**DIAMOND UNIVERSE LLC**

SOURCING FROM CAHRA

POLICIES AND PROCEDURE DOCUMENT

**DOC. NO: DUL-CMU-008**

**Address**

**16 West, 46th Street, 8th Floor, New York, NY 10036**

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| **PARTICULARS** | **NAME** | **DATE** |
| **PREPARED BY** | **Mr. Sanjay Shah** | **03-04-2025** |
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| **NEXT REVISION DATE** | | **03-01-2025** |

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| Section | Topic | **Pg. No.** |
|  | Table of Contents | 2 |
| **PART A** | Introduction | 3 |
| PART B | Business Principles (Group Policies) | 6 |
| PART C | CAHRA Requirements | 12 |
|  | CONFLICT AFFECTED HIGH RISK AREAS |  |
| PART D | Management Review System | 31 |
| PART E | Annexure | 33 |

**Part A: Introduction**

1. The Conflict Affected High Risk Areas (CAHRA) Assurance Program has been developed to provide evidence to pipeline partners, consumers and other stakeholders that the purchase, sorting, cutting and polishing of diamonds, and the manufacturing and sale of Diamonds and jewelry by entities that are owned or controlled by DIAMOND UNIVERSE LLC as a member of Responsible Jewellery council, are undertaken in a professional, ethical, environment friendly and accountable way.
2. The management of DIAMOND UNIVERSE LLC is fully committed to following and implementing the requirements as prescribed in the RJC Code of Practice (COP 2024)/LGMS Assurance Program.
3. The management of DIAMOND UNIVERSE LLC Has prepared documents that describe the business policy and the systems, procedures being adopted in conformance with the Supply Chain Policy and Code of Practice as defined in the 2024/LGMS and Guidelines by Responsible Jewellery Council.

These documents are:

* CAHRA Policy and Procedure Document
* Risk Assessmentand its mitigation
* Due Diligence
* Third Party Independent audit
* Annual Audit Reports
* Supplier engagement
* Grievance Management etc.

The management reserves the rights to amend, modify, suspend or withdraw at its sole discretion and without reference or concurrence of any other persons, any part of or the entire manual or manuals. Nothing contained in these manuals shall give any right or cause of action to any person against the Group or any of its constituent entities.

1. In all the above documents, the following definitions and abbreviations will be applicable:

* The word ‘Group’ has been used to refer to the group and all the constituent entities
* The word ‘entity’ has been used to refer to any of the entities

1. The Governing Board of the group has nominated the following persons as members of the “Core Team” at the group level to overview the implementation of and adherence to Responsible Supply Chain requirements and Code of Practice Initiatives.

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| **Sr. No.** | **Name** | **Designation** |
| 1 | Mr. Tony Kheskwani | HOD - OECD |

The team members at each entity will be appointed by the respective entity.

1. The responsibilities of the core team will include the following:

* Ensuring that the requirements of the RJC COP are followed by all the entities of the group.
* Spreading awareness among all employees about the RJC requirements
* Carrying out “First Party Audits” and identifying areas of non-compliance
* Reporting to management on the effectiveness of the implementation process and resolving issues that need management intervention
* Coordinating with the consultants and external agencies, including the third-party auditing agency
* CAHRA Compliances including OECD 5 step Implementations as below: -

1. Development, review and Communication of Supply chain policy
2. Structuring of Internal Management
3. Information Gathering and Evaluation of suppliers
4. Suppliers Engagement
5. Identification of Red Flags
6. Management of Grievance Mechanism
7. Risk Management and Mitigation
8. Annual Reporting
9. Management of Independent Audit for Responsible Sourcing

* Best Endeavors
* Due Diligence and Know Your Counterparty
* Management Control System

**Part B: Business Principles**

**B. Introduction**

This section of the Policy and Procedure document contains the requirement of Supply Chain document that has been adopted by the DIAMOND UNIVERSE LLC Conflict Affected High Risk Areas (CAHRA) is a documented sequence of custody of material as it moves along the supply chain.

1. **Business Principles Document**
   1. **Background and Requirement**
   2. At DIAMOND UNIVERSE LLC our philosophy is to measure success by not only the results we achieve, but also how we achieve them.
   3. This Business Principles document, adopted by the Governing Board of DIAMOND UNIVERSE LLC sets forth the basic internal standards to be observed by all directors, officers and employees of the group with respect to conducting business in a legal, ethical, professional and accountable manner.
   4. All entities in the DIAMOND UNIVERSE LLC are required to take appropriate steps to ensure that the same is understood and put into practice by all of its directors, officers and employees.
   5. Each entity must also take appropriate steps to assure adherence to this Business Principles document, including establishing appropriate disciplinary procedures where violations of this document will result in sanctions up to and including discharge.
   6. Any amendment to the defined Business Principles will be subject to the approval of the Governing Board of DIAMOND UNIVERSE LLC No exemption or suspension of this Business Principles in whole or part will be permitted unless approved in advance by the Governing Board of DIAMOND UNIVERSE LLC or any other body to which the Board has delegated such authority.
   7. **Legislation and Regulations**
2. All entities of DIAMOND UNIVERSE LLC shall operate in compliance with relevant national and international legislations / regulations as applicable in the countries in which they operate.
3. All personnel are expected and directed to comply with all applicable laws and regulations as well as all internal entity rules and policies relating to their business activities. It also is the responsibility of personnel to know and understand legal, regulatory and internal requirements as they apply to their jobs
   1. **Conducting Business Ethically, with Integrity and in Fairness:**
4. Ensuring that all business activities are conducted in an honest, ethical, professional and accountable manner is fundamental to the core philosophy of our group.
5. All entities of DIAMOND UNIVERSE LLC 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 diamond industry.
6. The entities of the DIAMOND UNIVERSE LLC shall strive to get similar commitment from their contractors.
7. The Group is committed to maintaining the highest standards of financial integrity for the benefit of all our stakeholders.
8. All accounting records, and reports produced from those records, must be maintained and presented according to the laws of each applicable jurisdiction.
9. Compliance with generally accepted accounting principles in the country where the entity is incorporated, and the entity’s system of internal controls is required at all times.
10. It is the responsibility of DIAMOND UNIVERSE LLC to pursue its corporate value enhancement through sound business practices. Our business activities have direct and indirect impact on the societies in which we operate, and therefore sound business practice requires that business decisions give due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other Groups.

