



EL-RAN's SUPPLY CHAIN POLICY

EL-RAN bv places high importance on ethical business practices and wants to be a trusted partner for customers, suppliers and wider stakeholders. In this policy, we set out what ethical business practices mean to us.



This policy is aligned with the Antwerp World Diamond Centre's Supply Chain Policy Implementation Guidance and inspired by the 5-step OECD (Organisation for Economic Co-operation and Development) due diligence guidance.

Our commitments

As EL-RAN bv, we commit to the following principles:

- We do not source/purchase rough diamonds without a Kimberley Process Certificate. We only purchase rough diamonds with a Kimberley Process Certificate to ensure our diamonds are conflict-free in accordance with the Kimberley Process conflict definition.
- We do not engage in or tolerate money laundering or the financing of terrorism. We have a Money Laundering and Anti-Terrorism Policy which sets out our company's clear commitments. We are committed to support and contribute to efforts to eliminate money laundering and terrorism financing where we identify a reasonable direct or indirect risk resulting from the extraction, trade, handling, transport or export of diamonds
- We do not engage in or tolerate bribery or corruption. We will not engage in any forms of bribery and will reject any form of solicitation to conceal or disguise the origin or type of diamonds or to misrepresent fees, royalties and taxes to be paid to authorities throughout the diamond value chain.
- We do not accept our diamond sourcing being linked to illegal armed groups. We support human rights-compatible security forces in the diamond industry and our diamond sourcing shall not be linked to the direct or indirect support of illegal and non-stated armed groups (covered by the Kimberley Process Certification Scheme).
- We do not accept violations of human rights. We commit to respecting human rights according to the UN Universal Declaration of Human Rights and ILO Fundamental Rights at Work; We do not tolerate in our business and among our business partners:
 - forced or compulsory labour,
 - any form of child labour,
 - war crimes, violations of international humanitarian law, crimes against humanity or genocide
 - torture, cruel, inhuman and degrading treatment,
 - other human rights violations and abuses

As an RJC member, El-Ran is committed to operate in accordance with the RJC Code of We run our business in the diamond industry by integrating human rights, ethical-, social- and environmental- practices into our daily operations.

System of Warranties (SoW) Self Assessment

Completion Date	16-Nov-2021
Status	Valid
Expiry Date	15-Nov-2022
Registered Entity Name	EL-RAN
Unique Number	3A1C0741





Prevention of Money Laundering & Counter-Financing of Terrorism

Money Laundering

- ❖ The process by which the financial proceeds of illegally obtained money are disguised to conceal their questionable origin

Suppliers

1. All details of the suppliers will be treated as per Know Your Supplier requirements
2. Every new supplier will be evaluated as per current AML compliance regulations using the AML Risk Assessment Report
3. The details may be supported with evidence such as KYC form, copies of Company Foundation / ID Card/ Passport
4. Local Belgian supplier details will be downloaded from the website www.registereddiamondcompanies.be
5. Details of overseas diamond suppliers shall be requested for compliance with AML & CFT regulations; e.g. data sheet from bureau Van Dijk

Customers

1. All customers details will be treated as per Know Your Customer requirements
2. Every new customer will be evaluated as per current AML compliance regulations using the AML Risk Assessment Report
3. The details may be supported with evidences such as KYC form, Passport / ID Card / Company Registration documents
4. Details of overseas diamond customers will be requested for compliance with AML & CFT regulations; e.g. data sheet from bureau Van Dijk
5. Local customer details will be downloaded from the website www.registereddiamondcompanies.be

Payments

1. All outgoing payments for rough or polished diamonds will be made through the Bank
2. All petty cash expenses are communicated with the accountant to be recorded in the cashbook
3. No cash businesstransaction over € 3000 will be executed as per Belgian Law
4. Any suspicious transactions will be reported to the proper authorities

Receipts

1. All incoming payments for rough or polished diamonds will be made through the Bank
2. No cash amounts will be accepted for any business transaction
3. No cash deposits over € 3000 are accepted by the Bank
4. Any suspicious transaction will be reported to the proper authorities as required by Anti Money Laundering regulations

	<p style="text-align: center;">EL-RAN bvba Hoveniersstraat 35, Office 760, 2018 Antwerpen, Belgium Office: +32(0)3 2051727 – info@elran-diamonds.com</p>	<p style="text-align: center;">Diamond Trading Procedure</p>
---	---	---

Conflict Diamond

Kimberly Process Certification Scheme

- ❖ A joint Government, international diamond industry and civil society initiative to stem the flow of Conflict Diamonds

