

Responsible Supply Chain and due diligence programme

Memorandum – 18/01/2022

The following document outlines Monnickendam Diamonds Ltd annual report on Its supply chain due diligence. Beginning with our supply chain policy this document outlines our management structure for dealing with our supply chain due diligence and procedures we have in place to implement the OECD 5-Step framework as a management process for risk based due diligence. To date we have not identified any red-flags in our supply chain.

Supply Chain: Policy Statement

1. Monnickendam Diamonds Ltd is a trading company with over 130 years of experience cutting and polishing diamonds. This policy confirms Monnickendam Diamonds Ltd's commitment to respect human rights, avoid contributing to the finance of conflict and comply with all relevant UN sanctions, resolutions, and laws. In order for our suppliers and in turn their suppliers to understand Monnickendam Diamonds Ltd's Supply Chain policy we encourage our suppliers to communicate this policy throughout our supply chain.

2. Monnickendam Diamonds Ltd is a certified member of the Responsible Jewellery Council (RJC). As such, we commit to proving, through independent third-party verification, that we:

- a. respect human rights according to the Universal Declaration of Human Rights and International Labour Organization Declaration on Fundamental Principles and Rights at Work;
- b. do not engage in or tolerate bribery, corruption, money laundering or finance of terrorism;
- c. support transparency of government payments and rights-compatible security forces in the extractives industry;
- d. do not provide direct or indirect support to illegal armed groups;
- e. enable stakeholders to voice concerns about the jewellery supply chain; and
- f. are implementing the OECD five-step framework as a management process for risk-based due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas.

3. We also commit to using our influence to prevent abuses by others. Suppliers who fail to comply with our Supply chain and Human rights policy will be suspended. Any suspected breach of this supply chain policy can be reported to Monnickendam Diamonds Ltd through our Grievance mechanism, by phoning +44 020 7242 2333 or by email at info@monnickendam.co.uk. Our Grievance mechanism can be accessed via our website. www.monnickendam.co.uk

4. Regarding serious abuses associated with the extraction, transport or trade of minerals: We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:

- a. torture, cruel, inhuman and degrading treatment;

- b. forced or compulsory labour;
- c. the worst forms of child labour;
- d. human rights violations and abuses; or
- e. war crimes, violations of international humanitarian law, crimes against humanity or genocide.

5. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are committing abuses described in paragraph 4 or are sourcing from, or linked to, any party committing these abuses.

6. Regarding direct or indirect support to non-state armed groups: We only buy or sell diamonds that are fully compliant with the Kimberley Process Certification Scheme and, as such, 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:

- a. control mine sites, transportation routes, points where diamonds are traded and upstream actors in the supply chain; or
- b. tax or extort money or diamonds at mine sites, along transportation routes or at points where diamonds are traded, or from intermediaries, export companies or international traders.

7. 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 as described in paragraph 6.

8. 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 described in paragraph 4 or that act illegally as described in paragraph 6.

9. Regarding bribery and fraudulent misrepresentation of the origin of minerals: We 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.

10. 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 minerals.

Management structure and responsibilities for due diligence programme

1. Monnickendam Diamonds Ltd will appoint a due diligence officer who will:

- co-ordinate and communicate the policy's implementation across our organisation;
- work to ensure all relevant suppliers respect the policy, and review business relationships with suppliers based on risk levels;
- carry out internal and (if relevant) external training;
- respond to identified supply chain risks;
- publicly report on due diligence every year and
- review and propose improvements to the due diligence system.

2. Monnickendam Diamonds Ltd will review the management system regularly and look for opportunities to improve it.

System for record keeping and identifying red-flags in our supply chain

1. Monnickendam Diamonds operates as both a Tier 1 and downstream company, to create a system for transparency over its supply chain the due diligence officer at Monnickendam Diamonds will collect and record the following information.

2. To fulfil its obligation as a Tier 1 company, for rough diamonds purchased from 1/15/2022 the due diligence officer will endeavour to collect and record the origin of the rough diamonds purchased, the location where rough diamonds are consolidated before export, the transportation routes of rough diamonds and the weight of the rough diamonds from its supplier. This data will be complete once for every delivery.

3. To fulfill its obligation as a downstream company, the due diligence officer will endeavor to collect and record the following information from its current list of suppliers, the identity of immediate suppliers, the sources of stones and evidence that immediate suppliers have carried out due diligence based on an approach that is aligned with the OECD Guidance. The due diligence officer will review the information collected on suppliers and update when there are changes

4. The due diligence officer at Monnickendam Diamonds Ltd will be responsible for identifying red flags when they receive the requested due diligence information from suppliers.

5. In the absence of any clear, definite, and regularly updated guidelines from either supranational or national sources or sector-related sources who have the authority to deal with this issue, we define CAHRA's as countries and or regions which are on the 'blacklist' of the Kimberley process. Monnickendam Diamonds Ltd is ready to re-assess its criteria for determining CAHRA's as defined in

the OECD Guidelines on Conflict Affected and High-Risk Areas when credible sources provide the necessary guidance.

6. The due diligence office at Monnickendam Diamonds Ltd will check for red flags in Monnickendam Diamond Ltd's supply chain once for every delivery of rough diamonds and when there are changes to the information supplied by suppliers.