All employees in all our entities must endeavor to conduct the business of DIAMOND UNIVERSE LLC accordingly.

1. In making business decisions, employees must act on an informed basis, in good faith, and in the honest belief that the action taken is in the best interest of the Group.
2. The group has put in place programs that monitor the effectiveness of these commitments and hence supporting all workers in this endeavor.
   1. **Financial Offences:**
3. The Group recognizes the fact that entities in the gems and jewelry sector have to take on the onus of analyzing their potential vulnerabilities to money laundering and implement specific steps that are required for protection against abuse by criminals.
4. Strict compliance is required at all times, with all applicable national and, where appropriate, international laws / regulations with respect to money laundering, terrorism financing, bribery, facilitation payment, corruption, smuggling, embezzlement, fraud, racketeering, transfer pricing and tax evasion in all relevant jurisdictions
5. DIAMOND UNIVERSE LLC shall act in accordance with national laws with respect to auditing of its financial accounts.
6. It is the responsibility of concerned personnel to know and understand the relevant money laundering / financial offences related legal, regulatory and internal requirements as they apply to their jobs. Ignoring or not reporting suspicious activity that appears to be questionable may also be considered as a violation of the Business Principles, depending on the seriousness of the non-conformance.
   1. **Product Security** 
      1. The DIAMOND UNIVERSE LLC is committed to establish and implement product security measures within the premises and during shipments to protect against product theft, damage or substitution.
      2. The security and wellbeing of employees, visitors and other relevant business partners is prioritized when establishing product security measures.
      3. All diamond products sold by entities to consumers shall comply with applicable regulations of product health and safety.
   2. **Disclosure**
7. The following essential principles will be applicable in all the entity’s transactions involving diamond, treated diamonds, synthetics and stimulant or other stone

* Full disclosure i.e the complete and total release of all available information about Diamond or other stone and all material steps it has undergone prior to sale to the purchaser, irrespective of whether or not the information is specifically requested and regardless of the effect on the value of the item being sold.
* No misuse of terminology or misrepresentations or attempts to disguise the product will be made in the selling, advertising and distribution of diamond, treated diamonds, synthetics and stimulant or other stone.
* The company shall do the risk assessment and identify the contamination point of their pipeline. To address the identified contamination points, the company shall create a unique policy, procedure and training program for each risk. Full disclosure at all times – including verbal disclosure prior to and during sale, and written disclosure in each bill of sale, receipt, laboratory certificate or other documentation relating to the sale in the relevant local language. Any term used to conceal the fact that a diamond is synthetic or misinforms the consumer must not be used.

The word ‘diamond’ will not be used in the case of names of firms, manufacturers or trademarks; in connection with treated diamonds or diamond stimulant or synthetic diamonds.

**Back Ground – RJC CAHRA**

Broadly Responsible Jewellery Council (RJC) Conflict Affected High Risk Areas (CAHRA):

* Allows for traceable material which is segregated along the supply chain.
* Starts with responsible sources which meet eligibility criteria.
* Requires third-party auditing at every stage of the supply chain.
* Is voluntary, and applies to gold and platinum group metals (PGM)—platinum, palladium, rhodium.
* Is designed to promote responsible sourcing from artisanal and small-scale mining (ASM).

**Part C: CAHRA Requirements**

**STEP 1 Establish Management System**

**Background**

The Company shall carry out due diligence to assess risks related to procurement from the Conflict-affected and high-risk areas - CAHRAs. The company firmly believes any business relationship with the company having risks include gross human rights violations, torture, forced or compulsory labor, war crimes, support to non-state armed groups, public or private security forces who illegally control mine sites, bribery and fraudulent misrepresentation of the origin of minerals, money laundering and non-payment of taxes. The company shall carry out due diligence process for minimizing a company’s exposure to these risks when sourcing minerals. We as a company believes due diligence provides the information to help drive performance in supply chains by supporting engagement with suppliers and the adoption of mitigation measures. The company shall use due diligence to inform their decision making in risk management.

The Company shall carry out due diligence as per the OECD 5 step guidelines to assess Conflict-affected and high-risk areas (CAHRAs) are identified by the presence of armed conflict, widespread violence (including violence generated by criminal networks) or other risks of serious and widespread harm to people. Armed conflict may take a variety of forms, such as conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

**Policy**

**Policy Statement Use of Supply Chain**

The company shall procure gold and platinum group metal from government approved banks or Responsible Jewelry Council Certified Supplier. The company shall procure diamond from approved and ethical suppliers only. The company shall complete the due diligence process prior to initiate business relationship. The company shall purchase/sale diamonds that are fully compliant with Kimberly Process Certification Scheme (KPCS).

The company shall ensure that all of its respective activities are in line with the OECD Due Diligence Guidelines, The Responsible Jewelry Council Standard and as per Universal Declaration on Human Rights laid down by United Nations.

The company shall prohibit any procurement from Conflict-Affected & High-Risk areas and adhere to compliance with standards on Anti-Money Laundering (AML) and Combatting the Financing of Terrorism (CFT).

Relevant Employees shall be trained on the Supply Chain & Due Diligence Requirement and OECD guideline at regular interval. We shall also provide support to our business partners and stakeholder for the same.

