

DE BEERS GROUP

BEST PRACTICE PRINCIPLES

The Assurance Programme Manual

Version 2024

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KEY CONTACT INFORMATION

In case of queries or problems, in the first instance please visit the SMART System: <http://www.debeersbpp.com>

For further information, please contact any of the following:

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Sightholders should always contact their DBGSS Key Account Manager in the first instance.

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SGS SWITZERLAND: INTEGRITY HELPLINE

The SGS Integrity Helpline is accessible from all countries. It can be accessed online [here](#). Alternatively, you can call using the numbers below. This line is operated by an independent contractor under the strictest confidentiality (calls are not recorded).

Numbers for other countries are available from the internet link above.

Please note this is not an emergency service. Contact your local authorities if this is a life threatening issue.

DE BEERS GROUP

WHISTLEBLOWING HOTLINE

De Beers Group's whistleblowing policy details conduct or behaviour that employees and other relevant persons have a duty to report, including:

- Actions that may result in danger to the health and/or safety of people or damage to the environment
- Criminal offences, including theft, money laundering, fraud, bribery and corruption
- Failure to comply with any legal obligation (including applicable anti-trust/competition laws)
- Unethical practices relating to (amongst other things) accounting, financial reporting, auditing and security matters

- Miscarriages of justice
- Any conduct contrary to De Beers Group ethical principles
- Concealment of any of the above

Any person wishing to report any of the above can use Your Voice, a confidential reporting service for all employees and stakeholders of De Beers Group. It is independently managed by Convercent. Contact details are as follows:

Website: www.yourvoice.debeersgroup.com

KEY CONTACTS

The below telephone numbers are local toll-free hotlines for your use:

Location	Contact number
Angola	0226-434-581
Australia	1300-894-021
Belgium	0800-79-347
Botswana	0800-7861-035
Brazil	0800-892-0491
Canada	855-303-7713
Chile	800-914-059
China	400-120-0372
Finland	0800-412907
France	0-805-08-07-32
Hong Kong	800-900-579
India	000-800-0501-522
Ireland	076-670-5729
Israel	1-809-457-289
Italy	800-697-950
Japan	0800-888-3047
Luxembourg	800-22-983
Namibia	083-380-0169
Netherlands	0800-0222767
Peru	01-7009765
Singapore	800-492-2387
South Africa	087-232-5426
Sweden	020-10-93-37
Taiwan	00801-49-1254
UK	0800-068-8792
United States	800-224-4094
Zimbabwe	08644-041-098

GLOSSARY¹

Assessable Entities

Means entities and facilities that are subject to the Best Practice Principles Assurance Programme (BPP Assurance Programme). Further details of assessable entities are set out in section **A.1** of this Manual.

Assessment

The management process of checking records against regulatory and other standards such as those of the BPP Assurance Programme. Assessments are undertaken by internal Assessors or external Independent Verifiers, (as defined below).

Assessor

A trained person, who is capable of undertaking Self-Assessments in accordance with best practice. Normally the Assessor will be either an employee of the group/entity/facility concerned or an independent consultant acting on the group/entity/facility's behalf.

For the purposes of the BPP Assurance Programme, individuals conducting a Self-Assessment are referred to as Assessors and those conducting an Independent Verification are referred to as Independent Verifiers.

Associate Entity

Means a corporate entity in which an investor holds (directly or indirectly) equal to, or more than 20 per cent, but less than 50 per cent of the voting rights.

Beneficiation Customer

Means a customer receiving beneficiation supply from De Beers Consolidated Mines and/or De Beers Global Sightholder Sales and/or Namibia Diamond Trading Company (Proprietary) Limited.

BPP Assurance Programme Documentation

Means the documents that comprise from time to time the BPP Assurance Programme, namely:

- The BPP Manual;
- The BPP Workbook;
- The BPP Requirements;
- The BPP Contractor Workbook.

Business Ethics, Risk and Conduct Committee (BERC Co)

The internal De Beers Group governance committee charged with overseeing the BPP Assurance Programme.

Best Practice Principles (BPP) Assurance Programme

Means the systematic means of monitoring compliance with the Best Practice Principles.

BPP Requirements

The detailed standards of conduct with regards to business, social and environmental responsibilities established by the BPP Assurance Programme. Also referred to as "the Requirements."

BPP Workbook

A document containing a list of questions directly related to the BPP Requirements. It is a tool to aid in the Self-Assessment, and is also used by the Independent Verifiers during the audit visits. Also referred to as "the Workbook".

Business Partner

Means any legal entity or any business (or any part thereof), from whom or to whom either De Beers Group (or any part thereof) or (as the case may be) any Group (or any part thereof), is engaged in the diamond pipeline.

Compliance Group

Means all or (as the context requires) any one or more of (i) the Ultimate Beneficial Owner, (ii) Subsidiaries; (iii) Associate Entities; and/or (iv) Minority Interest Entities (as applicable) from time to time, in each case that are Diamond Related Businesses. A Compliance Group also includes all Contractors of any member of the Compliance Group.

Consolidation Group

Means all or (as the context requires) any one or more of (i) a Parent/Consolidation Top Company; (ii) Subsidiaries; (iii) Associate Entities; and/or (iv) Minority Interest Entities (as applicable), from time to time, in each case that are Diamond Related Businesses, unless such Diamond Related Businesses are genuinely independently corporate entities in accordance with guidance published by GSS from time to time and applied for the purposes of the 2021-2023 Supply Documentation.

Consolidation Top Company

Means an entity that controls, or has significant influence over, one or more entities within a Consolidation Group.

¹ Where applicable, all definitions are aligned with those in Schedule 2 of the Supply Agreement. 'Supply Agreement' refers to the 2024-2025 Supply Period (1 January 2024 to 31 December 2025).

Contractor

Means any natural person, legal corporate entity or business (or any part thereof) who carries out any work on behalf of a member of the Compliance Group, or any part thereof, in connection with the buying and/or selling, or manufacturing of diamonds or diamond jewellery, where the diamonds are owned or controlled (as the case may be) by the Compliance Group (or any part thereof). This definition incorporates both Substantial Contractors and Non-Substantial Contractors. See section A.1.2 for further details.

Control (Compliance Group)

For the purposes of the definition of a Compliance Group, "control" means a corporate entity controlled by another corporate entity by nature of the fact that the controlling corporate entity (i) holds a majority of the issued share capital (equity) of the controlled corporate entity; (ii) holds a majority of the voting rights in the controlled corporate entity; or (iii) has the right to appoint or remove a majority of the board of directors of the controlled corporate entity. Control in the context of the Compliance Group also includes a Joint Venture, which can be joint control, for example, a 50:50 arrangement, or a Majority Controlled Joint Venture ("MCJV")

Control (Consolidation Group)

For the purposes of the definition of a Consolidation Group, "control" means a corporate entity controlled by another corporate entity by nature of the fact that the controlling corporate entity: (i) is exposed, or has rights, to variable returns from its involvement with the controlled corporate entity; (ii) has the ability to affect those returns through its power over the controlled corporate entity; and (iii) has existing rights that give it the current ability to direct the activities that Significantly Influence the controlled corporate entity's returns. This includes where the controlling corporate entity: (i) holds a majority of the issued share capital (equity) of the controlled corporate entity; (ii) holds a majority of the voting rights in the controlled corporate entity; or (iii) has the right to appoint or remove a majority of the board of directors of the controlled corporate entity.

Corporate Guarantor

Means a corporate entity that provides a [financial] guarantee to a Parent and/or a Subsidiary within a Compliance Group.

DBGSS

Means, as the case may be, (i) De Beers Global Sightholder Sales (Proprietary) Limited, and/or (ii) De Beers Consolidated Mines, and/or (iii) Namibia Diamond Trading Company (Proprietary) Limited, and/or (iv) any successor(s) thereto.

De Beers Group

Means any company owned or controlled either directly or indirectly by De Beers plc.

De Beers Group Contractor

Means an entity and relative subsidiary(ies) providing contracting services to De Beers Group or a De Beers Group Joint Venture. De Beers Group contractors can be categorised as either Upstream, Midstream or Downstream contractors depending on the services they are providing to De Beers Group entities.

De Beers Provenance Programmes

Means programmes that trigger the requirement for De Beers Provenance Programmes Participants to participate in and comply with Pipeline Integrity, as described in the Pipeline Integrity for De Beers Provenance Programmes Supplementary Note.

Desktop Review

Means the remote review by the Independent Verifier, SGS, of submitted BPP Workbooks to verify their accuracy and their ability to raise queries on answers and evidence provided. Desktop Reviews take place on up to 1/3 of a Group's BPP Workbooks per year.

Diamond Related Business

Means: (i) a trust company holding the title of property or assets on behalf of a corporate entity as defined below in sub-numbering (iii) to (v); (ii) a holding company whose holdings are in businesses in respect of a corporate entity as defined below in sub-numbering (iii) to (v); (iii) a corporate entity deriving any revenue from the sale of rough diamonds, polished diamonds or diamond-containing products; (iv) a corporate entity whose principal business is in direct association with the diamond pipeline; and/or (v) a corporate entity holding the collateral that secures the funding and/or acts as a corporate guarantor within or on behalf of any entity within a Compliance Group.

All references relate to natural diamonds only and exclude corporate entities solely involved in diamond mining (save in respect of a corporate entity that has both natural diamond operations and Laboratory-Grown Diamond Business Activities, which shall be deemed a Diamond Related Business).

Eligible Entity

Means a corporate entity within a Sightholder's Compliance Group that is Controlled by a Sightholder. An Eligible Entity shall qualify for and be entitled to: (i) IP Licencing; (ii) Invoicing; and (iii) Receipt of ITO Shipments.

Entity

Means a company, or other alternative arrangements (eg partnerships). An entity (or many entities) may form a Group. An entity may own or control one or more facility. Responsibility for compliance with the BPP Assurance Programme by facility/ies rests with the entity that owns or controls such facility/ies.

Extraordinary Audit

Means where there are reasonable grounds to believe that a major infringement or material breach has occurred (or is occurring), and the Independent Verifier is instructed to conduct extraordinary on-site audits, in addition to the annual Desktop Review and Verification processes, at the expense of the Group. Groups may also request for specific extraordinary audits to take place, which will be at the cost of the Group.

Facility

Means any mine, building, office, factory, shop or any other physical place of business that is owned or controlled by De Beers Group (or any part thereof) or (as the case may be) a Group (or any part thereof), that is either geographically independent or has its own independent management.

Funding Company

Means an entity that provides and/or secures financing to a Parent and/or a Subsidiary within a Compliance Group.

Group

Means any entity and/or facility owned or controlled either directly or indirectly by a Sightholder, Beneficiation Customer, De Beers Group Contractor and any other non-Sightholder customer who receive goods from De Beers Group from time to time, as applicable to the respective Compliance Group and/or Consolidation Group definition. This definition excludes De Beers Group.

Holding Company

Means an entity that (i) holds the majority of the voting rights in another entity, (ii) has the right to appoint or remove a majority of its board of directors of another entity, or (iii) controls alone, or under an agreement with other entities, a majority of the voting rights in that entity.

Independent Verifier

Means the third-party independent assurer, SGS.

Joint Venture

Means a contractual arrangement between two or more parties for the purposes of operating a particular business venture, in which the parties have (i) joint voting rights; and/or (ii) together hold the issued share capital of the Joint Venture entity.

Laboratory-Grown Diamond

(or Synthetic Diamond or Laboratory-Created Diamond)
Means an artificial product that has been either partially or wholly crystallised or re-crystallised due to artificial human intervention that has essentially the same chemical composition, crystal structure and physical properties as a natural diamond.

Laboratory-Grown Diamond Business Activities

Means including, but not limited to, the creation, manufacturing, polishing, processing, and/or trading (sale or purchase) of Laboratory-Grown Diamonds and/or jewellery incorporating Laboratory-Grown Diamonds, as applicable.

Majority Controlled Joint Venture

Means a Joint Venture arrangement between two or more parties where one party exercises (i) a majority of the voting rights; and/or (ii) holds a majority of the issued share capital of the Joint Venture entity.

Minority Interest

Means a corporate entity in which an investor holds (directly or indirectly) less than 20 per cent of the voting rights.

Non-Assessable Entities

Means an Associate Entity, a Minority Interest entity, or a Non-Substantial Contractor.

Non-Substantial Contractor

A contractor, (as defined above), that generates less than 75 per cent of its diamond related turnover in value or volume from one entity/facility forming part of a Group. De Beers Group reserves the right to change this threshold from time to time.

On-site Audits (or Independent Verification)

Means a physical visit by the Independent Verifier to an Assessable Entity selected for the purpose of verifying the validity of information provided in the BPP Workbook against the BPP Requirements by employing the following three assessment methods:

- Inspection
- Enquiry
- Observation.

On-site audits happen at up to 10 per cent of a Group's assessable entities each year.

Peripheral Activities (in the context of Contractor Relationships)

These are specifically activities that a De Beers Provenance Programme Participant outsources to another De Beers Provenance Programme Participant through a contractual relationship in instances where the outsourcing De Beers Provenance Programme Participant does not have access to such services. These activities shall not be core to the rough-to-polished transformation process and shall only be peripheral services. This includes, but is not limited to, boiling or cleaning, laser cutting, opening, bruting, and/or testing and screening.

Region

For the purposes of the BPP Assurance Programme, the following world regions shall apply:

- North America
- Central America/Caribbean
- South America
- Europe
- Africa
- Middle East
- Central Asia

- Southern Asia
- Asia-Pacific
- Oceania

Sightholders

Clients to whom De Beers Group sells rough diamonds under the terms of the "Supply Agreement documentation".

SMART System

Online database and tool for BPP and Pipeline Integrity managers of De Beers Group (or any part thereof) or (as the case may be) a Group (or any part thereof) or De Beers Forevermark Diamantaire (or any part thereof) to help manage their compliance with the BPP Assurance Programme requirements, and the Pipeline Integrity requirements (www.debeersbpp.com)

Subsidiary

Means: (i) in respect of the definition of a Compliance Group, a corporate entity that is Controlled whether directly or indirectly by the Ultimate Beneficial Owner, or any other corporate entity that is itself controlled by the Ultimate Beneficial Owner; and (ii) in respect of the definition of a Consolidation Group, a corporate entity that is Controlled whether directly or indirectly by the Parent/Consolidation Top Company, or any other corporate entity that is itself Controlled by the Parent/ Consolidation Top Company.

Substantial Contractor

A contractor, as defined above, that generates 75 per cent or more of its diamond related turnover in value or volume from one entity/facility forming part of a Group. De Beers Group reserves the right to change this threshold from time to time.

Supply Documentation

Means together (or, where relevant, any of) the 2024-2025 Supply Agreement, the Best Practice Principles and the associated BPP Assurance Programme, Conditions of Sale, Supply Planning Fee Terms and Conditions, the Compliance Criteria Declarations, the Sightholder Signature Licence, the DTC Licence, and any documents referred to in those documents.

Trust

Means a relationship in which a Trustee receives the right to hold the title of property or assets for the benefit of one or more beneficiaries.

Trustee

Means a natural person or a company that holds and administers the property or assets of a Trust for the benefit of one or more beneficiaries.

Trustee Manager

Individuals responsible for overseeing the management of the Trust.

Ultimate Beneficiary Owner (UBO)

Means, in respect of the definition of a Compliance Group, the top corporate entity of a Group's corporate structure, including Trustees with respect to a Trust, as the context so requires, which exercises Control (directly or indirectly) over the Group and other corporate entities within the Group (as applicable).

Verifier

A trained person, who is capable of undertaking assessments in accordance with best practice. For the purposes of the BPP Assurance Programme, individuals conducting a Self-Assessment are referred to as Assessors and those conducting an Independent Verification are referred to as Independent Verifiers.

Virtual Contractor

Means any legal entity or business (or any part thereof) who carries out work on behalf of a Group, or any part thereof, in connection with the polishing of diamonds under a "Buy Back" arrangement. The "Buy Back" arrangement is any arrangement according to which a Group sells rough diamonds to (whether directly or indirectly through a sub-contract and whether such contracts are written or are oral) any entities/joint ventures/companies and agrees to re-purchase the materially equivalent goods, either by value or rough/polished conversion rate, in polished diamonds. This definition incorporates both Substantial Contractors and Non-Substantial Contractors. See section **A.1.2** for further details.

Worker

This means any individual who undertakes to do or perform personally any work or services for the group/entity/facility and whose status is not that of a client or customer of the group/entity/facility. For the avoidance of doubt this definition shall include contractors and permanent, temporary, seasonal, full and part-time employees of any status (directors, managers and subordinate levels).

² 'Supply Agreement' refers to the 2024-2025 Supply Period (1 January 2024 to 31 December 2025).

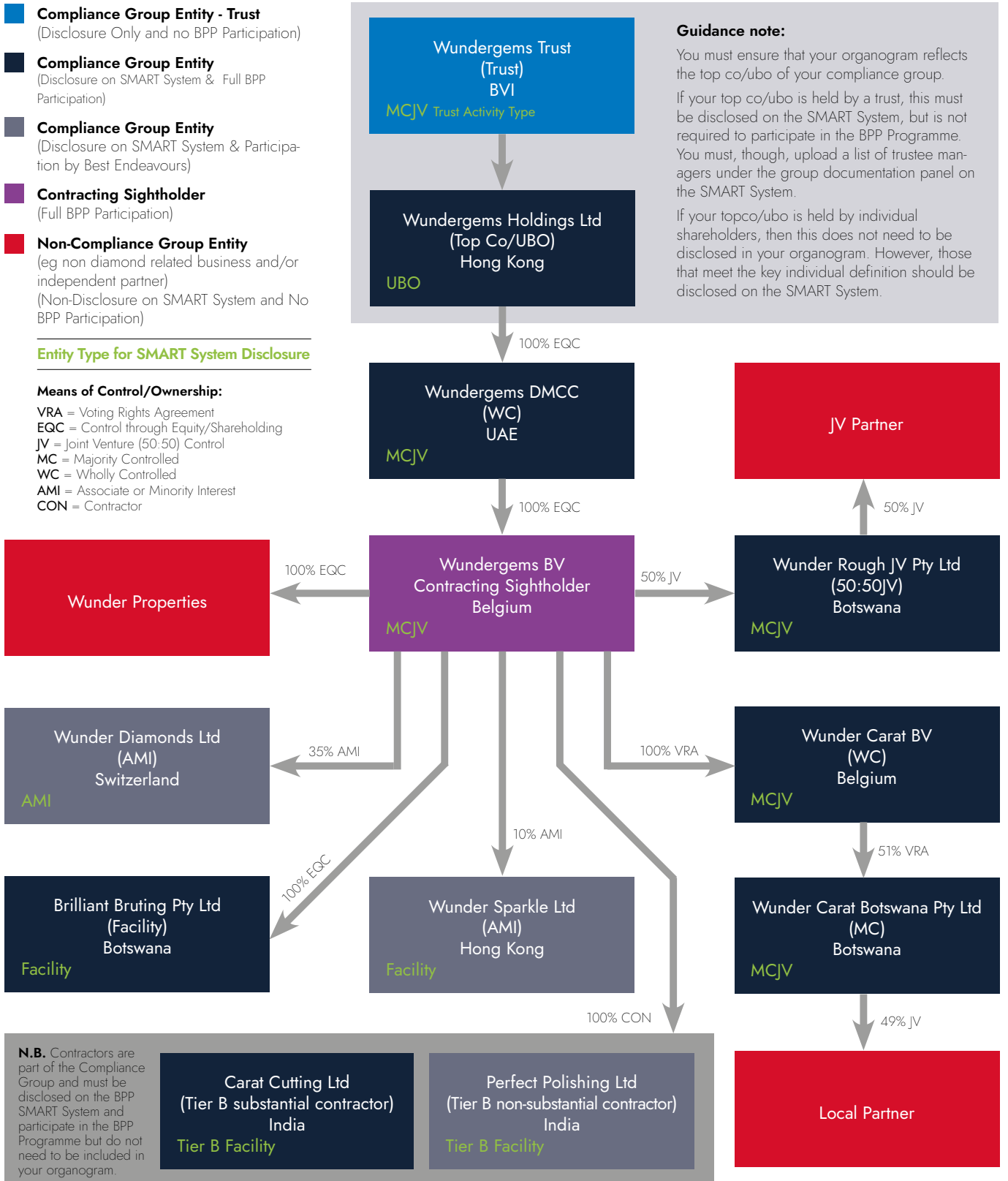
EXAMPLE GROUP STRUCTURE

The diagram below shows which related parts of a Sightholder's diamond businesses need to be disclosed within their Compliance Group. Group structures should be uploaded in accordance with this template under the "documents" panel of the Sightholder Group entity's profile page on the SMART System. All entities within the Compliance Group should also be disclosed appropriately on the SMART System to form part of the Sightholder Group and comply

with the BPP Assurance Programme in accordance with the appropriate level of participation.

Please refer to the glossary at pages 4-7 for full definitions of the terms included in the diagram.

In addition, further information on Assessable Entities can be found at section A.1 (page 11-14) and the Levels of Participation are discussed in section A.3 (page 16).



INTRODUCTION

De Beers Group believes it is in the interest of those participating in the diamond industry to encourage long-term consumer demand for diamond jewellery. This goal can only be attained if the industry meets consumer expectations, which increasingly demand that businesses proactively take responsibility for the impact of their actions beyond the pursuit of profit. Now more than ever, businesses must demonstrate compliance with good business, social and environmental practices embedded in international law and increasingly adopted in national laws and best practice voluntary codes, such as the OECD Guidelines for Multinational Enterprises (2000). De Beers Group has therefore made compliance with the BPP Assurance Programme a legally binding condition of its contracts with Sightholders and, wherever practicable, with third parties.

The BPP Assurance Programme is a systematic means of monitoring the compliance of De Beers Group, De Beers Group Contractors, Sightholders, their Substantial Contractors and, where relevant, their business partners in the diamond industry, and Beneficiation Customers with the BPP Requirements. It has been developed to provide evidence to supply chain partners, consumers and other interested stakeholders that the exploration, extraction, sorting, cutting and polishing of diamonds, and the manufacture and sale of diamond jewellery by entities that are owned or controlled by De Beers Group or by Sightholders, or by any other BPP participant as applicable, are undertaken in a professional, ethical and environmentally friendly and accountable way.

