook. The Workbook and Companion should be read in conjunction with the Diamond Best Practice Principles Requirements and the Diamond Best Practice Principles Assurance Programme Overview.

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, Overview, Workbook and Workbook Companion 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 and are, to that extent, legally binding documents. Failure to comply with the BPPs will constitute a breach of a Sightholder's obligations under the Supplier of Choice arrangements and will result in appropriate action being taken pursuant to that documentation.

III ASSESSMENT DETAILS

Reference:	Assessment date:	Assessment period:
Assessment Type: First/Third* Party Assessment		
Assessor 1 Name:	Male <input type="checkbox"/>	Female <input type="checkbox"/>
Assessor 2 Name:	Male <input type="checkbox"/>	Female <input type="checkbox"/>
First/Third* Party Assessor Company:		
Sightholder/De Beers Company* Name:		
Name of Assessed Entity:		
Assessed Facility:		
Address:	Tel:	
	Fax:	
	Email:	
	Web address:	
Total number of workers at the Facility		
Percentage of workers that are trainees or apprentices		
Percentage of workers that are contractors or temporary workers		
Turnover rate of workers (expressed as a percentage per annum)		
General Manager signature:		
Assessor 1 signature:		
Assessor 2 signature:		
Third Party Reviewer signature (if required):		
Additional comments:		

* Please delete as applicable

IV SUMMARY RECOMMENDATIONS

Assessment Topic/Compliance Report	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
Business Requirements						
Ethical Standards and Sustainable Development						
Money Laundering, Terrorism Financing and other Financial Offences						
Kimberley Process and System of Warranties						
Disclosure						
Supply Chain Management / Best Endeavours						
Social Requirements						
Employment						
Health and Safety						
Non-discrimination and Disciplinary Procedures						
Child Labour						
Forced Labour						
Human Rights						
Environmental Requirements						
Best Environmental Practice and Regulatory Framework						
OVERALL RECOMMENDATION						
Compliant	Under Observation		Not Compliant			

V THE ASSESSMENT

No.	Question	Yes	No
1	Is the facility currently certified to SA8000? (If 'yes', provide proof and do not answer the questions in RED . If 'no', please answer supplemental questions in RED)		
2	Is the facility currently certified to ISO14001? (If 'yes', 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 subscribing have the above certification – while it may make the task of completing the Workbook easier, it is not obligatory)

1 BUSINESS RESPONSIBILITIES

1.1 ETHICAL STANDARDS

1.1.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

1.1.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
3	Has the company, any associated company in which it exercises control, or any principals or directors 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, any associated company in which it exercises control, or any principals or directors 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?						

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1.1.3 Comments:

1.2 MONEY LAUNDERING, TERRORISM FINANCING AND OTHER FINANCIAL OFFENCES

1.2.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

1.2.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
5	Is the appointment of the independent financial auditor free of any bias or influence relating to financial or other inducements? (If 'no', please provide further information)						
6	Have the company'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 national legislation imposing special anti-money laundering (AML)/ combating the financing of terrorism (CFT) compliance rules on dealers in precious stones or high value goods? (If 'no', please provide further information)						
8	Does the company have policies and/or procedures addressing money laundering, terrorism financing and other financial offences?						
9	Does the company have an AML/CFT financial compliance officer who directly reports to one of the company's responsible principals?						

10	Does the company train relevant workers in how to comply with its policy and all relevant legislation on money laundering, terrorism financing and other financial offences?								
11	Does the company verify the identity of its Diamond suppliers and clients, understand the nature of their business and the source of suppliers' Diamonds and clients' funds?								
12	Does the company adhere to all the 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 national or regional Financial Intelligence Unit?								
13	Does the company have procedures to provide it with the confidence that unusual or suspicious transactions are identified?								
14	Does the company inform the relevant authorities of any suspect transaction that may be linked to money laundering, terrorism financing or other financial or non-financial offences?								
15	Does the company 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?								

1.2.3 Comments:

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1.3 KIMBERLEY PROCESS AND SYSTEM OF WARRANTIES

1.3.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

1.3.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
16	Are there any monitoring systems, programmes and procedures in place to comply with the Kimberley Process and the World Diamond Council Industry System of Warranties? (If 'yes', reference procedures)						
17	Are the rules of the Kimberley Process effectively communicated to the relevant workers involved in the buying and selling of rough Diamonds, and 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?						
18	Is there a full declaration of rough Diamonds in line with the Kimberley Process, and polished Diamonds and/or Diamond jewellery in line with World Diamond Council recommendations, on all invoices received and/or issued by the company?						
19	Do the financial auditors for the company audit and reconcile the flow of Kimberley Process warranties in, and Kimberley Process warranties out, on an annual basis?						
20	Has the local Kimberley Process Authority denied the company an export certificate or detained any imported shipments within the Assessment period? (If 'yes', provide details)						

1.3.3 Comments:

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1.4 DISCLOSURE

1.4.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

1.4.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
21	Are there clear policies and/or procedures to ensure full disclosure (as defined in the Requirements) prior to completion of sale and are these effectively communicated to the relevant workers? (If 'yes', reference policies and/or procedures)						
22	If the company has sold any treated Diamonds, synthetics or simulants within the Assessment period, is the disclosure of these fully in accordance with the BPP Requirements? (If 'yes', reference evidence, such as examples of invoices)						
23	If the company has dealt with treated Diamonds, synthetics or simulants within the Assessment period, has the company used its Best Endeavours to ensure that these stones are fully disclosed further down the supply chain, as far as the ultimate consumer? (If 'yes', reference Best Endeavours)						

1.4.3 Comments:

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1.5 SUPPLY CHAIN MANAGEMENT / BEST ENDEAVOURS

1.5.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

1.5.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
24	Has the company used Best Endeavours to ensure its Diamond suppliers and Diamond clients are compliant with the Diamond Best Practice Principles?						
25	Are there any programmes and/or procedures in place to address compliance with the Diamond Best Practice Principles 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? (If 'yes', reference programmes and/or procedures)						

1.5.3 Comments:

2 SOCIAL RESPONSIBILITIES

Please note Question 1, before proceeding with this section.