The company shall carry out risk assessment for its supply chain and shall not enter into any business relationship or if may require then shall suspend/discontinue the engagement with any such supplier involved in dealing with Conflict-Affected and High-Risk areas, Any form of Human Right Violation; Torture, Cruel, In-Human and Degrading Treatment; Forced/Compulsory Labour; Child Labor; Abuses such as widespread Sexual Violence; War Crimes; other serious violations of International Humanitarian Law, Crime against Humanity; Genocide and/or To Bribe or To be Bribed. We strictly condemn and prohibit any Direct/Indirect support to public/private security forces which illegally Control, Tax or Extort money from Mining Sites, Transportation Routes and Upstream Sectors.

The company shall verify counterparty details, including the Know Your Customer (KYC) for any precious metals supplying Counterparties at regular interval. The company shall carry out risk-based assessment, set appropriate verification control and monitoring of all such commercial activities and transactions.

The company shall assign responsibility of Supply Chain Integrity and due diligence compliance to senior personnel of the organization to prevent any risk of illegal activities or beach of it. The company shall implement the management strategy to respond to identified risks. For the same, Compliance Officer shall report to Senior Management in case of any such violation of this policy.

The company has established a risk assessment module and any business partners with high risk rating shall be red flagged and report to be submitted to senior management.

**Grievance Mechanism**

The purpose of this document is to outline a process through which any stakeholder can understand due diligence and supply chain integrity policy of the organization. The identity of the person who so ever has registered a concern shall be kept confidential and no retaliatory action shall be taken against any whistle blower. For anonymous submissions, you may refrain to provide your contact information.

Please share your Complaint/Grievance/Suggestion on accounts

**Detailing:-**

The Company should recognizing that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognizing that we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers’ risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

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

While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:

1. any forms of torture, cruel, inhuman and degrading treatment.
2. any forms of forced or compulsory labor, 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;
3. the worst forms of child labor;
4. other gross human rights violations and abuses such as widespread sexual violence.
5. war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

**Regarding risk management of serious abuses:**

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.

**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:

1. illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
2. illegally tax or extort6 money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
3. illegally tax or extort intermediaries, export companies or international traders.

**Regarding risk management of direct or indirect support to non-state armed groups:**

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.

**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 companies or international traders.

We recognize 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 company 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 organizations and civil society organizations 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 organizations and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners

**Regarding risk management of public or private security forces:**

In accordance with the specific position of the company in the supply chain, 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, where we identify that such a reasonable risk exists. In such cases, 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. Where we identify a reasonable risk of activities, we will respond in the same vein.

**Regarding bribery and fraudulent misrepresentation of the origin of minerals:**

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.

**Regarding money laundering:**

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.

**Regarding the payment of taxes, fees and royalties due to governments:**

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 and, in accordance with the company’s position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

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

In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organizations, 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.

**Procedure**

**Communication of Supply Chain Policy: -**

The company shall communicate to all its supplier for the compliance of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

The company shall display supply chain policy on their website to allow access to all the stake holders and interested parties.

* 1. **Management System**
     + - 1. **Appointment and Responsibility of Sourcing Compliance Officer**

The company shall appoint Sourcing compliance officer have the competence, knowledge and experience to ensure compliance with the BPP/Responsible Jewelry Council – Supply Chain.

The Sourcing compliance officer shall carry out due diligence and risk assessment with respect to procurement of minerals or metals from the Conflict-affected and high-risk areas and suppliers involved in unethical business practice and anti-social activities at regular interval but at least once in a year.

The management of the company and compliance officer shall train relevant employee to ensure compliance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

The Governing Board of the group has nominated persons listed in A.6 as members of the “Core Team” at the group level to overview the implementation of and adherence to Responsible Supply Chain requirements and Code of Practice Initiatives.

There shall be review on selection of suppliers and sourcing decisions and integrates into management systems. The following five-step framework for risk-based due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas:

1. Establishment of strong company management systems includes following framework.
2. There shall be adoption, and clear communication to suppliers and the public, a company policy for the supply chain of minerals originating from conflict-affected and high-risk areas. This policy should incorporate the standards against which due diligence is to be conducted, consistent with the standards set forth in the model supply chain policy in Model Supply Chain Policy.
3. A system of controls and transparency over the mineral supply chain shall be established in such way that it shall include a Supply Chain or a traceability system or the identification of upstream actors in the supply chain. This may be implemented through participation in industry-driven programs.
4. Strengthen the engagement with suppliers by Incorporation of supply chain policy into contracts and/or agreements with suppliers. Where possible, assist suppliers in building capacities with a view to improving due diligence performance.
5. The company has prepared supplier packet which shall be shared with the suppliers to gather the information.
6. Additionally, the company has identified resources to verify and gather the information of suppliers from which due diligence and risk assessment can be conducted.
7. To be collected at the start of each new business relationship with a supplier and updated regularly. The accuracy of the information should be checked at least annually for suppliers based in low-risk jurisdictions, and at least every 6 months for suppliers based in high-risk jurisdictions.

**Document examples:**

Business structure and registration documents.

Completed KYC questionnaires

Copies of official government issued identification (e.g. personal identification documents for individuals and business licences, registration of tax ID number for companies).

1. Information on the form, type, weight and physical description of diamonds/coloured gemstones

To be collected so that it covers all supplies from a given supplier over a given time period, for example via a contract or per parcel

**Document examples:**

Invoices and sales documentation.

Other inventory documentation.

1. Establish a company-level, or industry-wide, grievance mechanism as an early-warning risk-awareness system.

**GRIEVANCE MECHANISM PROCEDURE**

**DIAMOND UNIVERSE LLC** has established this grievance procedure to hear concerns about circumstances in the supply chain involving diamonds and minerals from conflict-affected and high-risk areas.