The BPP Assurance Programme comprises a management system and set of assessment tools, a key element of which is Self-Assessment using the BPP Workbook. The information provided by completing the BPP Workbook measures compliance with the BPP Assurance Programme systematically, in accordance with the BPP Requirements.

The BPP Requirements incorporate best practice measuring³ and reporting standards, such as the standard of Social Accountability International (SA8000) and the Global Reporting Initiative (GRI). The reporting guidelines and performance indicators of the GRI are used to produce BPP Workbooks, which help to provide assurance to a range of different stakeholder groups. One of the tangible outputs of the BPP Assurance Programme is an annual report on the business, social and environmental performance of the De Beers Group and Sightholders.

Critically, the BPP Assurance Programme provides a means of checking compliance with requirements relating to anti-money laundering and terrorism financing activities, as well as independent monitoring to ensure that the obligations of the Kimberley Process are satisfied.

This Manual, the BPP Requirements, the BPP Workbook and the BPP Contractor Workbook constitute the BPP Assurance Programme documentation and will be reviewed annually, and updated, where deemed necessary, from time to time after this review.

LEGAL NOTICE

Compliance with the BPP Assurance Programme is an integral part of all De Beers Group's contractual arrangements with Sightholders. For example, Paragraph 1.4.2 of the Supply Agreement provides that Sightholders (and any part of their Group) must satisfy and continue to satisfy the BPP Assurance Programme in order to be eligible for supply. The Supply Agreement entitles De Beers Group to refuse to accept applications for, or to sell, or to deliver diamonds if the Sightholder (or any part of its Group) does not comply, inter alia, with the BPP Assurance Programme.

Aside from contractual arrangements with Sightholders, the BPP Assurance Programme also plays an important role in contractual arrangements with Beneficiation Customers, De Beers Group Contractors and any other non-Sightholder Business Partners who receive goods from De Beers Group from time to time.

Acting in a manner inconsistent with the BPP Assurance Programme and the BPP Requirements can constitute a breach of contract entitling De Beers Group to suspend and/or terminate a Sightholder's appointment (ie cease to supply rough diamonds).

Non-compliance with the BPP Assurance Programme includes the failure to complete BPP Workbooks or otherwise provide complete, accurate and up-to-date information for the purposes of the BPP Assurance Programme or to act in a non-cooperative manner during the Independent Verification activities.

IMPORTANT NOTIFICATION

For NDTC Sightholders only, these Supply Terms and Conditions must be read in conjunction with the Financial Intelligence Act Namibia: NDTC Disclosure Guidance document (dated October 2023) as issued and/or as published on <https://digital.debeerssightholder.com> from time to time. For the avoidance of doubt, to the extent there is an inconsistency or conflict between the documents comprising these Supply Terms and Conditions and the Financial Intelligence Act Namibia: NDTC Disclosure Guidance document, the Financial Intelligence Act Namibia: NDTC Disclosure Guidance document shall take precedence.

³ For example, the requirements of the BPP Assurance Programme to provide proper working conditions and to ensure the fair treatment of individuals means in practice that the BPP Assurance Programme require the freedom of association, adherence to standards relating to health, hygiene, overcrowding, working hours and safety hazards, and the elimination of the use of child labour, discrimination, and forced or bonded labour. This guidance is rooted in the labour standards of many countries and the International Labour group/entity/facility (ILO).

A THE BPP ASSURANCE PROGRAMME FRAMEWORK

The BPP Assurance Programme has been designed to enhance consumer confidence in the integrity of De Beers Group, Sightholders and the diamond supply chain more generally. This will be achieved by:

- monitoring, measuring, verifying and reporting the compliance of De Beers Group, Sightholders and any other BPP participant with the BPP Assurance Programme;
- providing assurance as to the independence and quality of the Independent Verifiers;
- ensuring appropriate and timely response in cases of independently verified material breaches of the BPP Requirements;
- checking that the BPP Assurance Programme is not inadvertently generating adverse business, social and environmental impacts that might potentially damage the reputation of De Beers Group, or any of their respective business partners, including Sightholders; building management capacity to optimise compliance with BPP Assurance Programme and address issues responsibly;
- assuring compliance with the BPP Assurance Programme in accordance with legal obligations and commitments and norms of good governance and business ethics;
- providing input to the ongoing De Beers Group risk management process.

The BPP Assurance Programme comprises a framework for the implementation of annual Self-Assessment, independent Desktop Review of Self-Assessments and independent on-site audits.

All Assessable Entities (see below) are subject to completing BPP Workbooks on an annual basis, of which up to one third will be subject to an independent Desktop Review by the Independent Verifiers to ensure integrity and completeness. In addition, on average 10 per cent of all Assessable Entities will be subject to independent on-site audits on an annual basis, with the proviso that at least one Assessable Entity of each group (including De Beers Group's business units) will be subject to such Independent Verification every year.

During the independent Desktop Review, the Independent Verifier will follow up reports where data is not submitted (either at all or in incomplete form) and/or where data is not clear.

Non-submission of or a failure to complete the BPP Workbook will constitute a breach of the obligation to comply with the BPP Assurance Programme and could potentially result in sanctions against the defaulting group.

Submission of false information on the BPP Workbook will constitute a breach of the obligation to comply with the BPP Assurance Programme and could potentially result in sanctions against the defaulting group, including termination of contract.

Levels of compliance by Assessable Entities with the BPP Assurance Programme will be demonstrated through annual summary reports submitted by the Independent Verifier to De Beers Group.

The independence and quality of the Independent Verifier and its performance will also be subject to a further independent review process.

Where a BPP Workbook or other report indicates non-compliance with the BPP Assurance Programme, this will be followed up by the Independent Verifier and/or escalated to BERC Co, where appropriate. Where there are reasonable grounds to believe that a Major Infringement or Material Breach has occurred (or is occurring), an extraordinary Independent Verification may be conducted, in addition to the annual independent Desktop Review and Verification processes, at the expense of the impacted group. Groups may also request for specific Independent Verification to take place, which will be at their own cost.

Whether or not a group is in breach of the BPP Assurance Programme will be determined in part by the information provided in the BPP Workbook to demonstrate compliance with the BPP Requirements. Sanctions for non-compliance will vary according to the severity and frequency of the breach, the accuracy of the BPP Workbook and may ultimately result in De Beers Group suspending supply to the concerned group or terminating the Supply Agreement.

A.1 ASSESSABLE ENTITIES

The diamond supply chain through which De Beers Group's diamonds flow consists of a large number of operating facilities world-wide involved in transforming a diamond from rough to diamond jewellery.

De Beers Group is responsible for deciding which groups/entities/facilities are subject to Self-Assessment, Desktop Review and Independent Verification under the BPP Assurance Programme. These will be identified through supply chain mapping of De Beers Group, Sightholders and other BPP participants. Each group will be responsible for submitting accurate and current information as to its structure with respect to its entities/facilities, including contractors. Deliberate inaccurate information will result in a breach of the BPP Assurance Programme and could potentially result in sanctions against the group, including termination of contract.

Each group with entities/facilities/contractors that fall within the scope of the BPP Assurance Programme (see next page) is subject to Self-Assessment, Desktop Review and Independent Verification. It is, however, impractical to seek to demonstrate BPP compliance in each Assessable Entity immediately and therefore, in accordance with best practice, a prioritisation programme has been established.

For practical reasons, only Assessable Entities that fall within the Tiers A and Substantial Tier B (see below) will be subject to Self-Assessment, Desktop Review and Independent Verification.

Those Contractors (Tier B) which are Non-Substantial will not normally be subject to Self-Assessment or Independent Verification but all applicable Tier A entities must use their best endeavours to ensure compliance of relevant Tier B Non-Substantial Contractors with the BPP Assurance Programme and must take appropriate action where the necessary level of commitment is not achieved. This may involve encouraging Tier B Non-Substantial Contractors to undertake Self-Assessments or Independent Verifications depending on the nature of the relationship between the Tier A and the Tier B Non-Substantial Contractor.

A.1.1 DEFINITIONS APPLICABLE TO ASSESSABLE ENTITIES

Group means any entity and/or facility owned or controlled either directly or indirectly by a Sightholder, Beneficiation Customer, De Beers Group Contractor and any other non-Sightholder customer who receive goods from De Beers Group from time to time, as applicable to the respective Compliance Group and/or Consolidation Group definition. This definition excludes De Beers Group.

Entity may be a company or other alternative arrangements, eg partnerships. An entity (or many entities) may form a group. An entity may own or control one or more facility. Responsibility for compliance with the BPP Assurance Programme by the facility/ies rests with the entity that owns or controls such facility/ies.

Facility is any mine, building, office, factory, shop or any other place of business that is owned or controlled by De Beers Group (or any part thereof), of a Group (or any part thereof), that is either geographically independent or has its own independent management.

Where the description of Assessable Entities refers to an entity/facility being in control of another entity/facility (the "controlled group/entity/facility"), "**control**" for BPP purposes shall have the meaning as set out in the definition of Compliance Group in the Supply Agreement Glossary of Terms.

Substantial Contractor is a contractor, as defined above, that generates 75 per cent or more of its diamond related turnover in value or volume from one entity/facility forming part of a Group. De Beers Group reserves the right to change this threshold from time to time.

Ultimately, it will be the decision of the De Beers Group BPP Team to determine and decide which groups/entities/facilities fall into which Tier.

Any changes to the Compliance Group must be communicated to the De Beers Group BPP Team for it to be reflected on the SMART System within two (2) weeks of the effected change.

A.1.2 TIERS OF ASSESSABLE ENTITIES

The tiers of entities and facilities that are subject to the BPP Assurance Programme comprise:

TIER A

De Beers Group	Sightholders and other BPP participants
<ul style="list-style-type: none"> • De Beers Group wholly owned or controlled entities/facilities, including (but not limited to) exploration and mining entities/facilities, DBGSS corporate offices and other entities owned or controlled by DBGSS. This includes all exploration properties where De Beers Group entities may have co-assigned the exploration rights or activities. • Joint Venture entities that are jointly owned or controlled by a De Beers Group company and an independent third party (“De Beers Group Joint Ventures”) that are involved in diamond mining and/or exploration or the purchasing, manufacture or sales of diamonds or diamond jewellery, such that this includes only: <ul style="list-style-type: none"> – De Beers Group Joint Ventures in which a De Beers Group company holds an equal number or the majority of the voting rights; and – Entities and facilities of the De Beers Group Joint Venture itself, and NOT the independent third-party joint venture partner nor its separately owned entities/facilities. • All “Upstream”, “Midstream” or “Downstream” De Beers Group contractors. Please refer to section A.1.3 of the Manual. 	<ul style="list-style-type: none"> • All entities and facilities included in the Compliance Group of the Supply Agreement (excluding Contractors).* * • Each individual retail outlet of a Compliance Group that falls within this Tier is required to undertake Self-Assessments and be subject to Independent Verification. <ul style="list-style-type: none"> – Where these retail outlets are branded, the group will only need to submit, through its head office, one consolidated Self-Assessment per brand per country. – Where these retail outlets form part of an identifiable global/international brand (as determined by BERCO), the group will only need to submit, through its head office, one consolidated Self-Assessment per brand per region. • Joint Venture entities jointly owned or controlled by a Sightholder or other BPP participant and an independent third party that are involved in the manufacture or sales of diamonds or diamond jewellery, such that this includes only: <ul style="list-style-type: none"> – Joint Ventures in which the group holds an equal number or the majority of the voting rights; and – Entities/facilities of the group’s Joint Venture itself, and not the Independent third-party joint venture partner nor its separately owned entities/facilities. • Where a Sightholder itself is controlled either directly or indirectly by another group/entity/facility, be that group/entity/facility a natural person or persons, corporation, partnership, un-incorporated body/association, or any other legal personality (the “Controlling group/entity/facility”), the Controlling group/entity/facility and any other entities that it controls beyond the Sightholder group may be deemed to be Tier A Assessable Entities and therefore may be subject to the Tier A assessment requirements.

* * All Tier A Associates and Minority Interest entities which are part of the Compliance Group will not be subject to the BPP Assurance Programme, however will be required to sign a Letter of Best Endeavours. The relevant Tier A entity/facility is responsible for collecting and keeping up-to-date declarations on-site and evidence may be requested by the Independent Verifier during Desktop Reviews and/or on-site audits.

Tier A entities/facilities are also responsible for ensuring that their Tier B Non-Substantial Contractors are free of the nine material breaches of the BPP Assurance Programme (see section **A.7**).

TIER B SUBSTANTIAL CONTRACTORS

All Contractors, including Virtual Contractors and excluding De Beers Group Contractors, are considered 'Tier B' facilities for the purposes of the BPP Assurance Programme. All Contractors (as defined in the Glossary) must be declared on the SMART System individually at the facility level and listed as 'Tier B' entities within the Compliance Group.

Substantial Contractor facilities are required to participate in the BPP Assurance Programme and will therefore have to submit BPP Workbooks as well as being eligible for selection for on-site audits. It is therefore recommended that all Substantial Contractor facilities are subject to formal written contractual obligations to comply with the BPP Assurance Programme.

De Beers Group	Sightholders and other BPP participants
<ul style="list-style-type: none"> De Beers Group Contractors can be categorised as either "Upstream", "Midstream" or "Downstream" and must be disclosed on the SMART System and participate in the BPP Assurance Programme according to their categorisation. Please refer to section A.1.3 of the Manual. 	<p>For the avoidance of doubt, Contractors are entities or facilities with which Sightholders or other BPP participants have:</p> <ul style="list-style-type: none"> contracts (whether directly or indirectly through a sub-contract and whether such contracts are written or are oral) for the manufacture, distribution or sale of diamonds or diamond jewellery owned by a group's owned entity or Joint Venture. agency contracts for the distribution, buying or selling of diamonds or diamond jewellery owned by a group's owned entity or Joint Venture. a contract or agreement with any entities/Joint Ventures to whom the group sells rough diamonds and re-purchases the equivalent in polished diamond. <p>Substantial Contractors also include:</p> <ul style="list-style-type: none"> All on-site contractors.* Contractors, whilst Non-Substantial (as defined in the Glossary), that are manufacturing diamonds of 0.08 carat and below and therefore are subject to assessment against the BPP Melee Assurance Protocol. These Contractors will need to be declared as a Substantial Contractor on the SMART System and will be deemed to be a Substantial Contractor for these purposes. Contractors, whilst Non-Substantial, that are manufacturing goods for any De Beers Provenance Programmes. These Contractors must be disclosed as a Substantial Contractor on the SMART System and will be subject to participating in both the BPP Assurance Programme and Pipeline Integrity Programme. <p>Sightholders will only be permitted to use another Sightholder's entity/ies or facility/ies as a Substantial Contractor for peripheral activities. In these cases:</p> <ul style="list-style-type: none"> They will not be required to submit a separate BPP Workbook provided that the Substantial Contractor is disclosed and participating in the BPP Assurance Programme as part of the Sightholder group to which it belongs. Third-party Independent Verification will be managed directly by the Sightholder group to which the entity/ies providing the contracting services belongs, meaning it will not form part of the Sightholder contracting the services' site selection for either Desktop Review or on-site audit purposes. <p>The Sightholder contracting the services of another Sightholder's entity/ies or facility/ies must ensure it accurately discloses the Substantial Contractor on its SMART System profile.</p>

* On-site contractors must submit a merged BPP Workbook with the relevant Tier A entity.

This Tier does not include retail companies to whom Sightholders or other BPP participants consign polished diamonds or diamond jewellery on 'Memo'⁴ terms.

For the avoidance of doubt, this Tier does not include any entities or facilities providing secondary support services such as IT, Finance or Legal or supply non-hazardous materials and liquids, such as stationery or drinking water, which are not intended to be included in the BPP Assurance Programme.

⁴ 'Memo' is the accepted industry practice of consigning polished diamonds or diamond jewellery to clients for pre-arranged periods for potential sale to retailers or consumers.

TIER B NON-SUBSTANTIAL CONTRACTORS

De Beers Group	Sightholders and other BPP participants
<p>Non-Substantial Contractors shall be required to sign a Letter of Best Endeavours towards complying with the BPP Assurance Programme and declaring that they are free of the listed nine Material Breaches of the BPP Assurance Programme.</p>	<p>Tier B Non-Substantial Contractors shall be required to sign a letter of Best Endeavours towards complying with the BPP Assurance Programme and declaring that they are free of the listed nine Material Breaches of the BPP Assurance Programme.</p> <p>It is the responsibility of the relevant Tier A entity using the Non-Substantial Contractor's services to use their best endeavours to ensure that its Non-Substantial Contractors provide such information as is reasonably necessary to verify compliance with the BPP Assurance Programme and to collect and keep up-to-date declarations on-site. Evidence may be requested by the Independent Verifiers during Desktop Reviews and/or on-site audits.</p> <p>DBGSS and De Beers Group reserve the right to request that any entities/facilities/contractors/Joint Ventures declared in the Rough Diamond Supply Agreement application (as such details may be updated from time to time) participate in the BPP Assurance Programme and comply with the BPP Requirements. For the avoidance of doubt, this could include an audit at a Non-Substantial Contractor's entity on reasonable request as a result of (without limitation):</p> <ul style="list-style-type: none">• media interest due to unethical behaviour; or• where a contractor, whilst Non-Substantial per individual Sightholder, is engaged by at least four (4) Sightholders. <p>On-site Contractors cannot be listed as Non-Substantial.</p>

A.1.3 DE BEERS GROUP CONTRACTORS

De Beers Group Contractors can be categorised as either “Upstream”, “Midstream” or “Downstream” and must be disclosed on the SMART System and participate in the BPP Assurance Programme according to their categorisation.

Upstream De Beers Group Contractors provide services relating to either:

- the exploration and mining of diamond deposits owned or controlled by a De Beers Group entity or a De Beers Group Joint Venture; or
- the supply of substantial ancillary services relating to the exploration of diamond deposits, the commissioning and the running of De Beers Group or De Beers Group Joint Venture facilities (such as construction or engineering activities), the supply of potentially hazardous materials or liquids or the transport of staff members; or
- any other relevant business activity.

Where Upstream De Beers Group Contractors are operating on-site at a De Beers Group entity/facility or Joint Venture, they must be disclosed as a Tier A facility within the relevant De Beers Group entity on the SMART System and participate in the BPP Assurance Programme accordingly.

Midstream De Beers Group Contractors provide services which support the De Beers Group midstream, relating to the manufacture of diamonds and/or the provision of services to the relevant De Beers Group entity/facility or De Beers Group Joint Venture.

Downstream De Beers Group Contractors provide services, on behalf of a De Beers Group downstream brand (such as De Beers Forevermark, De Beers Jewellers and Lightbox Jewelry), relating to the manufacture of diamonds or diamond jewellery owned by the relevant De Beers Group entity/facility or De Beers Group Joint Venture.

Both Midstream and Downstream De Beers Group Contractors must participate in the BPP Assurance Programme accordingly:

- Where Midstream or Downstream De Beers Group Contractors are operating on-site at a De Beers Group entity/facility or Joint Venture they must be disclosed as a Tier A facility part of the relevant De Beers Group entity on the SMART System and participate in the BPP Assurance Programme to the Tier A level of participation.
- Where Midstream or Downstream De Beers Group Contractors are operating offsite at their own entity(ies), all entities that form part of the De Beers Group Contractor’s group supplying De Beers and/or handling diamonds and/or jewellery for De Beers Group must be disclosed as a separate De Beers Group Contractor Group on the SMART System and in the BPP Assurance Programme to the Tier A level of participation as required by the applicable De Beers Group Responsible Sourcing Policies.
 - Where only one entity is disclosed as part of the De Beers Contractor’s group, it will be subject to annual third-party on-site audits conducted by the Independent Verifier.
 - Where more than one entity is disclosed as part of the De Beers Group Contractor’s group, third-party on-site audits will be conducted on up to 10 per cent of the entities in the group in accordance with the usual BPP Independent Verification approach.
- Where offsite Downstream De Beers Group Contractors are required to participate in the BPP Assurance Programme, they must ensure that at least one of their Assessable Entities discloses its activity as a Corporate Headquarters (CHQ) on the SMART System. This is in addition to disclosing all other applicable activity types (,eg, Diamond Cutting or Polishing or Jewellery Manufacturing) for their Assessable Entities.
 - If the CHQ for the Downstream De Beers Group Contractor does not meet the definition of an Assessable Entity, it will not be required to participate in the BPP Assurance Programme. However, in these cases, the Downstream De Beers Group Contractor will need to ensure that at least one of its Assessable Entities can demonstrate compliance against core BPP Requirements that may be managed at a CHQ level.
- Where a Midstream or Downstream De Beers Group Contractor is also a Sightholder, they must be disclosed on the SMART System with the company type “De Beers Group Contractor” as part of the existing Sightholder group. All De Beers Group Contractor entities within the Sightholder group will receive third-party on-site audits on an annual basis extraneous to the usual 10 per cent site selection.

A.2 TIMELINES

A.2.1 CALENDAR YEAR

The BPP Assurance Programme will begin on 1 January 2024, to ensure the cycle can take place over its usual 12-month period, and end on 31 December 2024.

All required BPP Workbooks and associated documentation must be submitted electronically via the SMART System. These submissions must be made within the applicable BPP Assurance Programme deadlines to ensure that the Independent Verifier has the time and resource to complete their verification procedures with the right frameworks.

Month	Key phases for all BPP participants (including De Beers Group and Sightholders)
January 2024	Start of new BPP Cycle. BPP Workbooks available for download from 5 January 2024.
March 2024	BPP Workbooks to be submitted by 15 March 2024. On-site audits to be scheduled. Independent Verifier to start BPP Workbook Desktop Reviews on 18 March 2024.
April 2024	Start of on-site audits.
August 2024	Completion of BPP Workbook Desktop Review process. On-site audit reports reviewed by De Beers Group's BPP Team and SGS UK. On-site audits must be completed by 31 August 2024
November 2024	End of Year Reports finalised.
December 2024	End of Year Reports published on the SMART System.

