

2024

Global Responsible Sourcing Manual

NG-RS-013

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DOCUMENT APPROVAL

This RSM- Group's manual Document (NG-RS-013) represents the commitment of all Niru's entities to comply with local and international law, the requirements of the De Beer's Best Practice Principles scheme and the Principles and RJC's Code of Practices.

The contents of this document have been reviewed and approved by the group's CEO.

All employees of Niru group of companies are required to be familiar with this document and comply with various requirements contained in this document.

The group's C.O.O is responsible for making changes / revisions to this document and all employees are advised to bring to his attention any problems that they may face in the implementation of the requirements contained in this document.

Mr. Ranjeet Barmecha
NIRU GROUP CEO

A-Introduction

The Responsible Sourcing Policy sets forth Niru’s commitments and strategy to avoid contributing to conflict or to any abuses when sourcing minerals from high-risks areas and is addressed to all Niru stakeholders worldwide.

The Responsible Sourcing Policy is consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter “OECD Guidance”) and is applicable to all minerals sourced by Niru.

B-Definition

Organization for Economic Cooperation and Development (OECD): The Organization for Economic Co-operation and Development (OECD) is an intergovernmental organization with 38 member countries to stimulate economic progress and world trade that works to build better policies for [better lives](#).

C-Management Commitment

- a. Niru Responsible Sourcing Policy follows the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Diamonds from Conflict-Affected and High-Risk Areas, the Kimberley Process Certification Scheme and supports the United Nations Guiding Principles on Business and Human Rights, including sanctions. Niru expects that its members and companies following this guidance will follow all applicable country laws, including those relevant to responsible sourcing. We undertake initiatives to promote greater environmental responsibility.
- b. Niru recommends to all its members that they undertake due diligence on their own supply chain in accordance with the OECD’s Due Diligence Guidance to ensure that these supply chains are responsibly managed.
- c. Niru Group implement the WDC Industry System of Warranties Guidelines for Diamonds

- d. Niru will neither tolerate nor profit from, contribute to, assist, or facilitate the commission of serious abuses associated with the extraction, transport, or trade of minerals from conflict-affected and high-risk areas:
- any forms of torture, cruel, inhuman, and degrading treatment.
 - any forms of forced or compulsory labor.
 - the worst forms of child labor.
 - other gross human rights violations and abuses such as widespread violence.
 - war crimes, violations of international humanitarian law, crimes against humanity and/or genocide.
- e. Niru will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling, or export of minerals, including:
- illegally controlled mine sites or otherwise controlled transportation routes;
 - illegally taxed or extorted money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
 - illegally taxed or extorted intermediaries, export companies or international traders.
- f. Bribery and fraudulent misrepresentation of the origin of minerals: Niru will not offer, promise, give or demand bribes and will resist the solicitation of bribes to conceal or disguise the origin of minerals or to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport, and export of minerals.
- g. Money laundering: Niru will support and contribute to efforts to eliminate money laundering where it identifies a reasonable risk 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.

D-Risk Management Strategy

- a. To implement these commitments, Niru conducts an effective and comprehensive risk-based due diligence process, which includes Know your Counterparts (KYC) checks to identify its upstream and downstream partners, as well as all activities recommended by

the OECD Guidance, as reflected in the OECD five-step framework. Ref “Niru group supplier management Guideline and Procedures”

- b. As a certified member of the Responsible Jewellery Council (RJC), Niru is audited every 3 years by an independent third-party against the Responsible Jewellery Council (RJC) Code of Practices (COP), notably with respect to its human rights risk due diligence process.
- c. Niru only buys or sells diamonds that are fully compliant with the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties.
- d. Niru only buys precious metals from refiners certified against the following international standards:
 - Responsible Jewellery Council (RJC) Code of Practices (COP); and
 - Responsible Jewellery Council (Chain-of-Custody).
- e. Niru commits to using its influence to prevent abuses within its supply chains. The following consequences will apply where Niru identifies a reasonable risk that a supplier is associated with one or more of the following risks:
- f. Serious abuses associated with the extraction, trade and transport of minerals identified in paragraph C. of d, of this Responsible Sourcing Policy: Immediate suspension or disengagement.
- g. Direct or indirect support to non-state armed groups as described in paragraph C. of e, of this Responsible Sourcing Policy: Immediate suspension or disengagement.
- h. Direct or indirect support to public or private security forces who illegally control mine sites, transport routes and upstream actors (including illegal taxation): Temporary suspension, followed by implementation of measurable mitigative actions and monitoring. Suspension or disengagement if mitigation measures implemented are ineffective within reasonable timescales.
- i. Money laundering, bribery, and fraudulent misrepresentation of the origin of minerals and non- payment of taxes, fees and royalties to governments: Temporary suspension, followed by implementation of measurable mitigative actions and monitoring. Suspension or disengagement if mitigation measures implemented are ineffective within reasonable timescales.