**Compliance Officer** is responsible for implementing and reviewing this procedure.

Concerns can be raised by interested parties via email or telephone to:

|  |  |
| --- | --- |
| **Name** | **Mr. Tony Kheskwani** |
| **Phone Number** | 201-592-9500 |
| **Email address** | info@diamonduniverse.com |

On receiving a complaint, we will aim to:

* Get an accurate report of the complaint.
* Explain our complaint procedure.
* Find out how the complainant would like it addressed/resolved.
* Assess the eligibility of the complaint and, where applicable, decide who should handle it internally. In cases where we are unable to address the complaint internally (e.g. where our company is too far removed from the origin of the issue raised in the complaint), we may redirect it to a more appropriate entity or institution, such as the relevant supplier or industry body.
* Where the issue can be handled internally, seek further information where possible and appropriate.
* Identify any actions we should take including hearing from all parties concerned, and monitoring the situation.
* Advise the complainant of our decisions or outcomes.
* Keep records on complaints received and the internal process followed, for at leastfive years.

1. **Identify and assess risk in the supply chain:**
2. Probable Risks shall be identified in established supply chain as recommended in the Supplements.
3. Based on the gather information from supplier’s packet, information from resources for due diligence and suppliers’ documents, risk assessment shall be conducted.
4. Risk assessment shall be carried out for adverse impacts in light of the standards of their supply chain policy consistent with Supply Chain Policy and the due diligence recommendations in this Guidance.
5. **Design and implementation of a strategy to respond to identified risks includes following:**
6. Reporting of supply chain risk assessment outcome shall be done to the designated senior management.
7. An appropriate risk management plan shall be developed including strategy for risk management by either i) continuing trade throughout the course of measurable risk mitigation efforts; ii) temporarily suspending trade while pursuing ongoing measurable risk mitigation; or iii) disengaging with a supplier after failed attempts at mitigation or

Where a company deems risk mitigation not feasible or unacceptable. To determine the correct strategy, there shall be review of Model Supply Chain Policy (Model Supply Chain Policy for Responsible Global Supply Chains of Minerals from Conflict-Affected and High-Risk Areas) and consider their ability to influence, and where necessary take steps to build leverage, over suppliers who can most effectively prevent or mitigate the identified risk. If there is pursuance of risk mitigation efforts while continuing trade or temporarily suspending trade, then consult with suppliers and affected stakeholders, including local and central government authorities, international or civil society organizations and affected third parties, where appropriate, and agree on the strategy for measurable risk mitigation in the risk management plan. Company may draw on the suggested measures and indicators under Model Supply Chain Policy of the Due Diligence Guidance to design conflict and high-risk sensitive strategies for mitigation in the risk management plan and measure progressive improvement.

1. Implement the risk management plan, monitor and track performance of risk mitigation efforts and report back to designated senior management. This may be done in cooperation and/or consultation with local and central government authorities, upstream Company, international or civil society organisations and affected third parties where the risk management plan is implemented and monitored in conflict-affected and high-risk areas.
2. Undertake additional fact and risk assessments for risks requiring mitigation, or after a change of circumstances.
3. Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain:

At identified points (as indicated in the Supplements) in the supply chain shall have their due diligence practices which shall be audited by independent third parties. Such audits maybe verified by an independent institutionalised mechanism.

1. Report on supply chain due diligence:

Publicly report on their supply chain due diligence policies and practices and may do so by expanding the scope of their sustainability, corporate social responsibility or annual reports to cover additional information on mineral supply chain due diligence.

1. **DUE DILIGENCE FOR RESPONSIBLE SOURCING FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS**

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| **Sr. No.** | **Steps** | **Classification of Risk** | **Risk Mitigation Action** |
| 1 | Serious abuses associated with the extraction, transport or trade of minerals |  | * Any confrontation with such violation by any of supplier.   The management of the company shall immediately inform to Ministry of mines of Local government.   * The company shall procure materiel from socially compliant suppliers and company shall verify details in public domains to validate compliance with the risk defined. * The company shall obtain self-declaration from the supplier for the compliance of OECD guidelines.   Updated list of Conflict affected areas :   * [https://www.knowyourcountry.com/COPy-of-country-reports](https://www.knowyourcountry.com/copy-of-country-reports) * <https://www.knowyourcountry.com/human-trafficking> |
|  | 1) any forms of torture, cruel, inhuman and degrading treatment; |  |
| 2) any forms of forced or compulsory labour; |  |
| 3) the worst forms of child labour; |  |
| 4) other gross human rights violations and abuses such as widespread sexual violence; |  |
| 5) War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide. |  |
| 2 | Direct or indirect support to non-state armed groups |  | * 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. |
| 3 | Direct or indirect support to public or private security forces who illegally control, tax or extort money from mine sites, transportation routes and upstream actors. |  | * We will immediately alert relevant central government authority (e.g. Ministry of Mines) of abusive and exploitative practices occurring in the supply chain; * In areas in which minerals are illegally taxed or extorted, we will take immediate steps to ensure that upstream intermediaries and consolidators disclose downstream or publicly the payments made to public or private security forces for the provision of security. * We will engage with intermediaries and consolidators to help build their capabilities to document the behavior of security and payments to security forces. * While sourcing from areas of artisanal and small-scale mining (“ASM”), support the formalization of security arrangements between ASM communities, local government, and public or private security forces, in cooperation with civil society and international organisations, as appropriate, to ensure that all payments are freely made and proportionate to the service provided, clarify rules of engagement consistent with the Voluntary Principles on Security and Human Rights, the UN Code of Conduct for Law Enforcement Officials and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials; * We will support the establishment of community forums to share and communicate information. * We will support the establishment of a trust or other similar fund, where appropriate, through which security forces are paid for their services. * We will build partnership with international organizations or civil society organizations, as appropriate, to support capacity-building of security forces consistent with the Voluntary Principles on Security and Human Rights, on mine sites, and UN Code of Conduct for Law Enforcement Officials or the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials |
| 4 | Bribery and fraudulent misrepresentation of the origin of minerals |  | * We will cooperate through associations, assessment teams or other suitable means to build capabilities of suppliers, in particular SMEs, to conduct due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas. * Immediately stop commercial relationship and inform to relevant financial Intelligence Unit of the region and relevant government bodies |
| 5 | Money laundering and non-payment of taxes and royalties due to governments |  | * We will develop supplier, customer and transactional red flags to identify suspicious behavior and activities; * We will identify and verify the identity of all suppliers, business partners and customers. * We will report suspicious behavior of criminal activity to local, national, regional and international law enforcement agencies. |