A.3 LEVEL OF PARTICIPATION

A.3.1 ACTIVE PARTICIPATION

All Assessable Entities are required to undergo the annual BPP Assurance Programme. Please see section **A.1** above.

A.3.2 REACTIVE PARTICIPATION

Entities will be considered to be participating on a "reactive basis" where they are:

- Tier B Non-Substantial Contractors not actively taking part in the BPP Assurance Programme.

These entities are not required by De Beers Group to participate in the annual BPP Assurance Programme. They may, nonetheless be under a contractual obligation to comply with the BPP Assurance Programme, and the relevant Tier A entity contracting its services may be expected to ensure that they are compliant. Non-compliance by Tier B Non-Substantial entities/facilities will be the responsibility of the relevant Tier A entity.

De Beers Group reserves the right to subject any Non-Substantial Contractor to Independent Verification, where there are reasonable grounds to believe that the Non-Substantial Contractor is in breach of the BPP Assurance Programme or where the Non-Substantial Contractor is engaged by at least four (4) Sightholders.

A.3.3 BEST ENDEAVOURS

Tier A entities are under an obligation to use their best endeavours to ensure that their Non-Assessable entities comply with the BPP Assurance Programme. This includes Associates and Minority Interest companies and Tier B Non-Substantial Contractors (when not covered in A.3.2).

A.4 THE ASSURANCE PROCESS

A.4.1 PRE-VERIFICATION RISKS REVIEW

De Beers Group requires that groups undertake a risk review analysis of their respective Assessable Entities prior to the submission of their Self-Assessment. Groups may choose to seek the support of appropriate consultants, who can help to identify problems, provide constructive solutions and suggest training needs.

The risk review process is designed to gauge readiness and/or identify significant potential areas of non-compliance with the BPP Assurance Programme prior to the submission of the Self-Assessment.

A well-conducted risk review, together with corrective action, is likely to greatly enhance the chances of a successful Self-Assessment and improved compliance over time.

A.4.2 PRE-VERIFICATION TRAINING

Training will be offered from time to time (and at least on an annual basis) to groups to assist in this capacity/awareness-building process to help achieve compliance with the BPP Assurance Programme.

A.4.3 PRE-VERIFICATION SUPPLY CHAIN MAPPING

Prior to starting the assessment process, each group must identify its own entities and facilities, including its Contractors and business partners that form part of their Compliance Group and that are potentially subject to the BPP Assurance Programme. Please note this is separate to the supply chain risk mapping under the Requirement Section A.6 on Sourcing from High-Risk and Conflict-Affected Areas. Details of these entities and facilities must be inputted on the SMART System (www.debeersbpp.com).

The information on the SMART System must be updated regularly and always reflect the group's prevailing supply chain.

For those groups with recognised retail brands with more than 100 retail operations per brand, concessions may be made in consolidating the mapping on the SMART System. However, these consolidations must be approved by the De Beers Group BPP Team in advance.

A.4.4 SELF-ASSESSMENT

The BPP Workbook must be completed by each Assessable Entity within the relevant group (see section **A.1** for the definition of Assessable Entities) and must be submitted to the Independent Verifier, via the SMART System (www.debeersbpp.com), by the required annual deadline.

Each group/entity/facility, as appropriate, will be advised by the De Beers Group BPP Team of the submission deadline for its BPP Workbook and associated documentation. (Please see the Timelines section **A.2** for further details.)

A.4.5 DESKTOP REVIEW

Following the electronic submission of the BPP Workbook, the SMART System will automatically route each BPP Workbook to the local country office of the Independent Verifier. The local Independent Verifier will assess the submission of a sample of up to one third of BPP Workbooks per group with full knowledge of the local regulations, context and circumstances and will monitor each BPP Workbook specifically looking for:

- Completeness;
- Sufficient supporting evidence accompanying each question to support and/or qualify the BPP Workbook and to enable compliance rating to take place.

The Independent Verifier may request additional information or clarification at this time including providing supporting evidence.

A.4.6 INDEPENDENT VERIFICATION

Following the independent Desktop Review, the Independent Verifier will select a proportion, normally on average, 10 per cent, of all the group's relevant Assessable Entities for on-site audits. Each group (including De Beers Group) may have at least one on-site audit per year. The purpose of these visits is to verify that the BPP Workbook is **accurate** and that the **requirements of the BPP Assurance Programme are met**.

Should the Independent Verification identify any serious discrepancies between the BPP Workbook and the on-site audit, then the Independent Verifier is entitled to visit further entities/facilities of the group to ensure an accurate picture of the group's overall compliance at the **relevant group's expense**. In addition, in instances where information pertinent to the selected Assessable Entity (including, but not limited to, operating address and activity type) is incorrectly disclosed by the group on the SMART System and/or is not correctly provided to the Independent Verifier ahead of the visit, leading to the on-site audit not being able to take place, full audit fees and travel expenses **will be charged to the group**.

Independent Verifications may be conducted alongside other accepted audit initiatives. All such "combined" audits will have to be approved by the De Beers Group's BPP Team in advance. Where the Assessable Entity is situated in a building of which the group has control of more than one floor, and this has not been disclosed on the SMART System, and this becomes known during an on-site audit, the group will be required to give access to the auditor either during that audit or at a later date.

Similarly, if the group has disclosed more than one entity/facility within the same building, they must make sure these are merged for BPP Workbook submission, and on-site audit purposes which will be conducted in accordance with the position set out above.

In instances of late cancellation/rescheduling of scheduled on-site audits by the group, (save where the cancellation occurs as a result of a force majeure event (as defined in the Supply Agreement) or circumstances beyond the group's reasonable control) audit fees and related costs **may need to be borne by the group**:

1. If the cancellation/rescheduling occurs between three (3) and five (5) business days prior to the committed audit date, 50 per cent of the quoted charge and travel expenses occurred will be charged to the group.
2. If the cancellation/rescheduling occurs within two (2) business days prior to the committed audit date, or on the day of the audit itself, or when access is denied, full audit fees and travel expenses will be charged to the group.

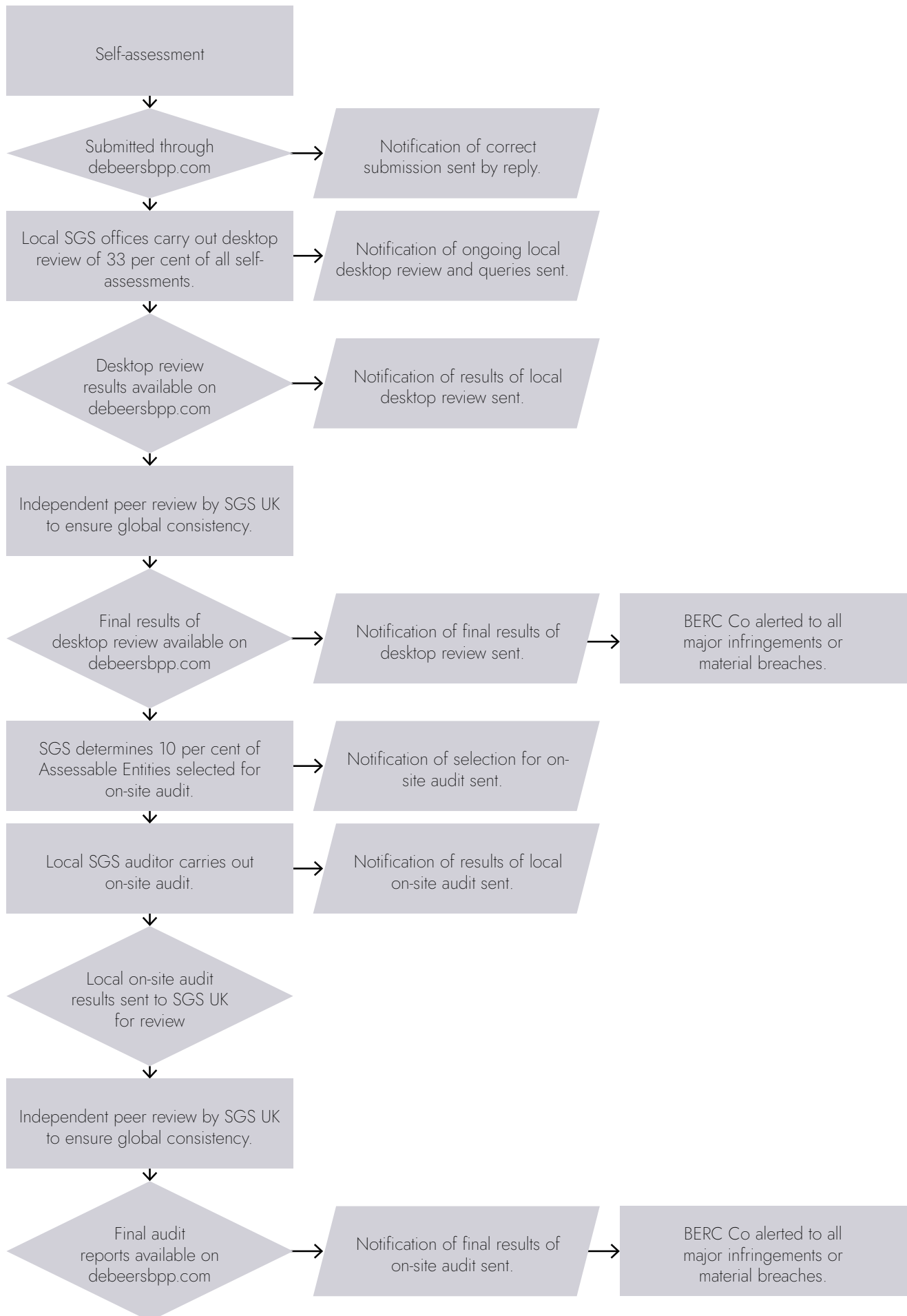
A.4.7 INDEPENDENT PEER REVIEW

All Desktop Reviews and Independent Verification results will be further reviewed by the main/head office of the Independent Verifier (SGS UK), to ensure both a consistency of approach across the world and that issues are being treated appropriately. This is referred to as the Independent Peer Review.

A.4.8 BERC CO REVIEW

In addition to the Independent Peer Review, BERC Co will review, with all necessary supporting information and data, all applicable Major Infringements and/or Material Breaches and/or any potential or actual incidents of "Not Compliant" status being awarded to assess whether any further actions need to be taken.

A.4.9 FIGURE 1



A.5 COMPLIANCE RATINGS

Whilst ratings for individual findings are recommended by the local Independent Verifier following the outcome of an on-site audit and internal review, final decisions on the rating of each finding are made by joint agreement between SGS UK and the De Beers Group BPP Team.

A.5.1 COMPLIANT

A “Compliant” rating means there are no compliance issues that need to be addressed.

A.5.2 IMPROVEMENT OPPORTUNITY

An Improvement Opportunity is not a compliance issue if a satisfactory solution is found and implemented during the course of an annual Assessment. Improvement Opportunities can also be listed for the record, to assist the group/entity/facility towards continuous improvement, or be a limited compliance issue where resolution is beyond the ability of the group/entity/facility to resolve (such as instances where various national laws contradict one another). Improvement Opportunities **do not** require a Corrective Action Plan.

A.5.3 MINOR INFRINGEMENT

A Minor Infringement is any compliance issue that can be rectified within a short period and that, if managed responsibly, is not deemed by the Assessors or Independent Verifiers to result in any adverse impact. Minor Infringements require a Corrective Action Plan. A Minor Infringement may also be raised where inappropriate information sharing has occurred in BPP Workbooks, such as stock answers between Compliance Groups or where the “autofill” option has been used without reference to the actual situation.

A.5.4 MAJOR INFRINGEMENT

A Major Infringement is any compliance issue that can be rectified within a reasonable period and that, if managed responsibly, is not deemed by the Assessors or Independent Verifiers to result in significant adverse impact. Major Infringements require a Corrective Action Plan with milestones/timelines.

A.5.5 MATERIAL BREACH

A Material Breach is any serious non-compliance issue that contravenes the core BPP Requirements. For the avoidance of doubt, Material Breaches may include, but are not limited to:

1. the use of child labour or forced labour;
2. trade in conflict diamonds;
3. non-disclosure of synthetic diamonds, treated diamonds or diamond simulants;
4. money laundering or the financing of terrorism;
5. willful or negligent acts or omissions resulting in serious injury or death;
6. adverse impact on human rights;
7. non-payment of minimum wages;
8. causing a significant adverse effect to the environment; or
9. otherwise bringing the industry into disrepute.

Material Breaches require a Corrective Action Plan. A Material Breach will constitute non-compliance with the BPP Assurance Programme and therefore a breach of the Supply Agreement, and may be dealt with accordingly.

A.5.6 MATERIAL BREACH – TIER B

Any Material Breaches committed by any Tier B Assessable Entity irrespective of whether or not the Tier B Assessable Entity is an active participant at the time, will put the group in breach of its obligation to ensure compliance with the BPP Assurance Programme (and therefore in breach of the Supply Agreement). Groups are required to obtain formal contractual undertakings of compliance with the BPP Assurance Programme from their relevant Non-Substantial Contractors annually, and may be required to provide evidence of these undertakings to the Independent Verifier.

If there is reasonable cause to believe that any Material Breaches are occurring at a Non-Substantial Contractor, all groups engaged with the Contractor will be requested to proactively investigate and diligently work with the Contractor to seek to remedy any identified Material Breaches. De Beers Group reserves the right to request an audit at the Non-Substantial Contractor to ensure that the infringement is closed, at the expense of the group.

A.5.7 ESCALATION OF INFRINGEMENTS

If the Corrective Action Plan milestones for Major and Minor Infringements are not achieved to the Independent Verifier's satisfaction, the infringement may be escalated to the next level, eg a Major Infringement that is not rectified satisfactorily in accordance with the Corrective Action Plan may become a Material Breach.

In addition, if the Independent Verifier finds repeated incidences of infringements (either at the same or different entity/facility within a Compliance Group), the infringement may be escalated to the next level (eg a Major Infringement may become a Material Breach).

PLEASE NOTE THAT DBGSS IS ENTITLED TO TERMINATE ITS CONTRACT WITH A SIGHTHOLDER, IF:

1. A Sightholder (or any member of its Compliance Group including a Substantial Contractor) breaches the BPP Assurance Programme and fails to remedy the default (if capable of remedy) within a reasonable period (being not less than twenty (20), nor more than thirty (30), business days) of being requested in writing by DBGSS to do so; or
2. A Sightholder (or any member of its Compliance Group including a Substantial Contractor) acts in a manner materially inconsistent with the BPP Assurance Programme, or any Non-Substantial Contractor acts in a manner materially inconsistent with the BPP Assurance Programme, or
3. A Sightholder (or any member of its Compliance Group including a Substantial Contractor) acts in a manner inconsistent (but not materially so) with the BPP Assurance Programme, or any Non-Substantial Contractor acts in a manner inconsistent (but not materially so) with the BPP Assurance Programme, and fails to remedy the default (if capable of remedy) within a reasonable period (not being less than twenty (20), nor more than thirty (30), business days) of being requested in writing by DBGSS to do so, or
4. A Sightholder (or any member of its Compliance Group including a Substantial Contractor) acts in a manner inconsistent (whether or not materially so) with the BPP Assurance Programme, or any Non-Substantial Contractor acts in a manner inconsistent (whether or not materially so) with the BPP Assurance Programme (whether or not such default is remedied in accordance with (3) above) more than three times during the term of the Sightholder's Supply Agreement. This includes instances where a Sightholder receives a Compliance Status of Under Observation or Non-Compliant more than three times within the term of the Sightholder's Supply Agreement.

A.6 HOW TO DETERMINE A COMPLIANCE RATING

Each response provided to the questions contained in the BPP Workbook is assessed against the compliance rating system, to provide an accurate picture of exactly which issues, if any, need to be addressed, and how serious these are.

Figure 2 below illustrates the process for assessing the compliance rating of a group.

A.6.1 HOW TO DETERMINE A RECOMMENDATION

The final recommendation to De Beers Group by the Independent Verifier will be made after Corrective Action Plans have been agreed with the management of the Assessable Entity.

The Corrective Action Plans must be realistic and achievable, with set milestones agreed between the management of the Assessable Entity and the Independent Verifier, including, where appropriate, any requirement for re-assessment.

If these milestones are not achieved within the agreed timeframe the status of the compliance recommendation may be escalated to the next level, which may result in the De Beers Group taking further action.

Corrective Action Plans must always be submitted via the SMART System, whether the infringements have been raised as part of a Self-Assessment, or by the Independent Verifier during an on-site audit. If Corrective Action Plans have been submitted by the entity/facility as part of the Self-Assessment, then agreement on these will be reached with the Independent Verifier during the Desktop Review stage. This agreement will include the actions and timelines necessary to fulfil the Corrective Action Plans.

The Independent Verifier will make recommendations to the De Beers Group BPP Team, in accordance with the criteria stated below. The number of Major Infringements and Material Breaches identified will dictate the group's level of compliance with the BPP Assurance Programme, in the following way:

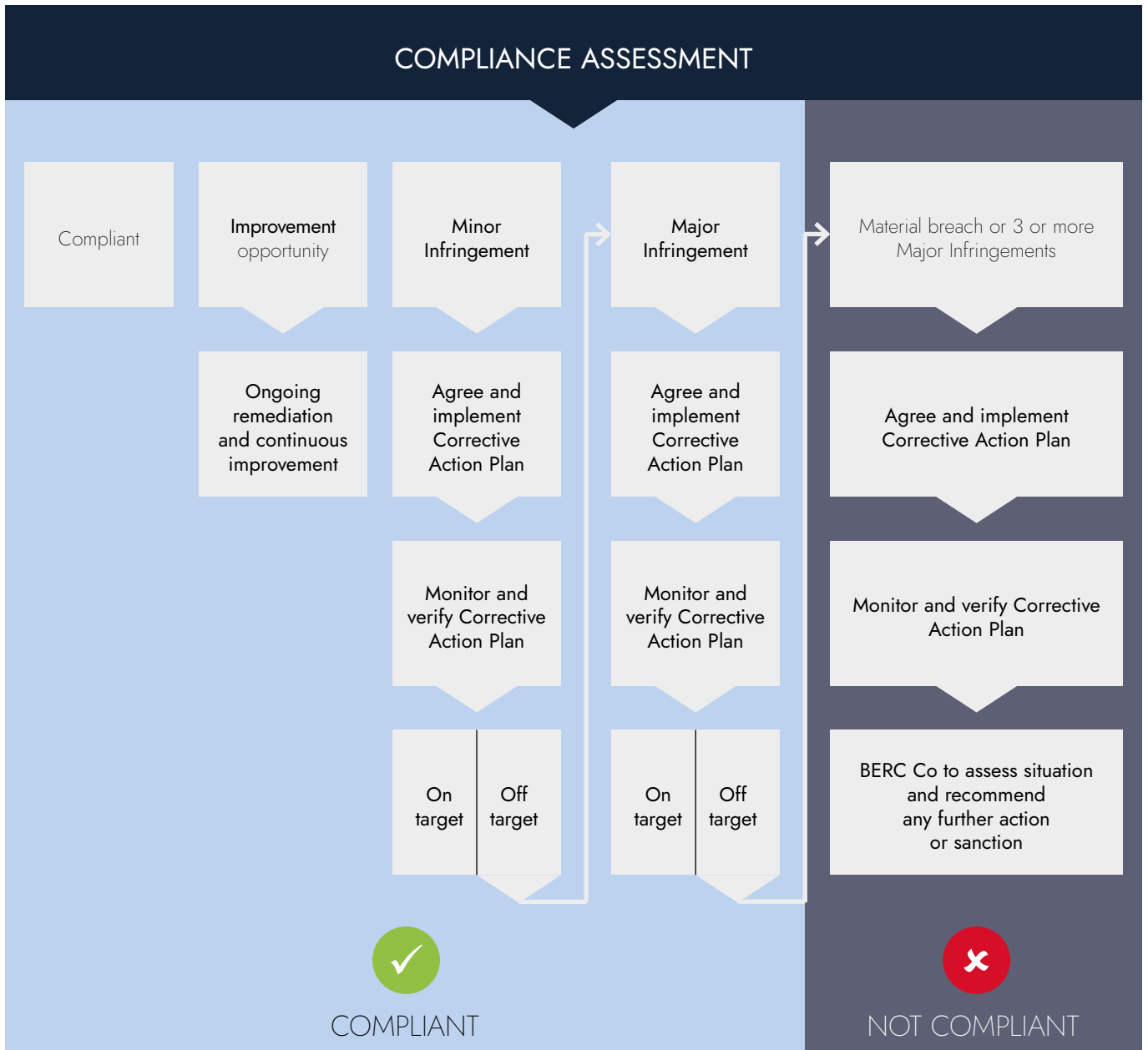
Final Outcome	Criteria
Compliant	No Material Breaches or Major Infringements identified; or Corrective Action Plans implemented and closed.
Under Observation	Up to three Major Infringements identified with Corrective Action Plans agreed and under process of implementation.
Non-Compliant	One or more Material Breaches and/or three or more Major Infringements identified.

These recommendations will be communicated to the relevant group management, and the designated responsible person on the SMART System.

If the entity/facility is subject to an on-site audit, then a closing meeting will take place before the Independent Verifiers leave the premises to review the outcome of the audit and discuss the findings with the entity/facility's management. The rating of each finding will be set and communicated once the visit report has been reviewed and discussed between SGS UK and the De Beers Group's BPP Team. The audit report will be communicated to the entity/facility's management through the SMART System and they will then be required to submit Corrective Action Plans to address any infringements identified.

Note that Self-Assessment or Independent Verification under the BPP Assurance Programme does not constitute exemption from any other formal, regulated assessment, audit or inspection required by the operation's local/national/regional authority (as applicable).