2.1 EMPLOYMENT

2.1.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

2.1.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
26	Are all workers employed and compensated according to national law?						
27	Do all workers normally receive at least one day off in every seven-day period, or the equivalent thereof?						
28	Is overtime voluntary, restricted to the national maximum permitted limit and compensated according to national law?						
29	Does the average worker working week normally fall below the national maximum permitted limit?						
30	Are there policies and/or procedures to allow for freedom of association and collective bargaining? (If 'yes', reference policies and/or procedures)						

2.1.3 Comments:

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2.2 HEALTH AND SAFETY

2.2.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

2.2.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
31	Does the company have policies and/or procedures on health and safety? (If 'yes', reference policies and/or procedures)						
32	Does the company have policies and/or procedures to ensure that workers are not under the influence of, or abusing, drugs, alcohol and/ or illegal substances? (If 'yes', reference policies and/or procedures)						
33	Are there records of occupational accidents, diseases, standard injury rates and fatalities? (If 'yes', reference records)						
34	Are there records of standard absentee rates? (If 'yes', reference records)						
35	Is a senior manager at the facility responsible and accountable for health and safety?						
36	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?						
37	Does first-aid equipment comply with the requirements of national law and is it readily available?						
38	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?						

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39	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?								
40	Do workers have ready access to clean drinking water and sanitary food storage?								
41	Is all electrical and mechanical equipment safely installed, free from any health hazard?								
42	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? (If 'no', detail in comments box)								
43	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?								
44	Are there adequate and safe facilities for the disposal of chemicals and waste (for example, used acid, etc)?								
45	Are relevant workers trained in safe handling and disposal of potentially hazardous material?								
46	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 national regulation?								
47	Is sanitation adequate, separated by gender and lockable, clean, well maintained and available to the entire workforce?								

2.2.3 Comments:

2.3 NON-DISCRIMINATION AND DISCIPLINARY PROCEDURES

2.3.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

2.3.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
48	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?						
49	Is there a policy to prevent all forms of discrimination in compliance with national law? (If 'yes', reference the policy)						
50	Are there discrimination and disciplinary appeal procedures?						
51	Do records show evidence of discrimination in contravention of national law, (evidence of workers being dismissed for non-legitimate reasons would be one such example)?						
52	Have deductions in wages been made for disciplinary reasons?						
53	Has the facility engaged in or supported corporal punishment, mental or physical coercion and/or verbal abuse?						

2.3.3 Comments:

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2.4 CHILD LABOUR

2.4.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

2.4.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
54	Are there policies and/or procedures to exclude child labour (as defined by ILO Convention 138), including procedures to ensure children are not hired in error? (If 'yes', reference policies and/or procedures)						
55	Are these policies and/or procedures in respect of child labour effectively communicated to personnel and other interested parties?						
56	Is any worker younger than the lesser of either 15 years (14 by ILO exceptions in ILO Convention 138) or the minimum national school-leaving age?						
57	If children are present in the labour force, are there policies and/or procedures for the children to transition 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 being applied? If 'yes', reference policies and/or procedures)						
58	If children are present in the labour force, is there adequate support for their educational development (see ILO Recommendation 146)?						
59	If children are present in the labour force, are there means to ensure that no such child is employed during school hours?						
60	If children are present in the labour force, are there means to ensure that no such child is exposed to workplace situations that are hazardous, unsafe or unhealthy?						
61	If children are present in the labour force, do the combined hours of daily transportation, school and work time exceed 10 hours per day?						

2.4.3 Comments:

2.5 FORCED LABOUR

2.5.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

2.5.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
62	Does the company have policies and/or procedures to prevent forced or compulsory labour and restriction of movement and are these applied? (If 'yes', reference policies and/or procedures)						
63	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?						
64	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?						
65	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 item of the worker's while they are employed?						

2.5.3 Comments:

2.6 HUMAN RIGHTS

2.6.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

2.6.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
66	Is there a policy 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)? (If 'yes', reference policy)						
67	Do security personnel receive training on policies and/or procedures concerning all aspects of human rights relevant to operations? (If 'yes', reference policies and/or procedures)						

2.6.3 Comments:

3 ENVIRONMENTAL RESPONSIBILITIES

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

3.1 BEST ENVIRONMENTAL PRACTICE AND REGULATORY FRAMEWORK

3.1.1 Compliance Recommendation

Compliance rating	No. of answers per rating
Material breach	
Major breach	
Minor breach	
Improvement Opportunity	
Compliance	
Not Applicable	

3.1.2 Assessment 2005

No.	Question	Not Applicable	Compliance	Improvement Opportunity	Minor breach	Major breach	Material breach
68	Does the company have a policy on environment that requires compliance with national environmental legislation and regulations and is this policy communicated to all employees? (If 'yes', reference policy)						
69	Does the policy include a commitment to pollution prevention?						
70	Does the policy cover the use of materials, energy and water and the environmental impacts of emissions, effluent, waste, goods and services?						
71	Has the company identified the environmental aspects of its activities, products or services?						
72	Does the company have a procedure to identify the risk for, and response to, environmental accidents and emergency situations and have a procedure to prevent and mitigate the environmental impacts of these? (If 'yes', reference procedure)						

3.1.3 Comments:

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