3. **Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain.**

At identified points (as indicated in the Supplements) in the supply chain shall have their due diligence practices which shall be audited by independent third parties. Such audits maybe verified by an independent institutionalised mechanism.

4. **Report on supply chain due diligence.**

Publicly report on their supply chain due diligence policies and practices and may do so by expanding the scope of their sustainability, corporate social responsibility or annual reports to cover additional information on mineral supply chain due diligence.

**Record Keeping**

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| --- | --- | --- |
| **Documents** | **Period** | **Authority** |
| Supply Chain Policy and Procedure | Upon Change (Review Yearly) | COP Compliance officer |
| Communication to all Suppliers | Annually |
| Risk Assessment and mitigation plan | Annually |
| Grievance Procedure | Upon Change |
| Internal Audit Report | Quarterly |
| Employee Training records | Half yearly |
| Independent Auditor Audit Report | Half yearly |

* + - 1. **Know Your Counterparty**

**Background and Definitions**

Beneficial owner is the natural person(s) who ultimately owns or controls counterparty and/or the person on whose behalf a transaction is being done. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.

Illegitimate sources are sources of material that go against applicable law. They include all sources involved in illegal mining and gold or money laundering, as well as all sources used to fund conflict, terrorism or crime.

Know Your Counterparty (KYC) principles require businesses to identify every organization that they deal with, to understand their business relationships and, within reason, to identify and react to unusual or suspicious transaction patterns. Established to combat money laundering and terrorism financing, KYC principles apply to both suppliers and customers (but not end consumers).

Money laundering is the process of disguising the financial proceeds of crime to conceal their illegal origin.

A politically exposed person is someone who is or has been entrusted with a prominent public function. Their status and influence puts many of these people in positions that can be potentially abused to commit money laundering and related predicate offences, including corruption and bribery, as well as activities related to terrorist financing.

**Policy**

The entity shall document and implement a KYC policy and procedures for business partners.

A business partner includes suppliers or customers of diamonds

The policy and procedures shall be communicated to all relevant employees

The company shall always verify its business partners before establishing business relationship. Verifying that the counterparty and, if applicable, their beneficial owners are not named on relevant government lists for individuals or organizations implicated in money laundering, fraud or involvement with prohibited organizations and/or those financing conflict.

Maintaining an understanding of the nature of their business, finances and sources of materials.

Monitoring relevant transactions for unusual or suspicious activity and reporting suspicious transactions to the relevant authorities as applicable.

Maintaining adequate records for a minimum of five years or as long as defined by national legislation, whichever are longer.

The policies relating to this section are part of the Business Principles adopted by DIAMOND UNIVERSE LLC and are presented below for reference:

“The Group recognizes the fact that entities in the gems and jewelry sector have to take on the onus of analyzing their potential vulnerabilities to money laundering and implement specific steps that are required for protection against abuse by criminals

Strict compliance is required at all times, with all applicable national and, where appropriate, international laws / regulations with respect to money laundering, terrorism financing, bribery, facilitation payment, corruption, smuggling, embezzlement, fraud, racketeering, transfer pricing and tax evasion.

DIAMOND UNIVERSE LLCAND GROUP shall act in accordance with national laws with respect to auditing of its financial accounts.

It is the responsibility of concerned personnel to know and understand the relevant money laundering / financial offences related legal, regulatory and internal requirements as they apply to their jobs. Ignoring or not reporting suspicious activity that appears to be questionable may also be considered as a violation of the Business Principles, depending on the seriousness of the non-conformance.”

**2.4.1 Management Commitment**

1. The Group is fully committed to combating all forms of activities relating to money laundering, terrorism financing and other financial offences.
2. The Group has identified the applicable national and international legislations / regulations relating to money laundering, terrorism financing and other financial offences, which must be complied with
3. The entities of the group and relevant employees are fully informed of all relevant legislation and regulations regarding bribery and facilitation payments in all relevant jurisdictions.
4. As a part of the annual statutory audit program, the independent financial auditors of each entity are made aware of the applicable laws relating to money laundering, terrorism financing and financial offences

To review and assess the adequacy of and level of compliance with the entity’s Anti Money Laundering/CFT Program, an annual internal audit is conducted. This audit is conducted by

1. Compliance officer of the entity or group entity
2. The systems and procedures followed for appointment of auditors are detailed in Section 1.1.3 (Part C) of this document.

**2.4.2 Systems and Procedures**

1. Wherever applicable, in each of the entities, a Compliance Officer has been appointed who reports to the Governing Board of the entity.
2. All the entities have implemented ‘Know Your Customer’ and ‘Know Your Supplier’ programs for purchase and sale of precious metals, gems and jewelry.

No business transaction, over an annual amount exceeding USD 10,000 or equivalent local currency is entered into with any supplier or customer, unless a formal verification process of the identity (of supplier or customer) is completed. For regular customers and suppliers of the entity, the verification process is conducted (updated) annually

1. The Compliance Officer of the entity is responsible to ensure that all the applicable regulations with respect to reporting cash and non-cash equivalents to the relevant Regulatory Bodies are fully adhered to. To monitor effectiveness, the Compliance Officer is required to submit a summary statement of all such reporting to the Governing Board, if any, on a monthly basis.
2. To ensure traceability of its financial transactions, each of the entities follows a policy of maintaining all relevant documents for a minimum period of five years, or higher period, if required by national regulations.