E-Supplier's and Stakeholder's Engagement

- a. The Responsible Sourcing Commitments described in this Responsible Sourcing Policy are reflected in Niru's Suppliers Code of Conduct, which requires all suppliers, dealers, agents, subcontractors, and all business partners in general to adopt similar responsible sourcing practices and to comply with Niru's own principles and values. Niru seeks to establish long-term relationships, as appropriate, in accordance with the risk management strategy described in section D of this Responsible Sourcing Policy.
- b. Niru commits to building capacity within its supply chains, including through training and dialogue, and to upholding the continuous improvement of suppliers' due diligence and sourcing practices.
- c. Niru commits to supporting the formalization, development, and promotion of responsible sourcing practices within artisanal and small-scale mining (ASM) communities. Niru exclusively purchases gold and platinum from suppliers that are RJC (COC) or/and Responsible Gold.
- d. Niru has a grievance mechanism, which allows all stakeholders to voice concerns regarding the circumstances of mineral extraction, trade, handling, and export associated with potential risks, please refer to Grievance Procedure.

F-Risk Identification and Assessment in The Supply Chain

- a. In accordance with the recent implementation of the OECD Guidance, Niru policy has evolved to a risk-based approach to responsible sourcing and consequently does not exclude entire countries from its supply chain unless otherwise required by regulations (e.g., embargo, sanctions).
- b. Human rights, social and environmental risks are identified through the following-
 - Location: Identification of whether the minerals and stones' extraction, transport or trade occur in a CAHRA. A CAHRA location will trigger a red flag in our risk assessment process. Our CAHRA determination methodology is based on a review of specialized and credible sources of country risks and is updated at least annually (e.g., <https://www.cahraslist.net/>).
 - Sector: business sectors vary in terms of intrinsic risks for the environment and for human rights; an internal index has been developed to classify these business sectors.
 - Company Risk exposure suppliers are assessed on their sustainability performance through desk-based research.

G-Company risk exposure

An enhanced due diligence process is triggered either by a red flag (as defined by the OECD Guidance) and/or by high-risk ranked supplier. In 2021-2022, 2022-2023 red flags were identified in our supply chain as follow:

- Sourcing from artisanal and small-scale located in CAHRAs.
- Sourcing of coloured gemstones from CAHRAs.
- International sanctions against a Russian diamond mining producer (ALROSA) in the context of the war in Ukraine.
- For red-flagged supply chains, an enhanced risk assessment methodology has been designed and includes, among others, in-depth discussions with the supplier, document checks, and verification of the due diligence system through on-the-ground assessments.
- To ensure compliance with sanctioned entities and individuals, we closely monitor the international sanctions published by governments and international organizations such as the Council of the EU; US – OFAC; UK – HM Treasury; United Nations Security Sanctions.

H-Risk Management Plan

- a. Should potential risks be identified through further scheduled risk assessment activities, a Risk Management Plan will be designed and implemented in collaboration with the supplier and affected stakeholders, where appropriate.
- b. The Risk Management Plan is referred to our Responsible Sourcing Policy and to the OECD Guidance. The actions will be considered depending on the type and severity of risk identified, they will be closely monitored, and re-evaluated yearly or quarterly depending on the severity.
- c. For the 2021-2022, 2022-2023 reporting exercise, risks have been confirmed regarding sourcing diamonds indirectly (purchased from our direct suppliers) from the Russian entity Alrosa. In view of the international sanctions imposed on Russia and on this entity, Niru has ceased all purchases through its direct suppliers of diamonds from this producer.