A.6.2 FIGURE 2



A.7 ROLES AND RESPONSIBILITIES

Groups are responsible, and will be held responsible, for ensuring that all their Assessable Entities (see Section **A.1**), including their Tier B Substantial Contractors and relevant business partners are compliant with the BPP Assurance Programme according to the annual schedule.

Tier A and Tier B Assessable Entities must annually submit to the Independent Verifier, via the SMART System, a completed BPP Workbook.

The Independent Verifier will annually select a random sample of on average 10 per cent of each group's Assessable Entities (Tiers A and B as applicable). These samples will be subject to on-site audits to verify the Self-Assessments. At least one entity/facility of each group will be included in the annual sample and verified.

Each group may use the support of consultants to assist in carrying out the Self-Assessment. However, it is the group's responsibility to ensure that its nominated Assessor has the necessary expertise or receives appropriate training prior to carrying out the Self-Assessment. It is also the group's responsibility to ensure that any consultants engaged to assist in this process have expressly declared that they have no business relationship with the Independent Verifier that might compromise the integrity of the process.

A.8 COSTS

De Beers Group will bear the costs of the:

- primary BPP Assurance Programme development;
- investigation of any reported material breach of the BPP Assurance Programme;
- annual monitoring of BPP Workbooks (Desktop Reviews);
- annual Independent Verification of up to 10 per cent of Assessable Entities.

The Assessable Entity or the group to which it belongs (not De Beers Group) will bear the costs of:

- any costs related to the completion of the annual Self-Assessment (such as the use of consultants);
- the costs of any extraordinary audits requested by the group or by De Beers Group to be carried out on their own entities/facilities or their Contractors outside of the normal scope of the BPP Assurance Programme and Independent Verification process;
- any Corrective Action Plans that are necessary following non-compliance with the BPP Assurance Programme;
- any repeat Independent Verifications required as a result of BPP compliance issues;
- further downstream training at group/entity/facility level, including, where appropriate, any training given to Tier B Contractors;
- additional costs related to the on-site audit being conducted alongside an approved additional programme including, but not limited to, RJC certification visit opt-ins (as applicable) or where the scope of the on-site audit is broader than the BPP Requirements due to the inclusion of other materials;
- any costs related to late cancellation/rescheduling of on-site audits or to incorrect disclosures on the SMART System leading to on-site audits not being able to take place (see section **A.4.6** for further details).
- any other costs that may arise.

A.9 THE INTEGRITY OF THE PROCESS

A.9.1 DATA CONFIDENTIALITY

All information and/or data from which it is possible to identify (directly or indirectly) the Assessed/Independently Verified entity or facility will always be made available to the:

- relevant assessed group/entity/facility;
- Independent Verifier.

All information and/or data from which it is possible to identify the Assessed/Independently Verified entity/facility may be made available to:

- other independent reviewers;

- the Ombudsman (as defined in the Supply Agreement).

Information and/or data from which it is possible to identify the Assessed/Independently Verified group/entity/facility will only be disseminated to De Beers Group where it is strictly necessary to inform De Beers Group of:

- Major Infringements and/or Material Breaches;
- or in the context of reporting compliance levels in summary form.

Dissemination of information and/or data from which it is **not** possible to identify (directly or indirectly) the Assessed/Independently Verified group/entity/facility will not be restricted. De Beers Group may disseminate such information and/or data at its sole discretion, including using such information and/or data in any reports it is required to make.

The Independent Verifiers and any other Independent reviewers are subject to confidentiality agreements with De Beers Group. Groups are at liberty to enter into confidentiality agreements between the Independent Verifier and Assessable Entities, responsibility for which lies with the group seeking such agreements.

Personally identifiable information is processed in accordance with the requirements of the EU General Data Protection Regulation (GDPR). The Independent Verifier's policies for Data Privacy and Customer privacy are accessible [here](#).

A.9.2 INDEPENDENT VERIFIER INDEPENDENCE

In keeping with best practice, the Independent Verifier must demonstrably prove itself to be independent of the De Beers Group and other entities subject to the BPP Assurance Programme. In addition, an Independent Verifier cannot be involved in designing the BPP Assurance Programme, or in undertaking any specific BPP related training or consultancy. This will assure the continued integrity of the process.

A.9.3 INDEPENDENT REVIEW PROCESS

De Beers Group will periodically require an Independent Review Process to ensure that the Independent Verifier is independent and is providing services as required.

A.9.4 INTEGRITY OF THE BPP ASSURANCE PROGRAMME

The integrity of the BPP Assurance Programme is further maintained through six self-reinforcing assurance mechanisms:

- investigation through Independent Verification procedures of any reported Material Breach of the BPP Assurance Programme;
- Desktop Reviews of one-third of BPP Workbooks per annum;
- verified requirement that groups use Best Endeavours to ensure that their Non-Assessable Entities comply with the BPP Assurance Programme;
- BPP annual reporting to the relevant De Beers Group Board of Directors;
- selective independent review of Desktop Reviews and Independent Verification and Verifier quality assurance;
- updating of the BPP Workbook and other elements of BPP Assurance Programme documentation to reflect evolving best practice, new regulations and to promote continuous improvement.

A.9.5 RIGOROUS APPLICATION

The selection of Assessable Entities for Independent Verification will be made by the Independent Verifier, following guidelines established by BERC Co, with the general provisos of ensuring that at least one Assessable Entity per group per year is Independently Verified and to allow the most efficient use of the resources of the Independent Verifier.

As part of the Independent Verification process, the Independent Verifier will monitor previous records of BPP Workbooks as well as verify the current BPP Workbook.

A.9.6 AWARENESS BUILDING AND TRAINING PROGRAMMES

To encourage commitment to the BPP Assurance Programme, develop capacity to undertake the annual Self-Assessments and optimise compliance with the BPP Assurance Programme, De Beers Group will promote awareness and encourage professional development through technical training.

B CARRYING OUT AN ASSESSMENT

This section explains the BPP Assurance Programme assessment approach and process and the Independent Verification procedures to demonstrate compliance with the BPP Assurance Programme.

The BPP Workbook contains the questions applicable to the Assessable Entity's activity type to verify compliance with the BPP Assurance Programme and records the results of the Independent Verification process. This Manual and the BPP Workbook are supported by:

- The Sightholder Policy Statement, which provides the contractual requirement for all Sightholders to comply with the BPP Assurance Programme;
- The BPP Assurance Programme, which establish the standards according to which compliance is assessed;
- The BPP Requirements, which set out the detailed criteria for compliance.

Assessable Entities may choose to request the assistance of an independent consultant, and even nominate them as their Assessors, with the only proviso that the consultant must not have any affiliation with the Independent Verifier.

Additional questions or requirements may be added to the BPP Workbook or BPP Requirements in subsequent years to reflect developing compliance requirements and the changing business environment, in order to achieve the goal of continuous improvement.

The supporting documentation needed to complete the BPP Workbook, described in the following sections of this Manual, must be made available to the Independent Verifier upon request.

Please note that not all sections/questions will be relevant to each Assessable Entity. It is for this reason that the BPP Workbooks are customised based on the relevant Assessable Entity's profile information declared on the SMART System at the point of download. If the Assessable Entity deems that certain BPP Workbook questions are still not relevant to them, the not-applicability of the question needs to be explained in the comments section.

B.1 INTRODUCTORY AND PLANNING MEETINGS

It is strongly recommended that, at the start of this process, relevant group/entity/facility personnel hold an introductory meeting to discuss how best to implement the requirements of the BPP Assurance Programme and ensure full understanding of the Assessment or Independent Verification process.

It is also recommended that the group/entity/facility ensures that all workers are advised of the implementation of the BPP Assurance Programme and educated as to how it affects them, to ensure a consistent and comprehensive approach throughout the group/entity/facility.

It is also essential to organise a planning meeting between the Assessor or Independent Verifier and the group/ entity/ facility's representatives or management. The purpose of this meeting is to advise the group/entity/facility's management of the Assessment or Independent Verification process, the documentation that needs to be prepared for the Assessment or Independent Verification and the plan for carrying out the Assessment or Independent Verification. In rare instances, a planning meeting for Independent Verification might incorporate a site visit.

Given the scope of the BPP Requirements, it is suggested that relevant group/entity/facility personnel attending these meetings include representatives from the group's/entity's/facility's human resources/personnel, health and safety and management departments, as well as representatives from the workforce.

Where an introductory meeting is not held before the Assessment or Independent Verification, documentation should be sent to advise the group/entity/facility of the aims and processes and to introduce the concept of the Assessment or Independent Verification to workers so as to ensure that they understand its aims and can participate fully.

B.1.1 RECOMMENDED AGENDA FOR INTRODUCTORY MEETING

Assessable Entities may find the following suggested agenda a helpful checklist of the key elements of the BPP Assurance Programme that they should cover with their nominated representatives:

- Introduction of the Assessable Entity/s nominated team members responsible for the Self-Assessment or to assist with Independent Verification;
- Introduction to the rationale for, and the objectives and scope of, the Assessment or Independent Verification;
- Description of the Assessment or Independent Verification process;
- Methodology to be used – methods of data collection – inspection, enquiry and observation;
- Data scope and confidentiality;
- Integrity procedures for Independent Verifiers;
- Plan detailed schedule of site and record inspection, management and worker interviews and Self-Assessment or Independent Verification team observations;
- Preliminary overview of the entire entity/facility including floor plans, kitchens, dormitories, schooling and rest areas, any access restrictions and/or health and safety considerations for the Assessment or Independent Verification process.

B.2 ASSESSMENT PROCESS

The Independent Verifier will typically use inspection, enquiry and observation to collect and corroborate data, in order to carry out Independent Verification. Assessors should find these methods invaluable when conducting their own Self-Assessments.

B.2.1 INSPECTION

Inspection involves the examination of company records, policies and procedures and, where relevant national or international laws. Group/entity/facility records and policies must be held at the Assessable Entity.

Assessable Entities are expected to have a sound knowledge of relevant national law.

The purpose of the BPP Assurance Programme is to evidence compliance with the BPP Requirements. Where this can be achieved by providing existing valid evidence of compliance with internationally recognised standards, this is strongly encouraged. Assessable Entities should submit evidence of any certification that already exists, such as SA8000, ISO14001 or ISO45001, together with the certification report and details of the accredited Certification Body that carried out the certification.

All relevant documentary evidence in support of the Self-Assessment, other than any certification as mentioned above, should be held at the Assessable Entity in the event that the Independent Verifier wishes to inspect it. All references below to documents include data that is retained in digital format including computer records, digital archives and the like.

During the Independent Verification, the Independent Verifier will review all relevant business, social and environmental documents on a sample basis. Single documents, such as accident logs, etc., should be maintained and reviewed for a period of at least 12 months leading to the current date.

Where company records need to be reviewed on a sampling basis, the following sampling scheme will be used as a guide:

Total number of workers	Sample size - Simple Records	Sample size - Employee Records
50 and fewer	5	5
Between 51 and 100	10	10
Between 101 and 500	20	26
Between 501 and 1,000	25	42
Between 1,001 and 2,000	30	52
Over 2,000	30	60

B.2.2 ENQUIRY

Enquiry involves the Independent Verifier seeking information from persons inside or outside the Assessable Entity. This will typically involve face to face interviews. Interviews provide important corroborative information that will help to support the integrity of the Independent Verification.

The subjects of the interviews are likely to include members of the Assessable Entity's management team or selective representatives in addition to selected workers within the context of each assessment topic.

The specific aims, objectives and attendees for each interview will be itemised under the Enquiry heading within each assessment topic.

Interviews may be conducted as a mix of focus groups and individual interviews as defined below.

The following sampling scheme will be used as a guide when determining the number of people to interview:

Total number of workers	Sample size - Individual	Sample size - Group
50 and fewer	2	1 group of 3
Between 51 and 100	6	1 group of 4
Between 101 and 500	10	4 groups of 4
Between 501 and 1,000	14	7 groups of 4
Between 1,001 and 2,000	20	8 groups of 4
Over 2,000	20	8 groups of 5

B.2.3 OBSERVATION

NOTE: Observations are particularly relevant to the assessment conducted by the Independent Verifier.

Observation involves looking at processes being performed by personnel in their day-to-day environment. The following is a list of possible meetings and/or events that Assessable Entities might wish to consider when carrying out their Self-Assessments:

- meetings between management and workers;
- health and safety inspections;
- local Non-Governmental group/entity/facilities (NGOs);
- other stakeholders as appropriate.

Observation by the Independent Verifier will start from their point of arrival at the Assessable Entity and will only end when the process of assessment is complete.

B.3 ASSESSING AGAINST THE REQUIREMENTS

The following sections are designed to assist in preparing to respond to, and assessing compliance with, the BPP Requirements.

The sections introduce a set of generic example policies containing elements that meet the range of applicable BPP Requirements. Each example policy is rooted in international law, national law in countries involved in the diamond industry, and best practice policies of other businesses that operate globally, which are publicly available.

These example policies may form the basis for a process of consultation within a group/entity/facility to tailor a policy in that area to suit the group/entity/facility's geographical location production circumstances and cultural context. Please note these policies are only suggestions although the elements that address BPP mandatory commitments are core to the BPP Assurance Programme.

Policies commit the group/entity/facility, and all relevant people within it, to behave in a particular way. Policies generally require:

- a general statement on the commitment of the group/entity/facility to the subject of the policy;
- an explanation of the scope of the policy;
- guidelines on how to implement the policy elements – including information about relevant senior management responsibility;
- monitoring systems to evaluate the results of policy implementation;
- awareness building mechanisms such as display or training to ensure that relevant people understand the policy and the implications of failing to adhere to it.

In order to ensure clear communication and accessibility, it is good practice that all policies that are adopted are made available in both the relevant local language(s) and, ideally, English.

It is also important to bear in mind that all the example policies presented below are inter-linked and overlap to some extent. As such, policies need not necessarily be split up as presented here.

The key points to address when developing a policy are the relevant elements and the structure (eg commitment, scope, implementation, management system and awareness building). There is no reason why particular policy areas, for example, those pertaining to labour standards or social responsibilities more broadly, cannot be grouped under a policy named Labour Policy or Social Policy.

Groups/entities/facilities are encouraged to choose their own policy titles, scope and elements to suit their own particular circumstances. Copying directly from this resource may not always suit exact individual requirements in any event.

It should be noted that, with regards to these policies, where national laws stipulate general standards for companies, but certain (for example, small) businesses are provided exemptions, such as being subject to lower or no set standards, De Beers Group encourages compliance with the higher general standards. Where no appropriate national laws exist, groups/entities/facilities are encouraged to follow the appropriate United Nations and/or International Labour ('ILO') Conventions and Declarations and/or other relevant recognised international standards.

Policies are evolving documents that should be proactively and responsibly developed. It is therefore essential that groups/entities/facilities review policies regularly, integrating any new elements as necessary.

It is likely that some statements concerning implementation, scope, management systems and awareness building will be applicable to all policies. The following guidelines are suggestions that could be included in all policies.

All below sections are applicable to Sightholders with the exception of **Section B.7** on Mining.

KEY ELEMENTS OF A POLICY

IMPLEMENTATION

- A statement that there is a senior member of the group/entity/facility responsible for the effective operation of the policy.

SCOPE

- A statement that all issues of the policy will be managed as integral parts of the business and planning of the group/entity/facility.

MANAGEMENT SYSTEM

- A statement that the group/entity/facility will maintain a management system that aims to integrate business, social and environmental issues into its decision-making and risks review processes.
- A statement that the group/entity/facility will conduct regular assessments to evaluate compliance with and effectiveness of this policy. It will also report the outcomes annually to the supervisory board or governing body of the group/entity/facility to promote continuous improvement.

AWARENESS BUILDING

- A statement that all workers will undergo regular (and recorded) training and awareness building with respect to the issues covered in this policy – fostering an awareness of shared responsibility and accountability.
- A statement that all new workers will be given a copy of the policy, and will be trained in the policy, either as part of the employee induction process or as part of an apprenticeship scheme.
- A statement that the group/entity/facility will also seek to make existing workers aware of the issues covered in this policy.
- A statement that the policy will be displayed publicly and prominently (for example, on a notice board).

Where additional statements regarding implementation, scope, management systems and/or awareness building may be advisable, this is noted on the following individual policy guidelines.

B.4 BUSINESS RESPONSIBILITIES

B.4.1 ETHICAL STANDARDS

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Business Principles
- Code of Conduct (De Beers Group entities only)
- Information on any material convictions/penalties

INSPECTION

- Review 'Business Principles' policies, Codes of Conduct and system-based approaches addressing the issues of business integrity, financial accounting and auditing across the group/entity/facility.

ENQUIRY

- Interview key management and workers concerning the issues of compliance with the law and the degree to which any existing policies and procedures effectively address these issues.

POLICY ON ETHICAL STANDARDS

Key elements in a policy on Ethical Standards might include:

COMMITMENT

- A statement that the group/entity/facility is committed to combating dishonesty and fraud in all business transactions in order to maintain and enhance consumer trust in, and the reputation of, the gem diamond industry.
- A statement that the group/entity/facility is putting in place programmes that monitor the effectiveness of these commitments and hence supporting all workers in this endeavour.
- A statement that the group/entity/facility will adhere to the more stringent of national laws or the BPP requirements.
- For De Beers Group business units, a Code of Conduct that brings together all the core principles, policies and values of the organisation and acts as a guide for employees and contractors to make the right decisions at work.

IMPLEMENTATION

- A statement that no practice or conduct will be undertaken that brings the diamond industry into disrepute for examples of practices or conduct.
- For De Beers Group business units, clear communications and implementation plans for effective roll-out of a Code of Conduct.

B.4.2 COMMITMENT

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- A publicly available commitment, communicated to employees and external stakeholders, documenting dedication to responsible business practices and indicating alignment to the UN adopted Sustainable Development Goals
- Policies and/or procedures for the senior management to perform a commitment review and gap analysis

INSPECTION

- Review of commitment
- Verification that it is publicly available and has been communicated to employees and external stakeholders
- Review of procedures relating to the commitment
- Inspection of commitment review performed by senior management

ENQUIRY

- Interview with senior management appointed to review the policy

POLICY ON RESPONSIBLE BUSINESS PRACTICES

Key Elements in a policy on Responsible Business Practices might include:

COMMITMENT

- A statement documenting the entity's dedication to responsible business practices.

IMPLEMENTATION

- A statement that a member of senior management should frequently review the commitment and ensure that it is up to date.

AWARENESS BUILDING

A statement that the commitment will be publicly available and communicated to all relevant stakeholders including employees.

B.4.3 BUSINESS INTEGRITY

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Bribery, facilitation and gifts policy and/or procedure documents
- Implementation of adequate procedures
- training records, gifts register and facilitation payment register

INSPECTION

- Review policies and system-based procedures across the group/entity/facility addressing the issues of bribery, facilitation payments and gifts in accordance with all applicable laws.
- Verify availability of system for reporting and investigating allegations and records of outcomes

ENQUIRY

- Interview key management and workers concerning key compliance strategies of relevant bribery and corruption legislation across the group/entity/facility and the degree to which any existing policies, regulation and practices effectively address these issues.
- Discuss identification of high-risk areas and monitoring procedures to address these
- Inspect training records
- Inspect gifts and facilitation payments register.

POLICY ON BUSINESS INTEGRITY

Key elements in a policy on Business Integrity might include:

COMMITMENT

- A statement that the group/entity/facility will comply with national and, where appropriate, international legislation and regulations with respect to bribery facilitation payments and gifts.

IMPLEMENTATION

- A statement that, where applicable, the group/entity/facility will take appropriate action to comply with and/or satisfy the legislation, guidelines, conventions and recommendations outlined in the BPP Requirements
- A statement that condoning, facilitating or supporting illegal activity is prohibited and that adequate procedures are in place.
- A clear statement that individuals will not suffer retaliation for reporting concerns or refusing to pay a bribe or facilitation. payment even if this action may result in the entity losing business.

B.4.4 FINANCIAL OFFENCES

REQUIRED INFORMATION

To complete this section of the Assessment, the following will need to be referenced:

- All applicable national anti-money laundering legislation
- UN Anti-Money Laundering Convention
- FATF 40 + 9 Recommendations
- OECD Guidelines for Multinational Enterprises
- Financial audit results
- Due Diligence Policies.

INSPECTION

- Review policies and system-based procedures across the group/entity/facility addressing the issues of money laundering, terrorism financing and other financial offences such as bribery or corruption. Review these with reference to all applicable national anti-money laundering legislation.
- Where applicable, also review these with reference to the UN Anti-Money Laundering Convention, FATF 40 Recommendations and the OECD Guidelines for Multinational Enterprises.
- Verify policy and procedures relating to screening and due diligence of suppliers and customers
- Verify the entity has been/is audited by a properly qualified, independent Auditor to international accounting standards.

ENQUIRY

- Interview key management and workers concerning the issues of financial accounting and auditing, as well as money laundering, terrorism financing and other financial offences, both within and outside the group/entity/facility, and the degree to which any existing policies and procedures effectively address these issues.

POLICY ON FINANCIAL OFFENCES

Key elements in a policy on Financial Offences might include:

COMMITMENT

- A statement that the group/entity/facility will comply with national and, where appropriate, international legislation and regulations with respect to money laundering, terrorism financing, bribery, corruption, smuggling, embezzlement, fraud, racketeering, transfer pricing and tax evasion.
- A statement that the group/entity/facility will act in accordance with the more stringent of national laws or BPP Requirements with respect to the auditing of its financial accounts.

IMPLEMENTATION

- A statement that, where applicable, the group/entity/facility will take appropriate action to comply with and/or satisfy the legislation, guidelines, conventions and recommendations outlined in the BPP Requirements.
- A statement that the group/entity/facility will apply high standards in the selection, screening and acceptance of suppliers and purchasers of rough and polished diamonds, ensuring anti-money laundering policies and procedures are adopted, mandating due diligence during the selection process, continued transaction monitoring and worker training.
- A statement that the group/entity/facility only does business with companies whose business is legal and whose funds come from lawful sources.
- A statement that condoning, facilitating or supporting illegal activity and/or money laundering is prohibited.
- A statement that the group/entity/facility will have financial accounts independently audited on an annual basis.
- A statement that this audit will be carried out by a properly qualified auditor to international accounting standards.
- A statement that there will be no bias or influence in the appointment of the auditor.