This procedure is applicable for purchase and sale of all precious metals, gems and jewelry where the annual transaction value (with individual suppliers and customers) exceeds USD 10,000 (

or equivalent local currency), or lower amount, if required by national regulations.

1. The Compliance Officer of the entity is responsible for maintaining and regularly updating a list of suspicious transactions that may be categorized as ‘red flags’ i.e. transactions that may be designed to facilitate money laundering or terrorist financing

On detection of a

‘red flag’, the Compliance Officer and the Chief Executive Officer of the entity are responsible for verifying the same and if required, reporting the ‘red flag’ to appropriate regulatory authorities.

* In the event of reporting of a ‘red flag’ to regulatory authorities, the Compliance Officer will initiate the following steps:
* Inform in writing to all the concerned Departments in the entity and other group entities (as relevant) that all transactions with the particular supplier or customer should be immediately suspended until further notice.
* To prevent use, ensure that all stock material lying with the entity (in case of supplier) are collected and stored separately in safe custody
* Stop payment (wherever possible) of all in-process financial instruments
* Inform the concerned entity (supplier or customer), that the entity has taken the above steps as required by applicable legislations / regulations.
* Based on feedback obtained from regulatory authorities, provide a recommendation to the entity management on whether normal transactions should be suspended permanently or can be commenced with or without restrictions.
  1. The Compliance Officer is responsible for checking specific Government lists of individuals, terrorists, and countries that are categorized as ‘high risk’ for business transactions. A listing of various such data sources that are regularly tracked is maintained. He shall identify, maintain and update the Compliance Register periodically with all relevant legislation regarding bribery and facilitation payment.

**2.4.3 Training of Personnel**

1. The Compliance Officer is responsible for maintaining a list of personnel (depending on their job responsibilities) who are required to be familiar with all aspects relating to combating money laundering, terrorism financing, bribery, facilitation payments and other financial offences including relevant legislations and regulations.
2. The above personnel are required to undergo the following training programs:

**On joining the Entity:**

* Self study of training material followed by interview with Compliance Officer. Independent charge / responsibilities will be given only after approval by Compliance Officer

**Training Programs:**

* The Compliance Officer is responsible for

conducting refresher training programs for all concerned personnel on various aspects relating to changes in regulations, updates to ‘red flags’ lists, updates to Government lists, changes in systems / procedures, etc.

1. In addition to the above formal programs, the Compliance Officer

also ensures that relevant information updates are communicated to concerned personnel by way of internal memos or electronic mail or discussion.

**Record-Keeping**

|  |  |  |
| --- | --- | --- |
| **Documents** | **Period** | **Authority** |
| Know Your Counterpart Policy | Upon Change | COP Compliance officer |
| KYC Filled from for Business partners | Annually |  |
| Supporting Documents | Annually |  |
| List of red flag transaction | Upon Change |  |
| Internal Audit Report | Quarterly |  |

**3.0 Management System and Responsibilities**

**Back ground:** The company has define and implemented management system for Procurement/Storage/Inventory/Processing/Sales and documentation that collectively provide a systematic framework for ensuring that all activities should be complying with responsible Jewellery Council – COP 7 requirement correctly, consistently and effectively to achieve the desired outcomes, and to drive continual improvement in performance.

The company shall maintain all relevant records for the period of 10 years.

**Procedure**

The company shall have effective stock control system. All the documents and records shall be maintained for the 10 years.

The company shall identify responsible person in each department to ensure proper implementation of management control system

**Record**-**Keeping**

|  |  |  |
| --- | --- | --- |
| **Documents** | **Period** | **Authority** |
| Management Control System | Upon Change | COP Compliance officer |

**Part D: Management Review System**

**D.1 Objective**

To ensure that the Group’s policies, systems and procedures as defined and implemented in line with various requirements of the Diamonds’ Code of Practice standard are complied with by all entities and by all employees.

**D.2 Systems and Procedures**

### Each entity has identified specific personnel who will be responsible on an overall basis for ensuring adherence with respect to the requirements laid down in the Diamonds’ Code of Practice.

### Some of the systems and procedures in place for monitoring compliance to specific requirements of the RJC standard have already been detailed in the relevant sections of this manual.

### To monitor compliance on an overall basis, the Group has formed an inter entity Audit Team that will review the adherence to systems and policies laid down, by individual entities in the Group, in line with the RJC requirements.

* Each entity will be audited once in a year as per a pre-defined time schedule.
* The Audit team will submit a report to the senior management, highlighting areas of non-compliance, improvement areas and changes to systems / policies (if required).
* The management of the entity will take on the responsibility of defining an Action Plan based on the Audit Report and ensure that the suggested corrective actions / improvements / changes are implemented within a reasonable time period as agreed with the Audit Team.
  + The Group may also from time-to-time engage external consultants to audit the adherence to various systems and policies followed by the entity in line with the RJC requirements.

**Part E: Annexure**

**ANNEX 1. POLICY ON MATERIALS FROM CONFLICT-AFFECTED AREAS**

The following draft can be modified or adapted to suit individual businesses.

