

77 DIAMONDS

LONDON

Responsible Sourcing Policy

At **77 Diamonds**, we recognise that risks of significant negative impacts may be associated with the gemstones and jewellery industry throughout all stages of the supply chain. For this reason, we commit to managing our supply chain responsibly, in particular when sourcing minerals from Conflict-Affected and High-Risk Areas (CAHRA).

Through this Responsible Sourcing Policy, we commit to respecting human rights and to refraining from any action which contributes to the financing of conflict, including through compliance with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

To this end, we will implement a due diligence process for our minerals supply chains, with the goal to prevent, identify, and manage risks associated with the extraction, trading, handling and exporting of minerals from CAHRA. We will carry out due diligence based on the 5-step framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), and will focus our efforts on preventing, identifying and managing, at a minimum, the following risks, as described below:

- Serious human rights abuses, such as forced labour and the worst forms of child labour;
- Support to non-state armed groups;
- Risk associated to the contracting of public or private security forces;
- Bribery and fraudulent misrepresentation of the origin of the mineral;
- Money laundering and non-payment of taxes, fees and royalties due to governments.

Should any of such risks be identified, we will take appropriate risk management action, as described below.

Regarding serious abuses associated with the extraction, transport or trade of minerals:

While sourcing from, or operating in, CAHRA, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:

- i. any forms of torture, cruel, inhuman and degrading treatment;
- ii. any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
- iii. the worst forms of child labour;
- iv. other gross human rights violations and abuses such as widespread sexual violence;
- v. war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined above.

Regarding direct or indirect support to non-state armed groups:

We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- i. illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or

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- ii. illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- iii. illegally tax or extort intermediaries, export businesses or international traders.

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined above.

Regarding public or private security forces:

We agree to eliminate direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export businesses or international traders.

We recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

Where we or any business in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.

We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.

We will support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

Where we identify that such a reasonable risk exists, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, as defined above. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan.

Regarding bribery, fraudulent misrepresentation of the origin of minerals, money laundering and payment of taxes, fees and royalties to governments:

We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments.

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We commit to engage with suppliers and, where relevant, with central or local governmental authorities, international organisations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

We commit to making all necessary resources available for the implementation of the due diligence process, as reflected in our Due Diligence Procedure which provides detailed guidance for the implementation of the 5-step due diligence framework of the OECD Guidance within our business.

77 Diamonds requires executives, management and employees, as well as contractors and suppliers, to be familiar with their responsibilities and adhere to this Policy and related procedures.

This policy will be reviewed and updated on a regular basis.

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