B.4.5 KIMBERLEY PROCESS AND SYSTEM OF WARRANTIES

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- The Essential Guide to Implementing the Kimberley Process;
- Local Kimberley Process guidelines;
- Local Kimberley Process authority contact details;
- Results from monitoring systems and audits on the Kimberley Process Certification Scheme and World Diamond Council System of Warranties;
- A sample of company purchase and sales invoices;
- List of workers involved in the buying and selling of rough diamonds;
- A copy of the Kimberley Process Certification Scheme communication plan for staff.

INSPECTION

Review the group/entity/facility's contracts, certificates, invoices and records of workers involved in the buying and selling of rough diamonds. Verify that:

- The group/entity/facility is registered to the local industry authority;
- Certification has never been denied within last 12 months;
- Workers involved in buying and selling of rough diamonds are registered;

- There is a full declaration in the group/entity/facility's invoices, in accordance with the World Diamond Council's guide to implementing the Kimberley Process;
- Review all local government Kimberley Process policy and local industry authority certificates relevant to the group/entity/facility within the Assessment period.
- Review the group/entity/facility's contracts, certificates, invoices and records of workers involved in the buying and selling of polished diamonds and diamond jewellery.
- There is a full declaration in the group/entity/facility's invoices, in accordance with the World Diamond Council's System of Warranties;
- A reconciliation of the flow of certificates in and out has been completed for the period under review by the group/entity/facility's own auditors or external auditor if required by legislation.

In addition, verify that:

- All relevant workers involved in the buying and/or selling of rough diamonds, polished diamonds and/or diamond jewellery have had the rules of the Kimberley Process and the requirements of the World Diamond Council communicated to them.

ENQUIRY

- Contact the local industry authority to verify the above.
- Randomly select workers from a list of workers involved in buying and selling of rough diamonds and interview to verify the above.

POLICY ON THE KIMBERLEY PROCESS AND WORLD DIAMOND COUNCIL SYSTEM OF WARRANTIES

Key elements in a policy on the Kimberley Process and System of Warranties might include:

COMMITMENT

- A statement that there will be compliance with all rules of the Kimberley Process and all requirements of the World Diamond Council.

IMPLEMENTATION

- A statement that the definition of 'Conflict diamonds' agreed by the Kimberley Process will be adopted (reference BPP Requirements **A.5.1**).
- A statement that the World Diamond Council System of Warranties will be adopted and that the required affirmative statement is made on all invoices by buyers and sellers of rough and/or polished diamonds (reference BPP Requirements **A.5.2**).
- A statement that, where applicable, records will be kept of Kimberley Process certificates, Warranty invoices received and Warranty invoices issued when buying or selling diamonds.
- A statement that the flow of certificates and warranties in and certificates and warranties out will be audited and

reconciled annually by the company's own independent financial auditors.

- A statement that these records will be available for scrutiny by a duly authorised government agency or Independent financial auditor upon request.

AWARENESS BUILDING

- A statement that the policy on the Kimberley Process and System of Warranties will be communicated to all employees.

B.4.6 SOURCING FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Responsible sourcing policies and procedures on sourcing from conflict-affected and high-risk areas (CAHRAs)
- Evidence of appointment of a senior manager to implement the policy and procedure
- Training materials and records of relevant personnel
- Grievance mechanism
- Supplier contracts
- Identification of the group/entity/facility's position in the diamond value chain and information gathering based on that position
- Risk assessment to define red flags
- Due diligence procedure
- Risk mitigation plans
- Third-party due diligence audit report (phased approach)
- Public reporting.

INSPECTION

- Responsible sourcing policy and procedures are in-line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the 'OECD Guidance')
 - The policy has been endorsed at the highest level of the organisation
- Review of senior manager profile and job description
 - The appointed person has sufficient seniority and experience to manage and implement the process
 - The role covers all aspects of the requirements with sufficient authority to be effective
- The group/entity/facility's policy is included in contractual terms in supplier contracts
- A grievance mechanism is provided and this is accessible and has protections in place

- Training materials and records are available for review
- Record retention and storage procedures are available for review
- Risk assessment output and product information is obtained for review
- Process to identify red flags is in place and any mitigation methods required are taken
 - Situations have been defined where the group/entity/facility would disengage from the supplier
 - Evidence that the above processes have been used where necessary
- Third-party assessment of due diligence and any actions identified as required
- Ensure public reporting conducted is appropriate.

ENQUIRY

- Interview senior manager and establish level of activity and autonomy to act
 - Ensure their role covers all activities required
 - Assess what level of information has been obtained
 - Assess how the red flag risk assessment has been completed
 - Assess what mitigation actions have been undertaken
 - Determine under what circumstances they would disengage from a supplier
 - Assess how they have engaged with suppliers
 - Assess how public reporting is managed
- Interview key staff
 - Assess level of understanding and effectiveness of training
 - Assess understanding of grievance mechanism, whistleblowing and ability to raise concerns without retaliation.

POLICY ON SOURCING FROM CONFLICT AFFECTS AND HIGH-RISK AREAS

Key elements in a policy on sourcing from Conflict Affected and High-Risk Areas might include:

COMMITMENT

- A statement that sourcing will be conducted in alignment with the OECD Guidance.
- A statement that sourcing practices will seek to ensure risk-based approaches to due diligence on suppliers and product
- Reference to an overall Responsible Sourcing Policy if the requirements are incorporated within such a policy.

IMPLEMENTATION

- A statement that procedures will be implemented to manage the process of sourcing from CAHRAs
- A statement that sufficient resources will be allocated to ensure effective implementation
- A statement that public reporting of product information and risk mitigation measures will be made available and the route by which this is done
- A statement that where red flags are identified, and a supplier does not engage in measurable improvement within an agreed timeframe, a procedure to disengage will be implemented
- A statement that a grievance process exists, the route to find this and an assurance that allegations raised in good faith will be investigated and that whistleblowers will not face retaliation.

AWARENESS BUILDING

- A statement that the policy and requirements will be communicated to stakeholders including suppliers and employees.

B 4.7 PRODUCT SECURITY

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Policies and/or procedures for product security; priority should be placed on human life over valuables.
- Implementation of adequate procedures and clear records on product handling, storage and transportation that will assist in identifying anything irregular.
- Training for staff involved with movement and security of product.

INSPECTION

- Review policies and system-based procedures across the group/entity/facility addressing the key risk areas of product security.

ENQUIRY

- Review of policies/procedures.
- Interview key staff involved with movement and security of product.
- Inspect training records.

POLICY ON PRODUCT SECURITY

Key elements in a policy on Product Security might include:

COMMITMENT

- A statement that the group/entity/facility will prioritise human life over valuables.

IMPLEMENTATION

- It is often good security practice not to document all or part of the security procedures as the policy itself may pose a risk to security;
- Carry out a risk assessment that will identify what is lacking in the management of product security and where people may be at risk. Risks may be higher or more evident in certain countries/locations, industry sectors, in transit or with some business partners; and
- Review whether insurance is adequate.

B.4.8 DISCLOSURE

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- A sample of company invoices, marketing materials, catalogues and web-site data
- List of workers involved in the buying and selling of diamonds
- Company policy for selling diamonds in accordance with the BPP Requirements.
- Testing protocols and records evidencing the implementation of these protocols.

INSPECTION

- Review the group/entity/facility's contracts, certificates, invoices and records of workers involved in the marketing, buying and selling of diamonds, to verify that correct internal and external procedures have been applied when advertising, buying or selling diamonds, and that all treated diamonds, synthetics and/or simulants have been fully declared.
- Review records of implementation of testing protocols.

ENQUIRY

- Randomly select workers from a list of workers involved in buying and selling of diamonds and interview to verify the above.
- Randomly select workers from a list of workers involved in managing the risk of undisclosed synthetic diamonds and verify the testing protocols.

POLICY ON DISCLOSURE

Key elements in a policy on Disclosure might include:

COMMITMENT

- A statement that information about a diamond, treated diamond, synthetic diamond or diamond simulant will be fully, proactively and conspicuously disclosed at all times (in accordance with the BPP Requirements).
- Standard nomenclature for how the group/entity/facility discloses its different diamond products. It is recommended that the terminology adopted is aligned with the ISO 18323:2015 standard on Jewellery - Consumer confidence in the diamond industry.

IMPLEMENTATION

- A statement that all relevant information will be verbally disclosed prior to completion of sale.
- A statement that all relevant information will be conspicuously disclosed on receipts/bills of sale in plain language, readily understandable to the consumer.
- A statement that disclosure will immediately precede or succeed the description of the stone and be equally conspicuous to that description.
- A statement that this policy applies to the selling, advertising and distributing of any diamond, treated diamond, synthetic diamond or diamond simulant.
- A statement that there will be no attempt to mislead consumers through illustrations, descriptions, expressions, words, figures, depictions or symbols relating to the stones.
- A statement that the unqualified word 'diamond' will not be used to identify any object that does not meet the definition of a diamond as set out in the BPP Requirements section (i).
- A statement that all information relating to a treated diamond, synthetic diamond or diamond simulant will be disclosed in the manner set out in the sections specific to these stones in the BPP Requirements.

AWARENESS BUILDING

- A statement that the Disclosure policy will be communicated to employees.

Please refer to the **Disclosure Practice Note and Standard Guidance – Undisclosed Synthetics** for further information.

ISO 18323:2015 (Jewellery - Consumer confidence in the diamond industry):

- This international standard was published in July 2015 and sets out permitted descriptors for the diamond industry. De Beers Group has aligned the nomenclature standards advised in the ISO 18323 standard within the guidance provided in the Disclosure section of the BPP Requirements.

De Beers Group recommends that Sightholders adopt the same labelling to describe diamonds, treated diamonds, synthetic diamonds, composite diamonds and imitations of diamonds when buying and selling diamonds in order to promote product integrity, consumer confidence and transparency across the diamond industry.

B.4.9 SUPPLY CHAIN SYSTEMS

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Pipeline risk assessment identifying potential contamination points in the supply chain
- Policies and procedures defining security, monitoring and training to avoid substitution with the entity's own operations

- Clearly defined and separate procedures for each risk area
- Procedures for testing to detect synthetic diamonds in identified high-risk areas either in-house or through a qualified service provider
- Company invoices.

INSPECTION

- Review the pipeline risk assessment, internal and external procedures
- Review the security policies and procedures relating to the internal practices
- Review of training records and training materials relevant to activities
- Check that invoices contain the required assurances and that these are relevant to the level of control in the operation
- Check that the policies and procedures are reviewed at regular intervals by senior management and that changes are made to reflect the results of the reviews
- Review logs of anomalies and investigations
- Check that the performance of any testing service providers is regularly reviewed.

ENQUIRY

- Interview managers to ensure the pipeline risk assessment is understood and has correctly identified the contamination point
- Interview workers to ensure they understand procedures and that these are followed.

OBSERVATION

- Review the pipeline risk assessment, internal and external procedures
- Observe how security procedures are followed as the entity goes about its operations
- If testing is undertaken on-site, observe how this is done and recorded.

POLICY ON SUPPLY CHAIN SYSTEMS

Key elements in a policy on supply chain systems might by way of illustration include:

COMMITMENT

- A statement that the group is committed to minimising the risk of undisclosed synthetic diamonds entering the natural diamond pipeline.

IMPLEMENTATION

- A statement that the group will implement, and frequently review, processes and training at all identified risk areas within the natural diamond pipeline
- A statement that a Key Individual from the group will frequently review the pipeline and potential contamination points and ensure that implemented procedures effectively address the risks
- A statement that testing will be conducted using effective detection equipment and that service providers will be regularly monitored.

AWARENESS BUILDING

- A statement that the supply chain systems policy and processes will be communicated to all employees.

B.4.10 MELEE ASSURANCE PROTOCOL

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Policy for Melee Assurance Protocol
- Pipeline map for diamonds that are 0.08 carat and below in the group/entity/facility's pipeline
- Risk assessment analysis for each aspect of the group/entity/facility's pipeline
- Clearly defined and separate procedures for each risk area
- A list of all off-site contractors participating in the Melee Assurance Protocol which has been signed off by a Key Individual of the group.
- Evidence that all off-site contractors participating in the Melee Assurance Protocol have been declared as Substantial contractors on the SMART System
- Evidence of annual audits conducted by the group at the premises of all off-site contractors participating in the Melee Assurance Protocol to verify that systems are being implemented and guarantees are being met.
- A sample of company invoices
- Tamper-evident packaging shall be provided to off-site contractors for use when returning diamonds that have qualified for the Melee Assurance Protocol
- Evidence that all relevant contractors have provided the required guarantees as defined in the Disclosure Practice Note
- Evidence of full testing to detect synthetic diamonds in identified high risk areas and sample testing using the prescribed sizes from the BPP Disclosure Practice Note at identified medium risk areas
- Evidence that the policy including the process for managing test referrals is made available to clients

- A current list of workers, including department name, who are involved in handling these diamonds
- Training records.

INSPECTION

- Review the group/entity/facility's pipeline risk assessment, internal and external procedures
- Review the list of all contractors participating in the Melee Assurance Protocol signed by a Key Individual
- Review of the report from verification visits conducted by the BPP manager at contracting entities
- Evidence that tamper evident packaging has been provided to relevant contractors
- Sample reviews of invoices with relevant guarantees
- Review of training records and training material.

ENQUIRY

- Randomly select workers and interview to verify that the policy and procedures are adhered to.

POLICY ON MELEE ASSURANCE PROTOCOL

Key elements in a policy on Melee Assurance Protocol might by way of illustration include:

COMMITMENT

- A statement that the group is committed to minimising the risk of undisclosed synthetic diamonds entering the natural diamond pipeline.

IMPLEMENTATION

- A statement that the Group will implement, and frequently review, processes and training at all identified risk areas within the natural diamond pipeline for goods that are 0.08 carat and below
- A statement that a Key Individual from the group will frequently review and sign off on a list of all contractors participating in the Melee Assurance Protocol
- A statement that the BPP manager or equivalent will conduct their own on-site audits at contracting entities to verify that procedures are being implemented to meet the Melee Assurance Protocol requirements.

AWARENESS BUILDING

- A statement that the Melee Assurance Protocol policy and processes will be communicated to all employees.

OFF-SITE CONTRACTORS

REQUIRED INFORMATION

- Procedures to ensure that all diamonds that qualify for the Melee Assurance Protocol are segregated for each client and returned in tamper-evident packaging (to be provided by the Sightholder/other BPP participant)
- Procedures to address product security including the prevention of theft and substitution of diamonds
- Provision of guarantees to clients participating in the Melee Assurance Protocol as predefined in the BPP Standard Guidance on Undisclosed Synthetic Diamonds
- Evidence of training for workers implementing the Melee Assurance Protocol.

INSPECTION

Review of all procedures, systems, guarantees, tamper-evident packaging and training records through onsite verification visits against the Tier B Contractor Workbook.

ENQUIRY

- Random selection of workers to ensure that procedures are being effectively implemented.

B.4.11 SUPPLY CHAIN MANAGEMENT/BEST ENDEAVOURS

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Programme/procedures to address company compliance with the BPP Assurance Programme;
- List of the group/entity/facility's diamond suppliers;
- List of the group/entity/facility's diamond industry clients;
- List of group/entity/facility's diamond contractors and sub-contractors;
- List of the group/entity/facility's agents such as security or recruitment agencies;
- Risk assessment on business partners to identify any potential reputational risks;
- List of workers involved in the buying and selling of diamonds;
- A sample of company invoices;
- Evidence of best endeavours (letters, minutes from meetings, training programmes, etc.; and with suppliers and clients).
- Evidence of procedures to ensure that all on-site visitors are required to comply with policies, procedures relevant to the BPP Assurance Programme.

INSPECTION

- Review the group's/entity's/facility's contracts, certificates, invoices and records of workers involved in the buying and selling of diamonds;
- Review the risk assessment conducted on business partners;
- Verify that the group/entity/facility's contractors and sub-contractors are identifiable and complying with the BPP Assurance Programme;
- Verify that Best Endeavours have been made to ensure that group/entity/facility diamond industry clients and diamond suppliers are identifiable and have undertaken to comply with the BPP Assurance Programme.

ENQUIRY

- Randomly select a sample of workers involved in buying and selling of diamonds and interview them to verify the above.

OBSERVATION

- Verify the process and systems that apply to visitors to the group/entity/facility.

POLICY ON SUPPLY CHAIN MANAGEMENT/BEST ENDEAVOURS

Key elements in a policy on Supply Chain Management/Best Endeavours might include:

COMMITMENT

- A statement that Best Endeavours will be used to ensure the commitment of Tier B Non-Substantial Contractors to comply with the BPP Assurance Programme;
- A statement that applicable Tier B entities will be supplied with a copy of the BPP Manual as well as information on the practical implementation of the BPP Assurance Programme (for example, copies of the BPP Requirements and the BPP Workbook); and
- A statement that other actions to ensure Tier B Contractors' commitment to comply with the BPP Assurance Programme will be taken as appropriate.

B.4.12 PROVENANCE CLAIMS

BACKGROUND INFORMATION

A provenance claim is a documented claim, made through the use of descriptions or symbols, relating to diamonds, synthetic diamonds, coloured gem stones, silver gold and/or platinum group metals that are offered for sale, whether as stand-alone materials or set in jewellery.

The claim(s) can be related to the geographical origin of the materials, such as country, mine or corporate ownership of the mining facility, and also around the source of the materials, for example recycled, mined, artisanally mined, or date of production. Claim(s) concerning specific practices applied in the supply chain covered by the BPP Assurance

Programme, including but not limited to, standards applicable to extraction, processing or manufacturing, or due diligence towards sources would not be considered as provenance claims. For participants that are Responsible Jewellery Council (RJC) members, any provenance claims declared as part of the BPP Assurance Programme should match the claims assessed and certified as part of their RJC certification.

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Procedures to identify and record provenance claim(s).
- Procedures for validating provenance claim(s) and maintaining supportive evidence.
- Documented criteria/requirements that consistent with the claim(s).
- Documentation on the implementation of controls to maintain the integrity of materials covered by provenance claim(s)
- Written training procedure, training materials and employee training records.
- Complaints or grievance mechanism and information on how to access it.
- Records of complaints or grievances relating to provenance claim(s).
- Interviews with employees.

INSPECTION

- Review the group/entity/facility's advertising and sales documentation, policies and procedures, training materials and register.
- Where relevant, review the availability of provenance claims at point-of-sale to consumers.

ENQUIRY

- Interview key management and workers affected by the provenance claim(s) across the group/entity/facility and assess the degree to which any existing policies, requirements and practices effectively address the claim(s).

POLICY ON PROVENANCE CLAIMS

Key elements in a policy on Supply Chain Management/Best Endeavours might include:

COMMITMENT

- A statement that all provenance claims made will be fully valid along with available evidence to support the claim(s).

IMPLEMENTATION

- A statement that all claims and statements (made to consumers or other businesses) on practices in the supply chain and the origin or source of diamonds, synthetic diamonds, gold and/or platinum through the

use of both descriptions and symbols are valid.

- A statement that there will be no attempt to mislead consumers through illustrations, descriptions, expressions, words, figures, depictions or symbols relating to the provenance claim(s)
- A statement that this policy applies to the selling, advertising and distributing of any diamonds, synthetic diamonds, gold and/or platinum.

AWARENESS BUILDING

- A statement that the provenance claims policy will be communicated to all employees.

B.4.13 GRADING AND APPRAISAL

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Policies and procedures for generating Diamond Grading Reports, including reports generated for the end consumer.
- Policies and procedures for generating Appraisal Reports used to sell goods to end consumers
- Procedures for providing written explanation to consumers if the price on the Appraisal Report is higher than the sale price.
- Evidence to demonstrate that Diamond Grading Reports include the detection of synthetic diamonds and/or treatments to stones.
- General information provided to consumers – to review nomenclature. Professional qualification for internal employees responsible for performing the appraisal, should this apply.
- Documentation to demonstrate that listed prices on Appraisal Reports are in line with the relevant market prices.
- Records if written explanation is provided to consumers when the price on the Appraisal Report is higher than the sale price.

INSPECTION

- Review of policies and procedures for generating Grading/Appraisal Reports and written explanations to end consumers when the listed price on the report differs from the sale price.
- Review evidence that systems for generating grading reports are based on scientific methodology and are sufficiently thorough and comprehensive to produce valid and reproducible results
- Review of language, i.e. terms and nomenclature when providing documentation to consumers.

ENQUIRY

- Interviews with the relevant employees to assess the degree to which any existing policies and procedures are effectively implemented.

POLICY ON GRADING AND APPRAISAL

Key elements in a policy on grading and appraisal might include:

COMMITMENT

- A statement that the group/entity/facility is committed to combatting practices that would mislead consumers.
- A statement that the group/entity/facility is implementing procedures to monitor the effectiveness of the commitment.
- A statement that the relevant legislative requirements and professional standards should be taken into account when Appraisal Reports are generated and used in selling diamonds and/or diamond jewellery.

IMPLEMENTATION

- A statement that the group/entity/facility will ensure that detection of synthetic diamonds and/or treatments is explicitly stated on any Diamond Grading Reports.
- Any Diamond Grading Reports or Appraisal Reports created for end consumers that could be construed as being independent should disclose any relevant vested interests in the sale of the jewellery product held by the grader or appraiser.
- A statement that, where applicable, that records will be kept if written explanation is provided to consumers when the price on the Appraisal Report differs from the sale price.

AWARENESS BUILDING

- A statement that the policy on Grading and Appraisal will be communicated to all employees.

