

DE BEERS GROUP

GUIDANCE

Provenance Claims: 'Diamonds from DTC'

PROVENANCE CLAIMS: 'DIAMONDS FROM DTC'

This Guidance is applicable for the 2020 BPP Cycle from 1st January 2020 until 31st December 2020.

This guidance ("Guidance") will apply to your organisation if you make at least one provenance claim about diamonds purchased from DTC and make a 'diamonds from DTC' claim on one or more stones or parcel.

DEFINITION OF A PROVENANCE CLAIM:

A "provenance claim" is a documented claim made through the use of descriptions or symbol relating to diamonds, whether as stand-alone materials or set in jewellery and specifically relate to their:

- **Origin** – the geographical origin of the material, which can refer to the country, region, mine or corporate ownership of the product and/or
- **Source** – Type of source, for example recycled, mined, artisanally-mined or date of production and/or
- **Practices** – specific practices applied in the supply chain in the extraction and/or manufacture applied towards the source.

Source – Responsible Jewellery Council

'DIAMOND FROM DTC' PROVENANCE CLAIM GUIDANCE:

Stakeholders, Accredited Buyers and/or Beneficiation Project Members purchasing diamonds from DTC in Gaborone, Johannesburg and/or Windhoek will have the following statements on their purchase invoices.

Entity/Source of origin	Invoice statement
DTC in Gaborone, Aggregated	Source of Origin: These diamonds are from DTC and originated in South Africa, Botswana, Namibia and Canada. For more information, please visit www.dtc.com
DTC in Gaborone, Canadian only	Source of Origin: These diamonds are from DTC and originated in Canada. For more information, please visit www.dtc.com
DTC in Johannesburg Aggregated	Source of Origin: These diamonds are from DTC and originated in South Africa, Botswana, Namibia and Canada. For more information, please visit www.dtc.com
DTC in Johannesburg, SA only	Source of Origin: These diamonds are from DTC and originated in South Africa. For more information, please visit www.dtc.com
NDTC in Windhoek; Aggregated	Source of Origin: These diamonds are from DTC and originated in South Africa, Botswana, Namibia and Canada. For more information, please visit www.dtc.com
NDTC in Windhoek; Namibian only	Source of Origin: These diamonds are from NDTC and originated in Namibia. For more information, please visit www.dtc.com

If the Sightholder, Accredited Buyer and/or Beneficiation Project Member wishes to pass these claims onwards, the Sightholder, Accredited Buyer and/or Beneficiation Project Member must enter into and comply with the DTC Licence and, in addition, the following requirements must be met:

1. The Sightholder, Accredited Buyer and/or Beneficiation Project Member must establish a group-wide documented process and criteria that details the approach that needs to take place across every step of each diamond across the Sightholder's or Accredited Buyer's organisation to ensure that chain of custody is protected.
2. Each entity within the Sightholder, Accredited Buyer and/or Beneficiation Project Member group that deals with a diamond or diamonds from DTC must understand its role in this chain, within the broader context of the group-wide approach. All entities handling diamonds from DTC within a Sightholder, Accredited Buyer and/or Beneficiation Project Member group must have a copy of this internal chain of custody process.
3. If contractors are used in any part of the process of manufacturing diamonds, these contractors must be disclosed as substantial contractors on the BPP SMART System and participate in the Tier B BPP Programme; and ensure that the human rights and product security sections are adhered to.
4. It is advisable that a central team should be responsible for coordinating the provenance claim, and other provenance claims if applicable, and a senior member of the organisation shall be responsible for ensuring that that the criteria and requirements referred to in this Guidance are appropriately met.
5. The Sightholder, Accredited Buyer and/or Beneficiation Project Member must be able to fully evidence that the chain of custody of the parcel of diamonds from DTC has not been compromised and that all potential risk possibilities for contamination or swapping/switching are reduced and are evidenced being classified as low risk. This applies to the receipt, unpacking, transport, sorting and allocation of the diamonds in an office and/or factory environment. Technology systems should be used as early as possible in the tracking of eligible diamonds or diamond parcels.
6. Risk assessments shall be undertaken on an ongoing basis as appropriate, particularly in the context of protecting against the risks of potential inadvertent or intentional mixing of diamonds.
7. Product security risks shall be continuously monitored, assessed and mitigation strategies should be appropriately adopted and adapted as required in line with the Human Rights and Product Security requirements of the BPP Programme.
8. All relevant employees shall be provided with the appropriate training on an ongoing basis as required.
9. The Sightholder, Accredited Buyer and/or Beneficiation Project Member shall ensure that an appropriate complaints and grievance mechanism is established to allow interested parties to voice their concerns or queries. This mechanism can be the same mechanism used for other provenance claims made by the Sightholder, Accredited Buyer and/or Beneficiation Project Member, if applicable.
10. The Sightholder, Accredited Buyer and/or Beneficiation Project Member will need to confirm that this is a provenance claim on both their Group profile page on the BPP SMART System and answer appropriately on all the relevant entity's BPP self-assessment workbook with respect to the Provenance Claims section.
11. SGS SA, a company that provides auditing and verification services to DTC ("SGS") will assess the Sightholder's or Accredited Buyer's systems and processes and will also assess against the robustness of their measures during the BPP verification visit.
12. Sightholders, Accredited Buyers and/or Beneficiation Project Members who are RJC certified and are using this new claim should request an extension to scope audit and include this claim within the BPP cycle as a bolt-on to their current RJC certificate.

