



**NORTHWEST TERRITORIES
BUSINESS POLICY**





INTRODUCTION

The De Beers Northwest Territories (NWT) Business Policy is based upon the company's commitment to the three pillars of sustainable development; economic, social and environmental sustainability. This policy sets out how De Beers will contribute to the development of a sustainable economy in the NWT through the provision of business opportunities.

POLICY STATEMENT

De Beers Canada's projects in the NWT will provide long-term opportunities in the region.

De Beers will do business in a way that will maximize its contribution to the local economy and to the social development of the communities in the region.

OUR COMMITMENT

Through the implementation of our Business Policy, we will:

- Establish and maintain a Business Development Coordinator in Yellowknife who will work with Aboriginal and NWT businesses to initiate, develop, grow, and support their successful participation in our project.
- Ensure that Aboriginal and NWT business participation in the construction and operation of the Snap Lake Project is maximized, giving special consideration to building business capacity in the primary communities.
- Inform Aboriginal and NWT businesses of our business opportunities first: positioning them to provide competitive bids among southern competitors.
- Match contract sizes with Aboriginal and NWT business capabilities and capacities.
- Adjust contract durations to support new or expanded business development in the NWT, where feasible.
- Work with stakeholders to minimize the financial, technical and capacity issues which have potential to limit the participation of Aboriginal and NWT businesses.
- Provide assistance to northern businesses to assess the opportunities that the Snap Lake Project will create and in the development of business and implementation plans that present price competitive options for De Beers' consideration.
- Facilitate access to established sources of publicly available economic development funds for new and existing NWT businesses.
- Work with contracted businesses to develop price competitive options.
- Establish hiring priorities for ourselves and our contractors that will support the development and growth of a skilled workforce among Aboriginal and NWT businesses.
- Report annually on our procurement of goods and services and the extent to which those have been purchased from Aboriginal and NWT businesses.



PRINCIPLES

De Beers will work with Aboriginal and NWT businesses to develop sustainable and equitable relationships based on the following principles:

- Goods and services procured from businesses must meet mining industry service and quality standards.
- Development of long-term sustainability and business capacity will be a fundamental consideration when entering into business relationships with Aboriginal and/or NWT businesses.
- Our work with Aboriginal and/or NWT business will support the development of technical and business skills and capacities that are transferable to other industries.
- De Beers will treat all companies fairly regardless of size or capability.
- De Beers will carry out business in a professional manner and will abide by all northern business codes, practices and guidelines.
- Financing requirements for the provision of goods or services to the Snap Lake Project will be the responsibility of the contracted business.
- All contractors will be required to understand and comply with De Beers' Safety, Health and Environmental Management Systems.
- All contractors will be required to understand, comply with, and report on their success regarding northern hiring priorities which have been established in the Socio-Economic Monitoring Agreement between De Beers and the Government of the Northwest Territories.

DEFINITIONS

The following definitions reflect those agreed to between De Beers and the Government of the Northwest Territories in our Socio-Economic Monitoring Agreement.

ABORIGINAL

Aboriginal means any Indian, Inuit or Métis individual who:

- a) originated in the NWT; or
- b) is a descendant of an Aboriginal individual originating in the NWT.

ABORIGINAL BUSINESS

A business that complies with the legal requirements to carry on business in the NWT, and meets one of the following criteria:

- a) is a limited liability company with at least 51 percent of the company's voting shares beneficially owned by one, or more, Aboriginal(s) resident in the NWT;
- b) is a co-operative with at least 51 percent of the co-operative's voting shares beneficially owned by the Aboriginals resident in the NWT;
- c) is a sole proprietorship, or the proprietor of which is an Aboriginal resident in the NWT; or
- d) is a partnership, the majority interest in which is owned by one, or more, Aboriginal(s) resident in the NWT and in which the majority of benefits, under the partnership agreement, accrue to such Aboriginal(s) and complies with the following criteria;
 - maintains a permanent place of business in the NWT;
 - maintains a manager, who is an NWT resident; and
 - undertakes the majority of its management and administrative functions (related to its operations in the NWT) in the NWT.

CONTRACTOR

- means each and every contractor and sub-contractor which supplies goods and services to De Beers for the Snap Lake Project or future Snap Lake Diamond Mine.

NWT BUSINESS

- An Aboriginal business; or
- A business that complies with the legal requirements to carry on a business in the NWT, and complies with all of the following criteria:
 - maintains a permanent place of business in the NWT;
 - maintains a manager who is an NWT resident;
 - undertakes the majority of its management and administrative functions (related to its operations in the NWT) in the NWT; and
- is a business in which NWT residents have substantial management authority or in which NWT residents have significant ownership or working interest.

NWT RESIDENT

An NWT resident is any individual who primarily resides in a self-contained domestic establishment (other than a residence at a remote work site) in the NWT, when not in full-time attendance at an educational institution outside the NWT.

PRIMARY COMMUNITIES

- means the communities described in the De Beers Snap Lake Project Environmental Assessment, submitted to the Mackenzie Valley Environmental Impact Review Board, dated February 2002. These include the communities of Lutsel K'e, N'dilo, Dettah, Gameti, Wha Ti, Rae/Edzo, Wekweti, Yellowknife, and the North Slave Métis Alliance population.