B.5 SOCIAL RESPONSIBILITIES

B.5.1 EMPLOYMENT

REQUIRED INFORMATION

To complete this section of the Assessment, where applicable the following will be needed:

- National laws on employment;
- Company human resources policies (including complaints policy);
- List of all workers by employment type and contract;
- Job gradings and wage structure;
- Employment documentation of randomly selected workers;
- One month's full salary/wage records of the same randomly selected workers;
- Minutes of any worker council meeting within the Assessment period including records of communications/ consultations with workers on any redundancies/layoffs or any sudden changes to their employment;
- Company freedom of association policy or policy to allow for freedom of association;
- Service level agreements with any agencies or contractors; and
- Records of any employee made redundant/laid off during the Assessment period.

INSPECTION

- Randomly select a sample of workers from a list of every worker (including workers provided through agencies and contract labour) and review their contracts, job description, timecards, payroll and HR records.
- Verify working hours are properly accounted and regulations are being applied in relation to standard hours, total working hours and rest periods.
- All changes to working hours or wages have been fully communicated to workers with sufficient notice and in accordance with their employment contract and, where relevant, national laws;
- All workers, including hourly and piece-rate workers, are paid at least the minimum wage.
- Workers have been compensated in accordance with the law when they have been unable to work due to reasons outside of their control;
- Comparable wage rates are provided for work of equal value and any grading by role allowed by law has been applied fairly and consistently;
- Wages paid are consistent throughout documentation from all relevant sources;
- Wages are calculated correctly from time cards/piece-logs (including overtime calculations);

- Overtime is not mandatory and available to all in a non-discriminatory way;
- All overtime is correctly administered and paid in accordance with national law;
- Rest days are taken and paid annual leave is provided in accordance with national law, or in the absence of national law, 3 weeks per ILO Convention 132;
- Sick pay is provided in accordance with applicable laws;
- Minimum wage has been paid and redundancies/lay offs have been used as a last resort and managed according to national law during unforeseen times of crisis;
- Policies on redundancies and layoffs are adopted in accordance with relevant national laws as applicable;
- Review strategy and management policies and processes in place for workforce consultation and collaborative management. Review the minutes of any meetings of worker representative bodies' or other management/ workforce logs or journals.

ENQUIRY

- Randomly select a sample of workers from a list of every worker type and interview to verify the above in addition to verifying the report checklist and compliance observations.

OBSERVATION

- Consider whether what is observed matches Self-Assessment documentation and Independent Verification interview findings.

POLICY ON WORKING HOURS AND OVERTIME

Key elements in a policy on working hours and overtime might include:

COMMITMENT

- A statement that the group/entity/facility shall not require workers to work for more than the national limit of hours in a week on a regular basis, with overtime hours not to exceed the national permitted limit per week (or other nominated period) on a regular basis, unless there are legal opt-outs or waivers or a collective bargaining agreement.

IMPLEMENTATION

- A statement that overtime shall always be remunerated in compliance with national legislation.
- A statement that all workers are entitled to one day off in every seven-day period, or equivalent, or more if stipulated by legislation.
- A statement that, where workers operate on a shift basis, they shall be entitled to time off equivalent to one day for every seven-day period.
- A statement that workers shall be free to respect their religious festivals.

POLICY ON REMUNERATION

Key elements in a policy on remuneration might include:

COMMITMENT

- A statement that wages and benefits for a standard working week shall meet at least national minimum standards and shall be sufficient to meet the basic needs of workers and provide some discretionary income (overtime or bonuses should not be needed to reach this wage).

IMPLEMENTATION

- A statement that payment and remuneration details shall be agreed before commencement of employment, and will be detailed clearly and regularly for workers on pay slips.
- A statement that wage rates will be set in a manner to ensure that equivalent pay is provided for work of equal value.
- A statement that pay and benefits are to be provided in a manner reasonably acceptable to workers.
- A statement that appropriate records will be kept on each worker's hours of work (including overtime) and wages paid.
- A statement that deductions from wages not provided for by national law shall be reasonable and shall be permitted only with the express written permission of the worker concerned.

POLICY ON FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Key elements in a policy on freedom of association and collective bargaining might include:

COMMITMENT

- A statement that, where the law restricts the right to freedom of association and collective bargaining, the group/entity/facility will facilitate, and not hinder, the development of parallel means of free association and bargaining.
- A statement that workers have the right to form and join (or not join) worker representative bodies of their own choice without fear of coercion or retaliation.

- A statement that the group/entity/facility recognises worker representative bodies as a party in the collective bargaining process.

IMPLEMENTATION

- A statement that worker representatives must have access to their committee members in the workplace, and that the employer and/or management representatives do not interfere with the activities of the workers' associations.

POLICY ON NON-RETALIATION

Key elements in a non-retaliation policy might include:

COMMITMENT

- A statement that the group/entity/facility is aware of the need to include workers in the process of ensuring that the group/entity/facility operates ethically and in compliance with the law.

IMPLEMENTATION

- A statement that there will be no adverse work-related consequences against a person who, in good faith, discloses information about a situation or type of conduct that he or she feels to be unethical, illegal or potentially illegal.
- A statement that all forms of retaliatory action are prohibited, including:
 - Threats or intimidation;
 - Coercion; and/or
 - Discrimination
- A statement that complaints and grievance procedures will be confidential, with access to information available only on a need-to-know basis.

POLICY ON REDUNDANCIES AND LAY OFFS

Key elements in a policy on redundancies and layoffs might include:

COMMITMENT

- A commitment to keep redundancies to a minimum, ensuring that workers are fully consulted (either individually or through their representatives), that the selection for redundancy is based on clear and fair criteria, and that where redundancy cannot be avoided any severance pay, notice and/or payment in lieu of notice of is provided.

IMPLEMENTATION

- The policy should be endorsed at the highest levels of the organisation and communicated to all workers.
- A statement that any redundancies layoffs will be implemented in accordance with the relevant national laws as applicable.
- A statement that human rights of workers will be fully respected.

- A statement that workers impacted will be provided with a valid reason for such termination, which is connected with either the capacity, conduct of the worker, or based on the operational requirements of the undertaking.
- A statement that severance payments will be made in accordance with national laws, and if not stipulated in law, with reference to the length of service and level of wages.
- A statement that reasonable period of notice will be given, or compensation in lieu of.
- A statement that workers will be consulted individually or through their representatives and will be given the opportunity to make representations which seek to avert or minimise the redundancies or lay-offs proposed and/or the adverse effects of any terminations on workers.

B.5.2 HEALTH AND SAFETY

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Copy of formal agreement on health and safety at work with recognised worker representative bodies;
- Company Health and Safety policies and procedures;
- Health & Safety Risk Assessment;
- Health and safety reports;
- Accident and other health & safety logs;
- Health and safety training log;
- Preventative contagious and infectious diseases measures, where applicable..

INSPECTION

Review (when applicable):

- All supporting health and safety documentation;
- Health and safety training and awareness programmes;
- Risk Assessments and plan for mitigating risks identified;
- Health and safety assessment reports;
- Accident logs;
- Health and safety certificates, permits and insurance policies including any relevant documentation and correspondence with government and regulatory bodies with authority over health and safety matters.

ENQUIRY

- Interview health and safety management team.
- Interview random samples of workers to determine effectiveness of the implementation of health and safety practices:
 - Workers have been trained and are aware of what to do in case of a fire or other emergency
 - Workers are trained in safe handling and disposal of potentially hazardous material

- Workers are empowered, without fear of recrimination, to report health and safety or other issues within the group/entity/facility;
- The nature and frequency of accidents/injuries is below nationally acceptable levels;
- All workers know where all emergency equipment is and they are trained to use it;
- Workers are able to access their personal information in relation to accidents, and related investigations and remedial actions as well as records of health surveillance and medical examinations
- Workers are physically comfortable in the work environment;
- Workers have been consulted and have been able to provide input to the health and safety risk assessment and all measures taken have been clearly communicated to them;
- Workers have been given access to personal protective equipment (PPE) and to other preventative measures to reduce the risks linked to contagious and infectious diseases, where applicable;
- Workers feel safe in the group/entity/facility;
- Workers are aware of when to use and are trained in how to use protective equipment made available to them.

OBSERVATION

- Health and safety should be assessed throughout the areas operated by the management of the entity/facility or their agents. This includes all work and storage areas, including kitchens and food-preparation areas and rest areas, dormitories, toilets and washing facilities, classrooms and training facilities and any area to which workers have access
- Observe all areas of the group/entity/facility with regards to fitness for purpose and safe/clean operating conditions with adequate safety and emergency equipment and facilities
- Observe operating practices with particular reference to guarding of machinery, use of personal protective equipment and general respect of health and safety rules.
- Observe whether preventative contagious and infectious diseases measures have been implemented throughout the working space where applicable.

POLICY ON HEALTH AND SAFETY

Key elements in a policy on Health and Safety might include:

COMMITMENT

- A statement that the group/entity/facility will do all it can actively to prevent and reduce the risk of accidents and work-related ill health, bearing in mind knowledge of specific dangers within the industry
- A statement that the group/entity/facility will prioritise worker safety above operational expediency. A statement that, if required, the group/entity/facility will co-operate fully with workers' health and safety representatives and

appropriate authorities and will also contribute positively to ongoing improvements within the group/entity/facility.

IMPLEMENTATION

- A statement that workers may leave work situations in which they may reasonably judge that there is serious and imminent danger to life or health, without consequences from management, until the danger has been removed.
- A statement that the group/entity/facility will maintain safe and healthy working conditions appropriate to the tasks performed.
- A statement that the group/entity/facility will provide safe plant and equipment that meets national safety regulations.
- A statement that the group/entity/facility will ensure safe handling and use of dangerous materials.
- A statement that a senior manager will be responsible and accountable for the development and implementation of health and safety policy elements, that each individual is also responsible within their own role and that these responsibilities will be clearly defined.
- A statement that the group/entity/facility will maintain a management system that integrates health and safety into its decision-making processes and will ensure regular assessments of health and safety performance.
- A statement that the group/entity/facility will ensure it has appropriate resources to identify, avoid and respond to potential health and safety risks, including those for dealing with emergencies and accidents.

AWARENESS BUILDING

- A statement that clear and concise information relating to health and safety standards will be provided to workers.
- Where relevant, a statement that clear product information (for example on safe use) and labelling, complying with relevant national law in the country of use, will be provided to end-users or consumers..
- A statement that the group/entity/facility will consult with its workers on health and safety.
- A statement that all workers will undergo regular (and recorded) training relevant to their role (in the case of first aid this will be for nominated individuals) and awareness building with respect to the issues covered in
- this policy – fostering an awareness of shared responsibility and accountability.

B.5.3 NON-DISCRIMINATION, HARASSMENT, BULLYING AND DISCIPLINARY PROCEDURES

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Company policy on preventing all forms of discrimination in operations;
- Company policy and disciplinary procedures;
- Non-retaliation policy;
- Description of confidential worker grievance system;
- List of all workers.

INSPECTION

- Review mechanisms, procedures, policies, and programmes in place to address all forms of discrimination and equal opportunities in the workplace.
- Randomly select a sample of workers from a complete list of workers.
- Verify that there is no discrimination in all aspects of employment, including recruitment, wages, benefits, promotions, training, transfer, termination and retirement on the basis of gender, race, religion, nationality, social or ethnic origin, sexual orientation, political persuasion or disability.
- Review company disciplinary procedures and implementation.
- Verify processes defined in grievance mechanism.

ENQUIRY

- Randomly select a sample of workers from a list of every worker and interview them to establish if there are any complaints from workers with respect to discrimination or disciplinary procedures
- Ensure workers are aware of the key policies and of how to raise a grievance or complaint
- It is important that some level of targeting is used to ensure that 'vulnerable'⁵ parties are included in this process or to follow up specific concerns generated through the Assessment.

OBSERVATION

- Consider whether what is observed matches Self-Assessment documentation and, if relevant, Independent Verification interview findings.

⁵ Specific groups of people, such as women, migrants, people with disabilities, ethnic or religious groups, that exist within a larger population and that are at higher risk of being harassed, exploited or in any other way discriminated against.

POLICY ON NON-DISCRIMINATION

Key elements in a non-discrimination policy might include:

COMMITMENT

- A statement that the group/entity/facility will treat all workers with dignity and respect.
- A statement that the group/entity/facility shall not engage in or support discrimination that interfere with the exercise of the rights of workers to observe practices, or to meet needs:
 - On the grounds of race, colour, ethnicity, caste, national origin, religion, age, disability, genetic information, physical appearance, gender, marital/parental status, pregnancy status, family or caring responsibilities, sexual orientation, HIV status or other health status, migrant status, membership of worker representative bodies or political affiliation – or any other criteria that are unlawful at any level of the group/entity/facility.
 - In all aspects of employment, including recruitment, wages, benefits, promotions, training, transfer, termination and retirement.
- There are equal opportunities for all individuals who are “fit for work” with respect to all aspects of employment, including recruitment, wages, benefits, promotions, training, transfer, termination and retirement.

IMPLEMENTATION

- A statement that the group/entity/facility shall prohibit any form of harassment, and that the policy is intended to prohibit all offensive conduct (physical or verbal) that threatens human dignity, and which interferes with a positive and productive work environment.
- In particular, a statement prohibiting behaviour that is sexually coercive, abusive or exploitative.
- A statement that there is a confidential system for reporting discrimination or harassment, limiting involvement to those on a need-to-know basis.
- A statement that the group/entity/facility will investigate any allegations of discrimination, bullying, harassment and / or violence impartially, promptly and thoroughly, and will take appropriate disciplinary action against any worker found to be engaging in discrimination or harassment.
- A statement that local employment may be encouraged where laws promote local linkages, for example in South Africa and Canada (positive discrimination).

POLICY ON DISCIPLINARY PRACTICES

Key elements in a policy on disciplinary practices might include:

COMMITMENT

- A statement that the group/entity/facility will not condone the use of corporal punishment or other forms of mental or physical coercion.

IMPLEMENTATION

- A statement that deductions from wages as a disciplinary measure shall not be permitted.
- A statement that the group/entity/facility will develop and maintain grievance and disciplinary procedures that are applied equally and fairly to all workers.
- A statement that procedures for making appeals against disciplinary action shall be developed and implemented.

B.5.4 CHILD LABOUR

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Company policy on preventing child labour;
- Description of procedures to address child labour and young worker protection.

INSPECTION

- Review management policy, procedures and programme documentation relating to child labour in the workplace. In addition, review worker contracts, job descriptions, time cards, payrolls and human resources records to verify report checklist and compliance observations below.

ENQUIRY

- Interview both management representatives and randomly selected workers to clarify and verify company policy on child labour and protection of young workers. Interviews should also determine the effective implementation of this policy through procedures and programmes.

OBSERVATION

- Observe the workforce to see if child workers can be identified. If children are identified through observation, inspection or enquiry, they should be interviewed to verify whether there is evidence of child labour transition or remediation being applied. In such situations, children should not be employed during school hours and they should not be allowed to work for more than 10 hours per day. These hours should include schooling and travel time. There should also be support for educational development and means to ensure that no child is exposed to hazardous, unsafe and/or unhealthy situations.
- If young workers are found (aged above minimum legal working age and 18) interview workers to verify that applicable legal requirements are applied in relation to their work (eg night working, overtime etc) and that they are not exposed to hazardous processes or chemicals.

POLICY ON CHILD LABOUR

Key elements in a policy on child labour might include:

COMMITMENT

- A statement that the group/entity/facility will not use or support the use of child labour, adopting the definition of 'child labour' as set out in the United Nations International Labour Organisation Minimum Age Convention 1973 (No. 138).
- A statement that the group/entity/facility shall not engage in or support any form of child slavery, debt bondage, trafficking of children, forced child labour or use of children in armed conflict

IMPLEMENTATION

- A statement that in cases where child labour is found to be taking place the group/entity/facility will agree, develop, document and maintain a standard course of action to improve the situation. It will ensure the safety, health and development of the children involved. The support provided will also allow children to attend and remain in school or training for as long as they are 'children' under the definition of 'child labour'. The requirements should be clearly communicated to staff and other stakeholders.
- A statement that decisions about child labour will be based on:
 - Expert advice about the options available to children in the local context;
 - The best interests of the children affected;
 - A statement that documents providing proof of age are required and that these will be subject to validation;
 - A statement that the time that children spend at school and work and in travelling there and back should not total more than 10 hours a day.
- A statement that where 'light' work is allowed by children within some national laws and regulations for 13–15-year-olds, the following conditions will be met:
 - It will not harm their health or moral or physical development;
 - It does not have an impact on their attendance and ability to benefit from school, careers or training programmes.

AWARENESS BUILDING

- A statement that the group/entity/facility will seek to work with NGOs, the private sector and local government to tackle child labour collectively.

B.5.5 FORCED LABOUR

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Description of procedures and policies;
- Human resources records of randomly selected workers.
- Records of relationships with recruitment agencies and on-site contractors such as: contractual terms and conditions, second-party due diligence reviews prior to commissioning the contract and performance reviews after the contract has been awarded.
- Risk assessment of recruitment agencies, suppliers and contractors for the risks of human trafficking.
- Where required by national law, public reporting on Forced Labour and Modern Slavery.

INSPECTION

- Review management policy, procedures and programme documentation relating to forced labour in the workplace, including training of security guards. In addition, review human resources records to verify compliance observations below.
- Any worker hostels should also be inspected to determine freedom of movement of those residing in these.
- Review procedure to monitor the risks of human trafficking within recruitment agencies and on-site contractors, including an explanation of how risks are identified and prioritised.
- Review procedure in place to screen agency to ensure contract workers do not incur commission fees or any other fees in connection with their employment.
- Ensure contract workers are not required to pay deposits or submit identification documents for the duration of their employment.

ENQUIRY

- Interview both management representatives and randomly selected workers to clarify and verify company policy on forced labour. Such interviews should also determine whether this policy has been effectively implemented through the provision and application of appropriate procedures and support programmes.
- In addition, it should be determined whether any important documents of workers are retained by the company or their employer if they are not direct employees.

OBSERVATION

- Observe the workforce to see if any forced or bonded workers are identified. If the Independent Verifier suspects forced or bonded labour following observation, inspection or enquiry, this should be verified through interviews with individuals concerned. Steps should be taken to ensure such individuals are able to speak freely and will not be subject to disciplinary actions post-Assessment. This may include private or anonymous interviews, disguising of sources by interviewing multiple individuals and wider enquiry/interview into freedom of exit from the group/entity/facility, as well as freedom to take holidays, have visiting rights, etc.
- It is important that some level of targeting is used to ensure that 'vulnerable' parties are included in this process or to follow up specific concerns generated through the Assessment.

POLICY ON FORCED LABOUR

Key elements in a policy on forced labour might include:

COMMITMENT

- A statement that the group/entity/facility will not use or support the use of any type of forced or bonded labour, including slavery, prison labour that is required from prisoners without pay or to complete their sentence, labour as a punishment for expressing political views and labour demanded of workers because of their debt.
- A statement that only reputable recruitment and employment agencies are used

IMPLEMENTATION

- A statement that management does not keep deposits or identification papers provided by the workers to the group/entity/facility as part of the recruitment or labour process.
- A statement that workers are free to leave the group/entity/facility after giving the proper notice.
- A statement that workers are free to leave at the end of a shift.
- A statement that the group/entity/facility will undertake due diligence and perform a risk assessment when using third-party recruitment agencies.
- A statement that the group/entity/facility seeks to address risks of forced labour/human trafficking in its supply chain and by its contractors.

B.5.6 HUMAN RIGHTS

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Human rights policy and/or procedure documents;
- Human resources records, including training records, of randomly selected workers

- A human rights due diligence process and risk assessment
- Policies and/or procedures to ensure remediation takes place if the entity has caused or contributed to adverse human rights.
- Training plan for relevant security staff, managers and other key personnel to recognise signs of workplace gender-based violence and sexual harassment or abuse.

INSPECTION

- Review human rights policy, guideline and procedure documents. Also, review due diligence process, risk assessment, human resources and training records to verify the nature of any worker human rights training, including human rights training for security guards.

ENQUIRY

- Randomly select a sample of workers from a list of every worker and interview them to establish if there are any complaints with respect to harassment and/or abuse.
- It is important that some level of targeting is used to ensure that 'vulnerable' parties are included in this process or to follow up specific concerns generated through the Assessment.
- Interview with management appointed to undertake due diligence and perform risk assessment.
- Interview key personnel to assess their knowledge of recognizing workplace gender-based violence and sexual harassment or abuse.
- Interview workers to assess their understanding on the entity's policies on human rights (including human trafficking, harassment, discrimination, and physical, sexual, racial, religious, or verbal harassment).

OBSERVATION

- Consider whether what is observed matches Self-Assessment documentation and Independent Verification interview findings.

POLICY ON HUMAN RIGHTS

Key elements in a human rights policy might include:

COMMITMENT

- A statement that human rights is an overarching area of policy linked to a number of specific related policies including: equal opportunities, freedom of association, child labour, forced labour, non-discrimination, non-retaliation and working hours.
- A statement that the group/entity/facility will identify the main human rights risks it faces.
- A statement demonstrating a commitment to respect Human Rights and observe the UN Guiding Principles on Business and Human Rights.
- A statement demonstrating that remediation will be undertaken if any adverse human rights impacts were caused or contributed to.

IMPLEMENTATION

- A statement that, through implementation of the specific policies given above, the group/entity/facility supports, promotes respect for and protects the fundamental human rights expressed in the Universal Declaration of Human Rights, the UN Global Compact and, if relevant, International Labour Conventions.
- A statement that human rights abuses seen or reported in connection with work will be reported by the group/entity/facility to the relevant authorities and followed up.
- A statement that suitable arrangements will be put in place to ensure the security of all workers and facilities, particularly in countries where military or security forces have abused human rights.
- A statement that, before hiring staff, the group/entity/facility will check that there has been no previous involvement in human rights abuses.
- A statement that, where appropriate, local guidelines for working with state security forces should be drawn up.
- A statement that the group/entity/facility will undertake due diligence and perform a risk assessment to outline any actual and potential human rights impacts

AWARENESS BUILDING

- A statement that the group/entity/facility will work with relevant interested parties in order to understand human rights issues and develop shared responses.