1. DIAMOND UNIVERSE LLC deals in trading and manufacturing of natural diamonds. This policy confirms DIAMOND UNIVERSE LLC’s commitment to respect human rights, avoid contributing to the finance of conflict and comply with all relevant UN sanctions, resolutions and laws.
2. DIAMOND UNIVERSE LLC is a member of the Responsible Jewellery Council (RJC). As such, we commit to proving, through independent third-party verification, that we:
   1. respect human rights according to the Universal Declaration of Human Rights and International Labor Organization Fundamental Rights at Work.
   2. do not engage in or tolerate bribery, corruption, money laundering or finance of terrorism.
   3. support transparency of government payments and rights-compatible security forces in the extractives industry.
   4. do not provide direct or indirect support to illegal armed groups; and
   5. Enable stakeholders to voice concerns about the supply chain.
3. We also commit to using our influence to prevent abuses by others.
4. Regarding serious abuses associated with the extraction, transport or trade

We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:

* 1. torture, cruel, inhuman and degrading treatment.
  2. forced or compulsory labor.
  3. the worst forms of child labor;
  4. human rights violations and abuses; and
  5. War crimes, violations of international humanitarian law, crimes against humanity or genocide.

1. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are committing abuses or are sourcing from, or linked to, any party committing these abuses.
2. Regarding direct or indirect support to non-state armed groups

We will not tolerate direct or indirect support to non-state armed groups, including, but not limited to, procuring diamonds from, making payments to, or otherwise helping or equipping non-state armed groups or their affiliates who illegally:

* 1. control mine sites, transportation routes, points where gold is traded and upstream actors in the supply chain; and
  2. Tax or extort money or diamond at mine sites, along transportation routes or at points where diamond is traded, or from intermediaries, export companies or international traders.

1. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are sourcing from, or are linked to, any party providing direct or indirect support to non-state armed groups.
2. Regarding public or private security forces

We affirm that the role of public or private security forces is to provide security to workers, facilities, equipment and property in accordance with the rule of law, including law that guarantees human rights. We will not provide direct or indirect support to public or private security forces that commit abuses or that act illegally.

1. Regarding bribery and fraudulent misrepresentation of the origin of diamond

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

1. Regarding money laundering

We will support and contribute to efforts to eliminate money laundering where we identify a reasonable risk resulting from, or connected to, the extraction, trade, handling, transport or export of diamond.

Signed/endorsed:

Date of effect:

**ANNEX 2. EXAMPLES OF DOCUMENTS/EVIDENCE RELATED TO STEP 1.C. OF THE OECD GUIDANCE**

**ANNEX 3. EXAMPLE GRIEVANCE MECHANISM: SIMPLE PROCEDURE FOR SMALL BUSINESSES**

**The following draft can be modified or adapted to suit individual businesses.**

DIAMOND UNIVERSE LLC has established this grievance procedure to hear concerns about circumstances in the supply chain involving diamonds from conflict-affected areas.

Mr. Tony Kheskwani is responsible for implementing and reviewing this procedure. Concerns can be raised by interested parties via email:

On receiving a complaint, we will aim to:

* + - Get an accurate report of the complaint.
    - Explain our complaint procedure.
    - Find out how the complainant would like it handled.
    - Decide who should handle the complaint internally or help redirect the complaint to a more appropriate entity, such as the relevant supplier, or an institution, such as a relevant industry body.
    - Where the issue can be handled internally, seek further information where possible and appropriate.
    - Identify any actions we should take, including monitoring the situation.
    - Advise the complainant of our decisions or outcomes.
    - Keep records on complaints received and the internal process followed, for at least five years.

Signed/endorsed:

Date of effect:

**GLOSSARY**

**Accredited auditor:** An independent, third-party person or organization meeting the RJC’s objective selection criteria and accredited to carry out RJC-related audits.

**Adjoining country:** As defined by Section 1502 of the United States’ Dodd-Frank Wall Street Reform and Consumer Protection Act, this is a country that shares an internationally recognized border with the DRC. Adjoining countries include Angola, Burundi, Central African Republic, Kenya, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia.

**Artisanal and small-scale mining (ASM):** This refers to mining by individuals, groups, families or co-operatives with minimal or no mechanization, often in the informal (illegal) sector of the market.

**Conflict:** Armed aggression, widespread violence and/or widespread human rights abuses.

**Conflict-affected and high-risk areas (CAHRAs):** As defined by the OECD Guidance, these are areas identified by the presence of conflict or other risks of harm to people. Armed aggression may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law. These areas may be a region, a country, an area within a country or an area that crosses one or more country boundaries. Operations are not necessarily complicit in conflict if they are located in these areas.

**Conflict-free:** The term used to describe material that is confirmed through due diligence investigation not to have caused any of the adverse impacts associated with CAHRAs. Such impacts include serious labor or human rights abuses, direct or indirect support to non-state armed groups or public and private security forces illegally controlling mines, and bribery or other fraudulent misrepresentation of the origin of precious metals.

**Conflict mineral:** As defined by Section 1502 of the United States’ Dodd-Frank Wall Street Reform and Consumer Protection Act, conflict minerals include columbite-tantalite (coltan), cassiterite, Diamond, gold and wolframite; their derivatives (tantalum, tin, tungsten and gold); and any other mineral or its derivatives that is determined by the US Secretary of State to be financing conflict in the DRC and adjoining countries.

**Conflict-sensitive:** The 2005 International Alert guidance defines conflict-sensitive business practices as those that consider the spectrum of issues that have, or may in the future, cause and trigger conflict. In the context of the COP Standard, conflict-sensitive sourcing encompasses strong management systems, including policies, risk assessment and mitigation, and complaints mechanisms, for due diligence directed towards conflict issues.

**Conformance:** When a member’s policies, systems, procedures and processes match the provisions in the relevant standard.

**Control:** Control by an entity includes one or more of the following:

* + 1. Direct or indirect ownership, or control (alone or following agreement with other entities) of 50% or more of the voting equities, rights or equivalent of a business or facility.
    2. Direct or indirect power (including following agreement with other entities) to remove, nominate or appoint at least half of the members of the board of directors, manage mentor equivalent of a business or facility.
    3. Day-to-day or executive management of a business or facility.
    4. Any legally recognized concept of ‘control’ analogous to those described in 1 and 2 above in a relevant jurisdiction. Although the above defines control in a corporate context, the same principles apply by analogy to other organizational arrangements, including franchisees, licensees and control by an individual or a family, where applicable.