The following statements can then be made by the Sightholder, Accredited Buyer and/or Beneficiation Project Member on their invoices for any diamonds from DTC, as appropriate, depending on the source.

Entity/Source of origin	Invoice statement
DTC in Gaborone, Aggregated	Source of Origin: These diamonds are from DTC and originated in South Africa, Botswana, Namibia and Canada. For more information, please visit www.dtc.com
DTC in Gaborone, Canadian only	Source of Origin: These diamonds are from DTC and originated in Canada. For more information, please visit www.dtc.com
DTC in Johannesburg Aggregated	Source of Origin: These diamonds are from DTC and originated in South Africa, Botswana, Namibia and Canada. For more information, please visit www.dtc.com
DTC in Johannesburg, SA only	Source of Origin: These diamonds are from DTC and originated in South Africa. For more information, please visit www.dtc.com
NDTC in Windhoek; Aggregated	Source of Origin: These diamonds are from DTC and originated in South Africa, Botswana, Namibia and Canada. For more information, please visit www.dtc.com
NDTC in Windhoek; Namibian only	Source of Origin: These diamonds are from NDTC and originated in Namibia. For more information, please visit www.dtc.com

Please note that all other applicable statements and warranties made on invoices remain (e.g. the WFDB and WDC statements).

If you have supplementary documentation with the diamond, you may wish to include this:

Source of Origin: DTC (visit www.dtc.com for more information).

KEY CRITERIA FOR MAKING THIS PROVENANCE CLAIM:

1. **Diamond Eligibility:** Only diamonds purchased directly at Sight from DTC in Gaborone, DTC in Johannesburg and/or NDTC in Windhoek are eligible.
Diamonds purchased prior to 1 April 2019 are not eligible.
2. **Invoices:** invoices of parcels/boxes purchased from DTC in Gaborone, DTC in Johannesburg and/or NDTC in Windhoek need to be maintained and systems for demonstrating the parcel/invoice of origin of a polished 'Diamond from DTC' need to be in place and withstand audit scrutiny.
3. **Team:** The implementation of this provenance claim will likely involve many different teams, and could involve people based in multiple jurisdictions. A central team should be appointed to coordinate the implementation of this provenance claims (and possibly also any other provenance claims).
4. **Record keeping:** systems and processes need to be clearly documented and understood by relevant employees, especially with respect to chain of custody processes. Risk assessments should be documented and reviewed regularly. Training records, including employees trained as well as training material and content, need to be retained.
5. **Grievance mechanism:** an appropriate grievance mechanism needs to be in place for the company to respond to queries and/or concerns relating to the provenance claim by interested parties. This grievance mechanism can be the one applied for other provenance claims and needs to be appropriate to the scale, nature and impact of your business.

BPP VERIFICATION VISITS:

All entities in your Sightholder, Accredited Buyer and/or Beneficiation Project Member group that play any role in the chain of custody of Diamonds from DTC will need to respond as appropriate to the Provenance Claims section in the BPP Workbook.

If any of these sites are selected for an onsite verification, SGS will undertake a review against this guidance to verify compliance with the BPP requirements. All entities involved in the chain of custody of diamonds from DTC will need to demonstrate what their specific role is in the context of the group-wide approach, and will also need to have copies of the full group-wide approach for the SGS reviewer to review.

RESPONSIBLE JEWELLERY COUNCIL CERTIFICATION:

If you are an RJC (certified) member, please remember that use of the statements referred to in this Guidance will count as a provenance claim and will need to be added as a 'bolt-on' to your RJC certification, depending on when your re-certification deadline is. Please go to the RJC website for more details on the timing. Your BPP verification visits can be combined with BPP audits; please follow the normal procedures to opt-in.

MANAGING THE 2020 CYCLE

If your company wishes to use the diamonds from DTC provenance claims referred to in this Guidance, the onsite verification visit will review the documented process and approach and the plan for implementation. Major infringements will be raised for failing to have a documented process and plan for infringements or for incorrectly or inaccurately making a provenance claim without the appropriate evidence to support the claim.

The BPP Team and your KAM are available to support on any questions you might have to ensure your compliance against these requirements.

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