B.5.7 DIRECT SOURCING FROM ARTISANAL AND SMALL-SCALE MINES⁶

REQUIRED INFORMATION

- Policies and procedures to address the risks involved with sourcing from Artisanal and Small-scale Mines.
- Risk assessment and/or due diligence to review the implications of sourcing from Artisanal and Small-scale Mines.
- Documented action plan to remediate risks identified.

INSPECTION

- Review of policies and procedures, risk assessments and/or due diligence for sourcing from Artisanal and Small-scale Mines.
- Review of best endeavours and remediation process to reduce the risks identified.

ENQUIRY

- Interviews with employees to determine how they conduct the risks assessments and how they use best endeavours to mitigate adverse impacts.

POLICY ON DIRECT SOURCING FROM ARTISANAL AND SMALL-SCALE MINING

Key elements in a policy on direct Sourcing from Artisanal and Small-scale Mines might include:

COMMITMENT

- A statement that best endeavours are used to avoid or reduce risks associated with sourcing from Artisanal and Small-scale Mines.
- A statement demonstrating commitment to remediating any adverse impacts that may be caused by sourcing from Artisanal and Small-scale Mines.

IMPLEMENTATION

- A statement that the group/entity/facility will undertake due diligence and perform a risk assessment to assess adverse environmental and human rights impacts.
- A statement that where the group/entity/facility sources diamonds directly from Artisanal and Small-scale Mining they will seek to offer fair commercial terms.

AWARENESS BUILDING

- A statement that the policy on Sourcing from Artisanal and Small-scale Mines will be communicated to all employees.

⁶ Artisanal and Small-scale Mining (ASM) refers to labour intensive mining, using minimal technology and financial resources.

B.6 ENVIRONMENTAL RESPONSIBILITIES

Please note that this section has been developed to be applicable to all types of operation and as such different elements may apply depending on the scope of activities. The overriding objective is to ensure that key risk areas are covered and that the appropriate levels of controls are in place to manage potential effects of operations.

B.6.1 BEST ENVIRONMENTAL PRACTICE AND REGULATORY FRAMEWORK

REQUIRED INFORMATION

To complete this section of the Assessment you will need:

- Dated proof of ISO14001 certification (if applicable);
- Policy on environment (including pollution prevention);
- Catalogue of significant environmental aspects, as informed by ISO14001 and the Global Reporting Initiative;
- Environmental management programmes, statements and further environmental management systems documentation;
- Procedures for environmental risk management including regular environmental audits;
- A list of all chemicals and hazardous substances used, and evidence to demonstrate that alternatives to hazardous substances used where technically and economically viable.
- Appointment of an individual to track relevant legislation and ensure the group/entity/facility's targets are compliant.

INSPECTION

- Review policies, regulatory framework, procedures and practices addressing the issues of production, environment, biodiversity, energy, waste, effluent and emissions across the group/entity/facility.

ENQUIRY

- Interview key management workers concerning the issues of production, environment, biodiversity, energy, waste, effluent and emissions across the group/entity/facility and the degree to which any existing policies, regulation and practices effectively address these issues.

OBSERVATION

- Interview findings should be validated through continued observation, of both the status of the group/entity/facility and of worker activities, during the Assessment. The Independent Verifier should consider to what extent observations match the Self-Assessment documentation and Independent Verification findings where appropriate.

POLICY ON ENVIRONMENT

Key elements in an environmental policy might include:

COMMITMENT

- A statement that the group/entity/facility will identify the environmental aspects of all its activities. This should include impacts on water, air, land and biodiversity and include any climate change implications.
- A statement that all issues of environment policy will be managed as integral parts of the group/entity/facility's business and planning.
- A statement that the group/entity/facility will develop an effective environmental management system to assist in the management (assessment, reduction and off-setting) of those environmental impacts as applicable.

IMPLEMENTATION

- A statement that the group/entity/facility will take into consideration any negative environmental consequences applicable to their operations.
- A statement that the group/entity/facility will set measurable targets and objectives on environmental issues. It will report on the achievement of these targets, including through an annual, publicly available report.
- A statement that the group/entity/facility shall prepare and update plans for managing environmental risk and responding to emergencies.
- A statement that the group/entity/facility will ensure that there is an environmental communication programme that embraces interaction and co-operation with all stakeholders.
- A statement that the use of chemicals and hazardous substances subject to international bans will be eliminated and that alternatives to other hazardous substances used in business processes will be sought and employed where technically and economically viable

AWARENESS BUILDING

- A statement that all workers whose activities may have significant environmental impacts will be given regular (and recorded) training appropriate to their work.

B.6.2 CARBON FOOTPRINTING

REQUIRED INFORMATION

To complete this section of the Assessment you will need:

- The completed Carbon Footprint Template Questionnaire, uploaded under “Documentation for BPP Compliance” on the SMART System. If the group is not yet calculating its carbon footprint, completion of the Questionnaire is still required, by following the guidance in the BPP Requirements.
- Information on whether the group calculates, monitors and reports GHG emissions annually.
- Information on whether the group’s carbon footprint is assured through third-party verification.

INSPECTION

- Review of the Carbon Footprint Template Questionnaire, ensuring applicable tables have been completed, whether the group has started calculating its carbon footprint or not, and that the method used is consistent. If the group has not yet started calculating its carbon footprint, “Not yet calculated” must be indicated in the relevant tables in the Questionnaire.
- Review if any external independent verification is undertaken and, if so, whether this is done against the group’s carbon and climate commitments via recognised external standards.
- If the group is not yet undertaking third-party verification of its carbon and climate commitments, it is not yet a requirement for the group to do so.

ENQUIRY

- Interview key management and relevant workers (including third-party consultants where these are used) responsible for completing the Carbon Footprint Template Questionnaire and understand how and where emissions are calculated and reported.
- If the group undertakes third-party verification of its carbon and climate commitments, interview key management and relevant workers to understand the type of verification employed.

B.6.3 CARBON AND CLIMATE TARGETS

REQUIRED INFORMATION

To complete this section of the Assessment you will need:

- Information on the group’s carbon reduction and climate targets.
- If the group does not yet have targets in place, information on how the group is planning to track their carbon and climate commitments over time once these are in place.

INSPECTION

- If the group already has carbon and climate targets in place, these will be reviewed together with timelines, strategies and plans of action and monitoring and reporting systems to track performance.
- If the group has set or is intending to set carbon and climate targets, it is not immediately required to have a detailed plan of action in place. Review of proactive steps towards identifying the improvement mechanisms, and planning and affecting implementation once targets have been set.

ENQUIRY

- Interview key management and relevant workers (including third-party consultants where these are used) responsible for implementing the group’s carbon reduction and climate targets .

B.6.4 MEASURING PROGRESS AGAINST CARBON AND CLIMATE TARGETS

REQUIRED INFORMATION

To complete this section of the Assessment you will need:

- If the group has carbon and climate targets in place, information on the performance monitoring and reporting system to track progress over time against these targets. If the group does not yet have this in place, information on how the group is planning to track their carbon and climate targets over time once these are in place will be sought.

INSPECTION

Review of procedures related to carbon and climate performance reporting, including:

- A suitable baseline for each measure being disclosed and reported against.
- A robust system in place to record carbon and climate data consumed/purchased during the period.
- Rigorous data validation and verification procedures to ensure that the carbon and climate data collected are accurate, reflective, complete, and usable for reporting.
- Regular and consistent carbon and climate impact reporting that clearly shows progress.
- If the group has just started or not yet started their carbon and climate improvement journey and therefore does not yet have a monitoring and reporting system, this should be put in place as a priority in line with the development of an action plan, and evidence of commitment to its implementation should be available.

ENQUIRY

- Interview key management and relevant workers (including third-party consultants where these are used) responsible for carbon and climate performance reporting.

B.7 MINING

Applicable to De Beers Group mining and exploration entities only.

B.7.1 EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

REQUIRED INFORMATION:

To complete this section of the Assessment, the following will be needed:

- A publicly available statement endorsing the EITI Principles and Criteria;
- Records of all revenues paid to governments in the form of taxes, royalties, signature bonuses and other payments;
- Report on revenue contributions to governments, including breakdown per country;
- Appointment letter or Job Description of senior manager with responsibility for implementation, disclosure and validation with EITI.

INSPECTION

Review (where applicable):

- Statement of De Beers Group's endorsement of the EITI Principles and Criteria.
- Records of all revenues paid to governments in the form of taxes, royalties, signature bonuses and other payments.
- Reporting of revenue contributions in the annual Report to Society.
- Training records for relevant staff.

ENQUIRY

- Interview senior manager appointed for strategic responsibility for supporting EITI.
- Interview relevant staff who have been trained on reporting and collecting data to establish revenue contribution to governments (External Affairs, political risk team, public reporting team, financial reporting team, government affairs team).

POLICY ON EITI

Key elements in a policy on EITI might include:

COMMITMENT

- A statement endorsing the EITI Principles and Criteria, in the form of a policy or equivalent document, and make this publicly available.

IMPLEMENTATION:

- Promote EITI internationally and in countries where the company operates.
- Records of all revenues paid to governments in the form of taxes, royalties, signature bonuses and other payments.

- Report on revenue contributions to governments, including breakdown per country.
- Establish that revenue contributions have been reported in the most up-to-date Report to Society (RtS) and liaise with RtS Assurance team ensuring figures reported are aligned with Sustainability Reporting standards.
- Train relevant staff.

B.7.2 IMPACT ASSESSMENT

REQUIRED INFORMATION

- Environmental and social impact assessment.
- Environmental and social impact assessment policies and procedures.
- Social impact assessments including an assessment of human rights, gender, vulnerable groups, conflict and other related areas.
- Community management plan for mining projects.
- Environmental and social management plans.
- Records of communication with affected communities.

INSPECTION

- Review environmental and social impact assessment policies and procedures.
- Review community management plan for mining projects.
- Review communication with affected stakeholders.
- Review that impact assessments are disseminated in an easily accessible way and made publicly available

ENQUIRY

- Interview relevant managers responsible for implementation.

COMMITMENT

- A commitment to undertake social and environmental impact assessments when new projects have been defined, and to ensure that existing social and environmental impact assessments are kept up-to-date.

IMPLEMENTATION

- Risk identification at new and existing projects: this includes risks associated with:
 - Regulatory approval for the projects.
 - Engagement with relevant stakeholders.
 - Company and/or project reputation.
 - Human rights (including gender, equality).
 - Potential for conflict or violence and risk of political instability.
- Undertake social and environmental impact assessments in accordance with national or applicable legislation.

- Undertake social and environmental impact assessments in alignment with the processes outlined in the International Finance Corporation (IFC) Performance Standard 1.

B.7.3 COMMUNITY ENGAGEMENT AND DEVELOPMENT

REQUIRED INFORMATION

- Socio-Economic Assessment Toolbox (SEAT) implementation.
- Social Impact Assessment (SIA).
- Community Management Plan for mining projects.
- Policies and procedures, including procedures to review existing processes.
- Interviews with management and community.
- Record of communication with affected community.
- Training needs analysis and resource management plans.
- Site social risk register.
- Human rights impact and risk assessments.
- Community engagement/social performance strategy.
- Life of mine and social performance management plans.
- Site stakeholder map.
- Stakeholder engagement plan.
- Socio-economic development initiatives/social investment initiatives budgets, trackers and monitoring and evaluation reports of these initiatives.
- Social Commitments register.
- Departmental organisational structure; responsibilities around community engagement and management (eg job descriptions and levels of authority).
- Social incident/complaints and grievance procedures, and related management systems and reporting platforms.
- Social Incident/Complaints and Grievance Mechanism.
- Resettlement Action Plan and/or Livelihood Restoration Plan (as relevant).
- Impact Benefit Agreements.
- Social and Labour Plans.

INSPECTION

- Review policies and procedures.
- Review SEAT and SIA.
- Review records of communication with community.
- Review training/experience of key staff responsible for community engagement.

ENQUIRY

- Interview community engagement manager responsible.
- Inspect training records.

- Review impact assessments and SEAT implementation results.
- Review policies, procedures and documentation.
- Review records of complaints and grievances/social incidents.

COMMITMENT

- The role of business in community engagement and development programmes should be subject of a risk engagement and stakeholder mapping exercise; and through review of social, economic and environmental impact assessments, current engagement, dispute resolution strategies and consider local and regional development priorities and needs, and strategies for partnership.

IMPLEMENTATION

- Policies and procedures should be documented and reviewed on a regular basis, and should consider:
- Aims of the community programmes and key principles to be followed.
- Key social and human rights risks and impacts.
- Feedback from stakeholder engagement events/studies/reports.
- Resettlement framework.
- Strategic community engagement that is rights-based, and actively seeks to engage vulnerable and marginalized groups.
- Social Incident/Complaints and grievance mechanisms and procedures, including recording, reporting, classifying, investigating, addressing, engaging with the relevant stakeholders and providing access to remediation and appeal as necessary.
- Commitments register that tracks all formal and informal commitments and progress on meeting the commitments.
- Support initiatives to enhance economic development within the community.
- Evidence of a supplier development programme and / or working with local suppliers, enterprises or community members.
- Assign responsibility for community engagement and development programmes to a senior manager function who has the appropriate training and skills and will have oversight strategy, policy and procedures.
- Practical approaches to community engagement include:
- Consultation (focus groups, surveys, public meetings).
- Involvement (workshops, deliberative polling).
- Collaboration (community advisory committees, consensus-building programmes).
- Empowerment (citizens juries, ballots, delegated decision-making).
- Inclusive (gender, minority, vulnerable and marginalised groups).

- Equitable (being aware of power imbalances and attempting to mitigate these).
- Culturally appropriate.
- Rights-compatible (approaches that respect and support human rights).
- Ensure staff receive relevant training on community engagement to identify and address risks and opportunities

B.7.4 HEALTH AND SAFETY

REQUIRED INFORMATION:

- Emergency Response Plans (ERP) for mining operations' specific emergencies scenarios.
- Evidence that ERP were prepared pursuant to APELL guidelines and requirements.
- Records of collaboration and communication with affected communities, workers and their representatives and relevant agencies (eg emergency response service, police, etc.)
- Site visits and workplace inspections.
- Interview with management, workers, contractors and stakeholders.
- Results of drills and emergency exercises.
- Records of training, awareness programmes and practice drills.
- Report of scoping exercise to identify significant potential risks and impacts to community health and safety from mining-related activities.
- Public reporting on community health and safety risks and impacts and monitoring results publicly available.

INSPECTION

- Review policies and procedures.
- Review training records.

ENQUIRY:

- Interview senior health and safety manager in charge of implementation.

POLICY ON HEALTH AND SAFETY

Key elements in a Health & Safety policy might include:

COMMITMENT

- Commit to develop and maintain emergency response plans, in collaboration with potentially affected communities, workers and their representative, in accordance with guidance provided by UNEP on Awareness and Preparedness for Emergencies at the Local Level (APELL) for mining.

IMPLEMENTATION

- Conduct a risk assessment to identify improvement opportunities and risks where issues may arise.
- Develop operational procedures to address and mitigate those risks.
- Engage in consultation with relevant stakeholders.
- Establish an emergency response coordinating group including management team and representatives from key external stakeholders
- Provide training to relevant employees.
- Provide effective communication to stakeholders including information on community health and safety risks and impacts and monitoring results

B.7.5 BIODIVERSITY

REQUIRED INFORMATION:

To complete this section of the Assessment, the following will be needed:

- Biodiversity impact and risk assessment.
- Environmental policy, biodiversity section.
- Identification of Key Biodiversity Areas within or adjacent to mining entity.
- Biodiversity Action Plan.
- Monitoring records of biodiversity changes.
- Training records for relevant employees and contractors.
- Environmental Performance reporting (in line with government reporting requirements and/or sustainability reporting requirements).

INSPECTION

Review (where applicable):

- Environmental policy review.
- Review records of biodiversity changes; inspection reports; and impact and risk assessments and ensure these are up-to-date.
- Review key issue areas and impact of activity on these, including: Key Biodiversity Areas; threatened species; Rehabilitation.
- Review biodiversity compliance and management plans with respect to national and international legislation, conventions and best practices.
- Review monitoring systems to evaluate success of management plans, rehabilitation trials, changes to biodiversity.
- Review qualifications of personnel who have mapped the surrounding area and frequency with which this is done
- Review training records

ENQUIRY

- Interview key staff responsible for environmental policy, biodiversity management plans and implementation of management plans.
- Verify that record keeping is up-to-date.
- Ensure maintenance of standards, plans, proposals, trials are current.

POLICY ON BIODIVERSITY

Key elements of a Biodiversity policy might include:

COMMITMENT:

- A statement that exploration or mining will not be undertaken in World Heritage Sites or lead to extinction of a species listed by the International Union for Conservation and Nature (IUCN) as threatened by extinction.
- A commitment to address biodiversity management in the corporate environmental or sustainability policy.
- A statement that biodiversity, ecosystem services and protected areas impact assessments, management plans and monitoring data shall be publicly available, or made available to stakeholders upon request

IMPLEMENTATION:

- Establish well-informed biodiversity management plans for each mining/exploration facility through identification of biodiversity risks; mitigation; rehabilitation and enhancement processes. Management plans should consider protected areas, Key Biodiversity Areas, Threatened Species and Rehabilitation.
- Establish systems and monitoring practices to implement management plans and monitor impact against milestones and changes in legislation and conventions.
- Implement action plans to deliver measurable biodiversity benefits that are at least commensurate with the level of adverse impacts, and ideally provide net positive impact
- Record keeping and reporting – monitor changes in biodiversity and evaluation of management plans against targets. Reporting should cater to government reporting requirements and provide information for the broader public and other stakeholders.
- Provide training to relevant staff to ensure adequate competency and knowledge of biodiversity policies, risks, plans and procedures.
- Implement appropriate mitigation and treatment if impacts are identified.

B.7.6 NATURAL RESOURCE AND ENVIRONMENT RISK MANAGEMENT

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Tailings and waste disposal risk assessment and management plan
- Third-party independent review
- If applicable, assessments completed under the Global Industry Standards for Tailings Management.
- Report of physical and geotechnical characteristics of tailings and waste rock
- Inspection of tailings facilities and waste-rock facilities.
- Geotechnical design and inspection reports.
- Waste management water usage, land usage and resource usage policies
- Noise assessment
- Water, air quality and soil impact assessment
- Social and environment Impact assessments.
- State of the environment reports.
- Expert scientific studies.
- Management system for mitigation of impact on resource use
- Monitoring and evaluation reports for natural resources
- Details of energy efficiency initiatives and water stewardship initiatives

INSPECTION

Review (where applicable):

- Register of regulatory requirements and how this is kept up to date
- Risk assessments and minutes of review meetings deciding on actions
- Review appointment letter and/or job description of engineer of record and assess seniority and level of influence
- Tailings and waste management policy and evidence of implementation
- Inspections, engineering reports and mitigation controls implemented in relation to any tailings, reviews and action plans
- Records of tailings and waste rock disposal
- Mechanisms in place to monitor use of and management of natural resources (water, soil and carbon emissions) and impact on surrounding communities
- Impact assessments and systems for managing and

protecting the environment and local communities from risks

- Mechanisms in place to engage with government, local authorities and other stakeholders within surrounding communities

ENQUIRY

- Interview key staff responsible for environmental policy, resource usage, waste management plans and implementation.
- Discuss plans for resource usage and minimisation and continual improvement
- Verify how protection of local communities has been designed and implemented and how this is reviewed and communicated
- Verify that record keeping is up-to-date.
- Ensure maintenance of standards, plans, proposals, trials are current.

POLICY ON NATURAL RESOURCE AND ENVIRONMENT RISK MANAGEMENT

- Ensure reference to natural resource management and environmental risks in the company's sustainability (or equivalent) documentation

IMPLEMENTATION

- Conduct risk assessment against tailings disposal, in intervals as required. Establish a tailings disposal management and monitoring approach.
- Adopt and adhere to site-specific tailings and waste rock management performance standards that ensure structural stability and protect the surrounding environment and local communities.
- Establish strong governance systems and monitoring processes based on established scientific advice.
- Implement management plans and monitor impact against milestones and changes in legislation and conventions.
- Establish targets for resource usage and ongoing reduction.
- Record keeping and reporting: monitor impacts and evaluation of management plans against targets. Reporting should cater to government reporting requirements and provide information for the broader public and other stakeholders.
- Provide training to relevant staff to ensure adequate competency and knowledge of biodiversity policies, risks, plans and procedures.
- Implement appropriate mitigation and treatment if impacts are identified.
- Engagement with relevant stakeholders to manage risks and promote opportunities

B.7.7 MERCURY

REQUIRED INFORMATION

- Where the entity is using mercury in processing or contained in saleable products, by-products or waste, the entity needs to comply with the following standards and requirements.
- Many jurisdictions already have legal and regulatory frameworks for mercury control and management; it is important to ensure all legal requirements in all areas of operation are followed.
- The entity shall ensure that all sources and emissions of mercury and mercury compounds from operations are identified and quantified.
- Where feasible, the entity shall reduce mercury emissions using best available techniques or best environmental practices that take into account technical and economic conditions.
- Entities using mercury in artisanal and small-scale mining and processing activities shall take steps to control, reduce, and where feasible, eliminate the use of mercury and mercury compounds in mining and processing.
- Whole or amalgamation, open burning of amalgam or processed amalgam or burning of amalgam in residential areas shall be eliminated.
- Cyanide leaching in sediment, ore or tailings to which mercury has been added with the mercury being removed first, shall be eliminated.

INSPECTION

- Review of policies regarding mercury reduction, substitution, elimination or mitigation.
- Review of mercury identification registers and quantification of any mercury or mercury compounds in processing or containment of saleable products, by-products or waste.
- Review usage and management of cyanide.
- Review of legal register relating to mercury legislation in areas of operation.

ENQUIRY

- Interview relevant personnel involved in management of mercury or cyanide usage in processes or products.

COMMITMENT

- A commitment to reduce or eliminate, substitute or mitigate sources and emissions of mercury.
- A commitment that any sites using cyanide will be certified to the International Cyanide Management Code

IMPLEMENTATION

- Identify and quantify all sources and emissions of mercury and mercury compounds from operations and put in place appropriate controls using cost effective, best-appropriate technology determined through a risk-based approach.