**Diamond:** A mineral consisting essentially of carbon crystallized in the isometric (cubic) crystal system, with a hardness on the Mohs’ scale of 10, a specific gravity of approximately 3,52 and a refractive index of approximately 2,42, created by nature.

**Dodd-Frank Act:** Section 1502 of the United States’ Dodd-Frank Wall Street Reform and Consumer Protection Act. The Act requires issuers under the US Securities Exchange Act to disclose whether any conflict minerals used in their products originated in the DRC and adjoining countries.

**Due diligence:** The investigation carried out to assess risks related to CAHRAs.

**Illegal activity:** Activity that violates international law or national sovereignty, laws or regulations. ‘Direct or indirect support’ for illegal armed groups does not include legal taxes, fees or any royalties that companies pay to the government of a country in which they operate.

**Illegal armed group:** An armed group, including a public or private security force, that:

* + - illegally controls mine sites, transportation routes or points where minerals are traded;
    - illegally taxes or extorts money or minerals at mine sites, points of access to mine sites, along transportation routes or at points where minerals are traded;
    - illegally taxes or extorts intermediaries, export companies or international traders; or
    - is engaged or complicit in conflict.

**Illegitimate sources:** Sources of material that go against applicable law, or that are associated with illegal mining, funding of conflict, money laundering, funding of terrorism or proceeds of crime.

**Know Your Counterparty (KYC):** Principles established to combat money laundering and finance of terrorism. KYC principles require businesses to identify every organization that they deal with, to understand their business relationships and, within reason, to identify and react to unusual or suspicious transaction patterns.

**Legitimate:** Not from illegitimate sources.

**Management system:** The processes and documentation that collectively provide a systematic framework for ensuring that tasks are performed correctly, consistently and effectively to achieve the desired outcomes, and to drive continual improvement in performance.

**Member:** This refers to a commercial member of the RJC. This is a business that:

* + - is actively involved in the diamond, gold or PGM jewelry supply chain for commercial reasons;
    - is exempt from the role of consultant, advisor or any other similar entity;
    - commits to the prevailing RJC principles and COP on business ethics, social, human rights and environmental performance and management systems;
    - commits to a verification assessment by an accredited auditor against the RJC principles and COP in accordance with RJC requirements; and
    - Pays the annual RJC commercial membership fee.

A member may consist of one or more entities and facilities.

**Mined material:** Is produced by a mining facility (or ‘mine’) usually in the form of mineral concentrate, impure alloy or refined metal.

**Non-conformance:** This happens when a member’s policies, systems, procedures and processes do not fully match the standard. A minor non-conformance is an isolated lapse of performance, discipline or control. A major non-conformance is when a provision has not been met at all: because the necessary controls are missing, or have failed; or because there are a group of related, repetitive and persistent minor non-conformances (showing that the standard is not being adequately implemented).

**Provenance:** The point where the material started or originated.

**Recyclable materials:** Precious metals that have been previously refined (including end-user, post-consumer materials, precious metal-bearing products, and scrap and waste metals and materials arising during product manufacturing) and then returned to a refiner or other downstream intermediate processor to begin a new life cycle as ‘recycled material’.

**Responsible ASM standard:** A voluntary initiative on responsible mining practices designed for ASM, which includes certification, verification or some other form of assurance. ASM standards recognised by the RJC for this standard are defined in the COP Standard Guidance document.

**Responsible Minerals Initiative:** An initiative founded by members of the Responsible Business and the Global e-Sustainability Initiative for companies to address responsible mineral sourcing issues in their supply chains (formerly Conflict-Free Sourcing Initiative).

**Validation**: The process of checking and declaring the acceptability of eligible mined material mining assurance programs recognized by the RJC.

**GLOSSARY REFERENCES**

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 2016.

**FURTHER INFORMATION AND RESOURCES**

* + - European Commission – The EU regulation explained:
    - http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/
    - FATF Report – Money laundering/ terrorist financing risks and vulnerabilities associated with gold:
    - http://www.fatf-gafi.org/media/fatf/documents/reports/ML-TF-risks-vulnerabilities-associated-with-gold.pdf

**KEY REGULATIONS AND INITIATIVES**

* + - The Guiding Principles on Business and Human Rights was unanimously endorsed by United Nations members in 2011.
    - The Guiding Principles state that companies have a responsibility to make sure their activities do not fund harm and abuses. The Guiding Principles recommend risk-based due diligence as a practical and effective way for companies to meet this responsibility.
    - The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, adopted in May 2011, aims to help companies across the whole supply chain respect human rights and avoid contributing to conflict through their mineral sourcing practices. The OECD Guidance is applicable to all minerals and global in scope, and has specific supplements on tin, tantalum, tungsten and diamonds. Its five-step framework for detailed due diligence is the basis for responsible global supply chain management of minerals. In terms of diamonds, the OECD Guidance requires companies to conduct KYC and due diligence on the suppliers of diamonds scrap to ensure the diamonds from mined origin is not being laundered through recycled diamonds channel.
    - The CCCMC Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains has been developed based on UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. It provides guidance to all Chinese companies which are extracting and/or are using mineral resources and their related products and are engaged at any point in the supply chain of minerals to identify, prevent and mitigate their risks of contributing to conflict, serious human rights abuses and risks of serious misconduct. The guideline outlines a basic five-step model for carrying out risk-based supply chain due diligence for all types of minerals. However, the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters (CCCMC) will prioritize the future release of audit protocols and supplementary materials for diamonds, tin, tungsten and tantalum.