- Adopt a risk-based approach to assess and prioritise management options; such as reduce, eliminate, substitution and/or mitigate impacts associated with handling/discharge of mercury or its compounds.
- Remain up-to-date with relevant legislative or regulatory changes controlling mercury.

- Seek to build long-term partnership with Indigenous Peoples to support self-empowered regional and community development.
- Gender consideration.
- Monitor progress of engagement approaches, agreements and evaluating impacts in conjunction with relevant stakeholders.

B.7.8 INDIGENOUS PEOPLES

REQUIRED INFORMATION

- Applicable law regarding Indigenous Peoples.
- Policies and procedures.
- Interviews/engagement with the community.
- Records of communication with Indigenous Peoples and the community.
- Documented process of identifying Indigenous Peoples affected by the operation and how they are affected (if at all).
- Communication policies and procedures.
- Communication Management plans.
- Records of broad-based support.
- Community partnership programmes and initiatives.
- Records of communication with affected Indigenous Peoples.

INSPECTION

- Review risk assessment of potential impact of business on Indigenous Peoples.
- Review policies and procedures on approach to Indigenous peoples.
- Review communications with indigenous peoples and the community.

ENQUIRY

- Interview key staff involved with policy development and community engagement.

COMMITMENT

Develop written policy and related documentation to include the business' approach to Indigenous Peoples. The policy should include key principles such as:

- Acknowledge and respect the diversity and rights of Indigenous Peoples.
- Identify and fully understand the interests and perspective of Indigenous Peoples regarding the project and its potential impacts.
- Engaging in on-going consultation with Indigenous Peoples.
- Seek to obtain broad-based support of affected Indigenous Peoples.
- Affirmative action and partnerships to build participation of Indigenous Peoples in the mine workforce.

IMPLEMENTATION:

- Ensure policies and procedures are aligned with applicable legislation.
- Ensure all staff relating with Indigenous Peoples receive relevant training to ensure sufficient knowledge of key principles (above), local issues and appropriate conduct.
- If providing employment opportunities for Indigenous Peoples, training and education may need to be made available to qualify indigenous workers and consideration need to be given for cultural awareness training.
- The engagement process with Indigenous Peoples should be carried out in an equitable, inclusive, culturally-appropriate, and rights-compatible manner.
- Ensure all engagement and communication with Indigenous Peoples is documented.
- For new projects, or significant changes to existing operations, the entity/company shall work to obtain the Free Prior and Informed Consent (FPIC) of Indigenous Peoples, as described in the requirements under the International Finance Corporation's Performance Standard 7.
- The FPIC process shall be consistent with traditional decision-making processes, while respecting internationally-recognised human rights based on good-faith negotiations, through a mutually-accepted and documented process between all relevant stakeholders, including the Indigenous Peoples and relevant government authorities.
- Establish a mechanism to periodically monitor the effectiveness of any mechanisms or agreements developed to deliver community benefits, in collaboration with the community.

B.7.9 ARTISANAL AND SMALL-SCALE MINING

REQUIRED INFORMATION

- Records of consultation with Artisanal and Small-scale Mining (ASM) Stakeholders at every stage of mine life cycle.
- Engagement in initiatives to formalise ASM activities.
- Policies and procedures on ASM-related security approaches (in accordance with the Voluntary Principles on Security and Human Rights).
- Policies and procedures with respect to closure planning and managing instances where ASM activities might expand when a mine closes.

- Record of engagement (eg with respect to ASM miners throughout closure planning process).
- Socio-Economic Assessment Toolbox (SEAT) implementation.
- Evidence of engagement with local artisanal mining operations on or around facilities.
- Evidence of liaison with local police, government officials, and communities on the subject of illegal mining.

INSPECTION

- Review of policies and procedures.
- Review of risk assessments and related mitigating strategies.
- Review of training records.

ENQUIRY

- Interview of key staff involved in ASM engagement.

COMMITMENT

Develop policies and procedures that address engagement with ASM.

IMPLEMENTATION:

- Conduct a risk assessment of relationship between ASM and the business. This should be informed by studies and experts.
- Develop policies, strategies and action plans through consultation with experts and engagement with the community and ASM miners.
- Customise the procedures for local conditions and in consultation with key stakeholders, including the ASM miners through a multi-stakeholder approach.
- Consider ASM engagement in conjunction with impact assessment and community engagement approaches.
- Align with applicable legislation.

B.7.10 SECURITY GUARDS

REQUIRED INFORMATION

- Risk assessments.
- Security procedures and protocols.
- Training records/signed training attendance.
- Interviews with security personnel and training coordinator.

INSPECTION

- Review policies and procedures regarding use of security personnel.
- Review training records and training programme at relevant site.

ENQUIRY

- Interview relevant management responsible for security personnel and training.

COMMITMENT

- A commitment to undertake a security risk assessment to understand the security risk environment, considering risks from political, economic, civil, social or environmental factors.
- A commitment to ensuring that security personnel at mining facilities comply with the Voluntary Principles on Security and Human Rights.

IMPLEMENTATION

- Develop a policy on the conduct of security personnel and clearly establish the importance of respect for human rights, boundaries for security activities, appropriate procedures for managing security issues and conflicts, and the consequences of any human rights abuses.
- Security personnel at mining facilities comply with the Voluntary Principles on Security and Human Rights and should receive relevant training.
- Security arrangements should be designed and regularly reviews on basis of on-going analysis of conflict risks and context.
- A process is required to identify structural and emergent security threats and address them at various levels, including effective security management strategies and through community engagement and development activities.
- Ensure human rights of artisanal and small-scale miners are addressed in the training for private security personnel.

B.7.11 MINE CLOSURE PLANNING

REQUIRED INFORMATION

To complete this section of the Assessment, the following will be needed:

- Mine Closure and Reclamation Plans.
- Consultation meeting minutes and/or engagement activities that have occurred regularly with local communities/regulators/artisanal and small scale miners/indigenous people.
- Interviews with management and workers; management and community (if possible).
- Records of communication with affected communities.
- Applicable law for closure criteria and establishment of financial provisions with evidence that these are revisited regularly.
- Reports of geotechnical stability and routine maintenance as required by applicable law for any closed mines.

INSPECTION

- Review of mine closure and reclamation plans and evidence these are kept up-to-date.
- Review of consultation meeting minutes with relevant stakeholders.
- Review of legislation applicable to mine closure planning, including financial provision.
- Review of any significant changes; modifications made to the mining facility and the impact on mine closure planning.
- Review reports of monitoring for any closed mines

ENQUIRY

- Interview mine manager and manager responsible for mine closure plans and implementation.

COMMITMENT

Ensure reference to mine closure planning in the company's sustainability (or equivalent) documentation.

IMPLEMENTATION

- Ensure mine closure planning is taken at earliest possible stage of a mining project and regularly reviewed.
- Closure planning should be integrated through a number of fronts, including mine life (from exploration, feasibility, construction, operations, corporate and decommissioning stages); multi-disciplinary (between different operational disciplines on a company (eg environment, planning, feasibility, financial, risk management and strategy teams) and multi-stakeholder (between various external stakeholders including community and government).
- Reviews should consider external and internal changes and be adaptable to national and local conditions, regulations and priorities.
- Plans should include monitoring for stability and any ongoing maintenance for closed mines.
- Ensure financial assurance and associate implementation resources are adequate and monitored and updated as needed.
- Reporting: both formal governmental reporting and regulatory requirements, and public reporting on performance (through academic reports to sustainability reports).

B.7.12 SUSTAINABILITY REPORTING

REQUIRED INFORMATION

- Annual Sustainability Performance Report, externally shared.
- Policies and procedures for external reporting.
- Record of applicable GRI and GRI Mining and Metals Sector Supplement performance indicators.

- Methods for sustainability performance measuring and monitoring.
- Third-party assurance statement for sustainability report.

INSPECTION

- Review process for sustainability reporting.
- Review sustainability reporting systems and processes.

ENQUIRY

- Interview sustainability reporting manager.
- Review process for assurance review.

COMMITMENT

Identify company commitments to sustainability reporting.

IMPLEMENTATION

- Develop strategies and systems for report content, report quality, data collection and external assurance and in alignment with the GRI Reporting Framework and the Sustainability Reporting Guidelines.
- Disclose approach to external assurance within the sustainability report.
- Report should be made publicly available.

D.7.13 DIVERSITY AND INCLUSION

REQUIRED INFORMATION

- An engagement plans and/or initiatives and/or mechanisms to establish a diverse and inclusive culture.
- Outcome of the human rights due diligence/ or any other risk assessment in relation to diversity and inclusion and equal opportunities.

INSPECTION

- Review of engagement plans and/or initiatives and/or mechanisms currently in place.
- Review of group/entity's strategy on diversity and inclusion.

ENQUIRY

- Interview of workers to determine awareness of diversity and inclusion strategy/initiatives.
- Interview relevant manager.

IMPLEMENTATION

- The diversity and inclusion strategy can be in place at either group or entity level and should be applicable to the group/entity's context (for example a gender inclusion strategy or a broader diversity and inclusion strategy).

B.8 CORPORATE SOCIAL INVESTMENT AND BUSINESS IMPACT

- This is a voluntary section and does not impact a group's compliance status against the requirements of the BPP Assurance Programme.
- Corporate Social Investment is in most cases a voluntary business activity, but is increasingly an important component of agreements with communities or governments and considered part of being a responsible business.
- Groups can consider making commitments specifically related to inclusion and diversity initiatives. Examples could include commitments on promoting equal opportunities, inclusive recruitment processes, equal career development opportunities and leadership opportunities.
- Groups can also consider creating initiatives specifically related to measures which support the employment of people living with disabilities whether visible or invisible.
- Where groups are making commitments related specifically to inclusion and diversity, they should be able to measure progress on these commitments, using either qualitative or quantitative approaches.
- Often Corporate Social Investment activities are applied to communities within the immediate and surrounding areas of a company's operations, and who may be impacted by the company's activities. These impacts may be social, economic and/or environmental.
- The Corporate Social Investment approach adopted by a company should be determined by local needs and priorities and the scale and resources of the business. Examples of Social Investment initiatives could include, but are not limited to:
 - Designing programmes for training, , capacity development and employee retention.
 - Offering supplier diversity programmes.
 - Supporting community-based and minority-owned businesses.
 - Supporting local development goals by supporting programmes focused on health and education initiatives in the community.
- The group/entity/facility can also identify opportunities to align with and demonstrate impact with the United Nations Global Goals for Sustainable Development (often referred to as "the Sustainable Development Goals").
- The Sustainable Development Goals were ratified by the United Nations in 2015 to address key social, economic and environmental issues that affect the planet.
- There are 17 key overarching Sustainable Development Goals and 169 related targets covering all aspects of life. They are as follows:

1. No poverty
 2. Zero hunger
 3. Good health and well-being
 4. Quality education
 5. Gender equality
 6. Clean water and sanitation
 7. Affordable and clean energy
 8. Decent work and economic growth
 9. Industry, innovation and infrastructure
 10. Reduced inequalities
 11. Sustainable cities and communities
 12. Responsible consumption and production
 13. Climate action
 14. Life below water
 15. Life on land
 16. Peace, justice and strong institutions
 17. Partnership for the Global Goals
- While it is governments that sign up to and adopt the Sustainable Development Goals, governments will look to society and businesses for help to achieve them.
 - The private sector has a critical role to play in achieving the goals and companies across a wide variety of sectors are evaluating how to integrate the Sustainable Development Goals into their approach to business.
 - Businesses should consider which Sustainable Development Goals they are able to most effectively support and seek alignment with local and national government priorities.
 - The following is a suggested guide, but there are many other resources available that outline a variety of approaches that business could take to actively demonstrate support of the Sustainable Development Goals.
 - Businesses may already be supporting programmes both formally and informally to support the achievement of the Sustainable Development Goals.

INSPECTION

- Review of overall approach to Corporate Social Investment and annual amount spent on related initiatives.
- Review of compliance with relevant legislation, such as anti-bribery and corruption requirements.
- Review of impact of existing programmes, including tracking and monitoring performance.

ENQUIRY

- Interview with senior staff involved with decision-making and disbursement of funds.

COMMITMENT

- As this is a voluntary initiative, formal commitments are not required. However, should initiatives be supported by an entity, it is important the entity demonstrates its commitment to new and existing programmes that it has pledged to support.
- Governance structures should be established to make informed decisions on best use of funds.
- Relevant controls should be established to manage any potential risks that legitimate donations or corporate social investment can be misused by third parties or create the perception that donations have been misused, for example through anti-corruption policies.

B.9 GOLD, PLATINUM GROUP METALS, SILVER AND COLOURED STONES SECTION

REQUIRED INFORMATION

Please refer to the Responsible Jewellery Council (RJC) Standards on requirements under the Gold Section.
www.responsiblejewellery.com

B.10 INTEGRITY OF THE BPP PROGRAMME

This section is to ensure that the BPP Workbooks are completed in the spirit of the BPP Assurance Programme.

INSPECTION

- Review of BPP Workbooks to ensure they have been completed with full explanation and evidence.
- Where consultants are shared, ensure no stock answers have been provided across different groups' BPP Workbooks.
- Where autofill has been used, review of BPP Workbook answers to ensure that answers have been updated where necessary.

ENQUIRY

- Interview with relevant individual(s) responsible for managing the BPP Assurance Programme to ensure they reviewed all submitted BPP Workbooks if using autofill and/or consultants.

COMMITMENT

- A commitment to comply with the BPP Assurance Programme and participate as fully as possible and to provide unique and genuine answers when completing the BPP Workbook.

B.11 RESPONSIBLE JEWELLERY COUNCIL CERTIFICATION SUPPLEMENT

De Beers Group BPP Assurance Programme seeks to ensure that consumers have the utmost confidence in diamonds and the wider diamond industry. De Beers Group, its Sightholders and other applicable participants, are assessed against the BPP Assurance Programme's rigorous framework of business, social and environmental responsibilities.

The Responsible Jewellery Council (RJC) is a not for profit, standard-setting organisation seeking a similar mandate, to promote supply chain integrity and sustainability in the global jewellery and watch industry, with the intent to reinforce consumer and stakeholder confidence in the industry. The RJC Code of Practices (COP) standard focuses on business ethics (responsible human rights, social and environmental practices) and responsible supply chains from mine to retail and covers all the primary minerals and metals used in the manufacture of jewellery: gold, silver, platinum group metals, diamonds and coloured gemstones in diamond and gold jewellery products.

Since 2011, De Beers Group has developed a scheme ("the Opt-In scheme") whereby Sightholders (and other applicable BPP participants) who are compliant with the BPP Assurance Programme will have the option to combine their BPP audit with an RJC audit in order to:

- Become a RJC certified member against the COP
- Re-certify against the COP as an existing RJC member
- Extend the scope of an existing RJC membership.

The cost of the combined audit will be borne by De Beers Group. However, Sightholders will be required to pay the Independent Verifier RJC report fee and their RJC membership fees. Any additional RJC audits, necessary to complete the RJC certification process, will be the responsibility of the RJC member in terms of costs.

To maintain the similar mandates between the two programmes, upon publication of any updated RJC COP, the BPP Assurance Programme requirements will be reviewed and updated where necessary to maintain alignment. Whilst there may remain some differences in terms of standards, methodology and approach, the opt-in scheme will ensure that one audit covers the requirements from both the BPP Assurance Programme and RJC's COP where these differ.

This synchronisation will contribute the following to the current BPP Assurance Programme:

- An internationally recognized certificate issued by the RJC for Sightholders who successfully comply with the COP standards (subject to their full scope of certification being covered by the opt-in scheme).
- Incorporation of a Gold, Platinum Group Metals, Silver and Coloured Gemstones Standard for Sightholders that conduct business in both the diamond and other materials industries.
- Incorporation of a more extensive Mining Standard for more in-depth coverage of the mining aspect of the jewellery supply chain.

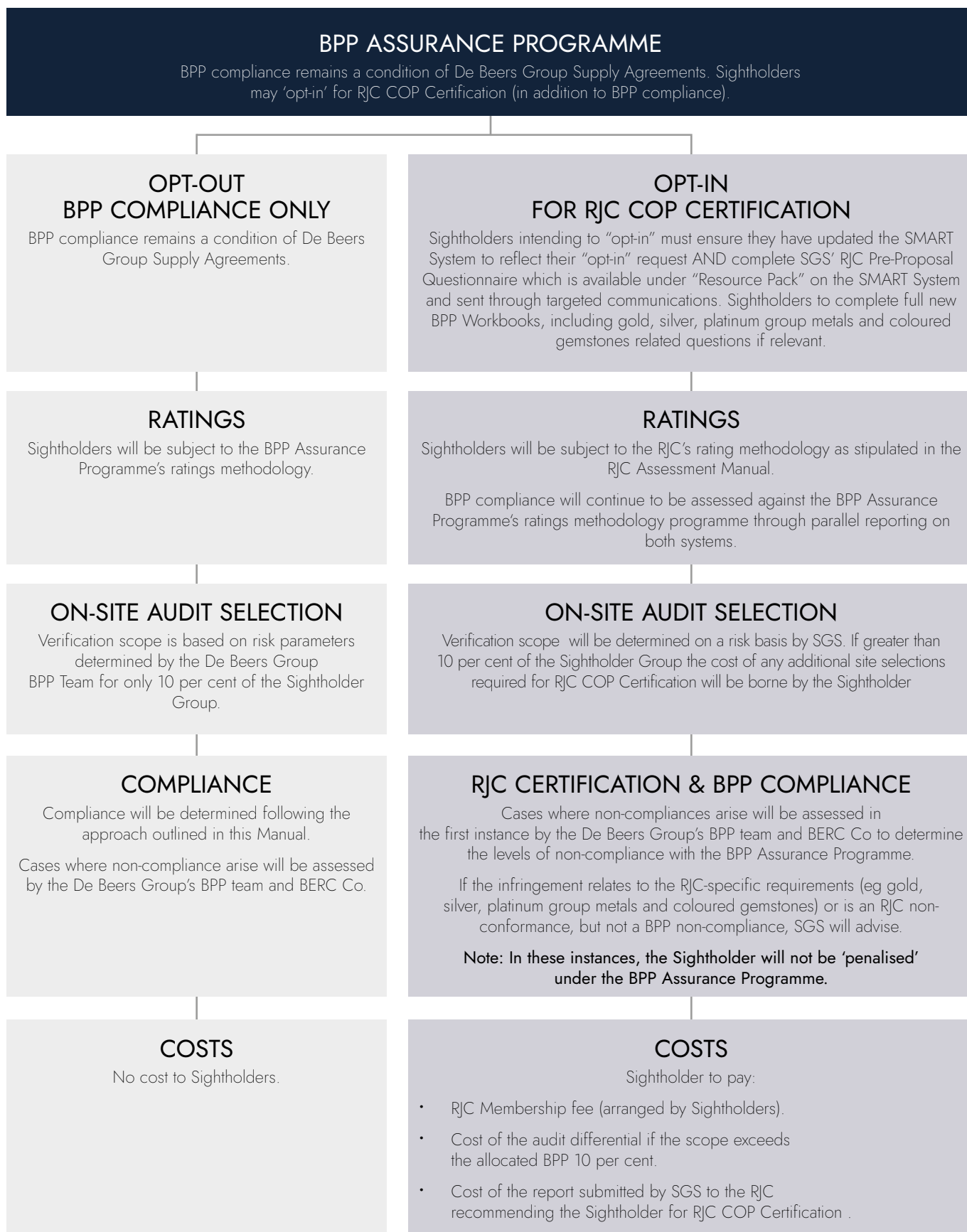
The following conditions must be met by Sightholders in order to be eligible for this scheme:

- Sightholders will have to decide whether to opt-in to this scheme at the start of the BPP cycle before downloading the BPP Workbooks. This selection is made on the SMART System. (see figure 3);
- Sightholders will have to complete SGS's RJC Pre-Proposal Questionnaire by the agreed BPP Workbook deadline as communicated at the start of each cycle, to formalise their opt-in application for consideration;
- RJC membership covers the supply chains of diamonds, gold, silver, platinum group metals and coloured gemstones industries, including large and small businesses. Sightholders will have to comply with the additional material standards incorporated in the BPP Assurance Programme;
- Applicable BPP Workbooks must be submitted and will be deemed sufficient to cover the RJC self-assessment requirement;
- Sightholders must be prepared to bear the cost of their RJC report and RJC membership fee;
- If the scope of the RJC verification visits exceeds the annual 10 per cent scope of BPP on-site audits, then Sightholders must be prepared to bear the differential cost of the visits for any additional "RJC only" site audits;
- Contractors cannot opt in if they have a separate RJC membership to the Sightholder(s) they contract for;
- The opt-in scheme is only available for RJC initial certifications or re-certifications. It cannot be utilised for the purposes of any COP midterm reviews required by the RJC;
- Where Sightholders have multiple RJC memberships, opt-in requests for more than one RJC membership during a single BPP cycle may not be accommodated;
- If Sightholders do not provide all required opt-in documentation to SGS by the agreed timeframes, the opt-in request may not be accommodated.

Whilst every effort will be made to accommodate opt-in requests, where the site selection would contravene the usual risk-based approach taken for selecting BPP audit sites (eg ensuring a variety of entities from both an activity and jurisdiction perspective are chosen each year), De Beers Group reserves the right to reject such a request.

Please note that the ratings of RJC non-conformances may differ from BPP ratings in certain areas under the RJC guidelines. (See www.responsiblejewellery.com for more information.)

B.11.1 FIGURE 3



For Sightholders who wish to opt in and whose business activities include use of gold, silver, platinum, platinum group metals and/or coloured gemstones, the RJC COP certification can be supported through the BPP Programme, but the Sightholder will need to obtain all additional costs from SGS directly. This will be done at the point of opting in and SGS will be in touch for relevant information. For information relating to the standards applied for these other materials, please refer directly to the RJC COP Standards and Guidance.

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