WDC SoW

- ❖ World Diamond Council System of Warranties - To prevent Trade in Conflict Diamonds

Diamond, Treated, Synthetics, Simulants

- ❖ Diamond is a natural mineral consisting essentially of pure carbon crystallized with a cubic structure in the isometric system. Its hardness in the Mohs scale is 10; its specific gravity is approximately 3.52; it has a refractive index of 2.42 and it can be found in many colours
- ❖ A Treated diamond is any object or product that meets the requirements specified in the definition of the word "Diamond" or the word "Synthetic" that has been subject to a "Treatment"
- ❖ A Synthetic Diamond is any object or product that has been either partially or wholly crystallized or re-crystallized due to artificial human intervention such that being the exception of being non-natural, the product meets the requirements specified for "Diamond"
- ❖ A Diamond Simulant is any object or product used to imitate Diamond or some or all of its properties and includes any material which does not meet the requirements of the definition of Diamond

Polished Diamonds Purchase

1. Collect all the required data from the supplier to ensure compliance with KYS norms
2. Collect evidence supporting the data supplied
3. Maintain details of all the diamond suppliers as per KYS requirements. Check on the HRD Web site if the supplier is from Belgium - www.registereddiamondcompanies.com & get their HRD Numbers
4. Update any changes if and when required
5. Ensure that the supplier invoice contains the declaration as per the requirements of UN Convention & the WDC SoW

Polished Diamonds Sales

1. Collect the required data from customer to ensure compliance with KYC norms
2. Ensure that the relationship with the customer is clearly understood
3. Maintain the details of all customers as per KYC requirements
4. Update the details if and when required
5. Check whether customer is from Belgium www.registereddiamondcompanies.com
6. Ensure that there is appropriate and accurate product disclosure for diamonds
7. Ensure that the sales invoice bears the warranty as per World Diamond Council - System of Warranties



EL-RAN bvba

Hoveniersstraat 35, Office 760, 2018 Antwerpen, Belgium
Office: +32(0)3 2051727 – info@elran-diamonds.com

Diamond Trading Procedure

Storage of Diamonds

1. All Polished diamonds should be stored in packets and in a secure safe to prevent any possibility of substitution
2. The diamond bags shall have proper and correct identification / description
3. The polished diamonds are stored in parcels or singles packets depending on their size
4. Certified diamonds are stored along with their certificates (if any) as per Diamond Trading Procedure
5. The diamonds shall be packed secure & protected during shipment to prevent any pilferage or substitution
6. The coverage by the high value courier is covered "Custody to Custody" or "Door to Door"
7. The diamond stock has to be appropriately insured during storage by a Block Policy

Disclosure of Product

1. All diamonds must follow the 'product Integrity' provisions for accurate disclosure
2. The CIBJO Diamond Book shall be followed in case of doubt
3. There will be no misleading, untruthful or deceptive disclosures
4. Treated Diamonds will always be indicated by the word "treated" preceding the word "diamond"
5. Synthetics Diamonds must be indicated by "Synthetic" / "Laboratory Created" or "Laboratory Grown" preceding the word "diamond"
6. Diamond Simulants must be indicated by the word "Simulant" preceding the word "diamond"
7. Simulants will never be called Real, Genuine or Naturally Occurring Minerals or Compounds
8. A diamond will not be called "Flawless" if there are any of the following imperfections like Flaws, Cracks, Inclusions, Carbon Spots, Clouds, Internal Lasering, Blemishes when viewed under 10X Magnification
9. A Diamond will not be called Brilliant, Brilliant Cut or Full Cut if it does not have at least 32 facets plus the Table above the girdle and at least 24 facets below the girdle
10. For bulk purchase & sale to Traders, goods will be purchased / sold on price, not by Grades / Colour / Cut

	<p style="text-align: center;">EL-RAN bvba Hoveniersstraat 35, Office 760, 2018 Antwerpen, Belgium Office: +32(0)3 2051727 – info@elran-diamonds.com</p>	<p style="text-align: center;">Employment Procedures</p>
---	---	---

Employment & Human Resources

Employee

- Any individual who has entered into or works under a contract of employment or a contract of service or apprenticeship, whether express or implied, whether oral or in writing, or as defined by the applicable law

Employment

1. All employees, when joining, will submit the proof of age
2. No children or young persons under the age of 18 will be employed
3. All personnel will be employed through a Work Contract as per Belgian Law
4. The employees will be registered with the Social Security
5. Employees are not required to pay any deposits, recruitment fees or any other such fees

Insurance

1. All personnel who transport diamonds will be covered by insurance through a Block Policy
2. The company will comply with the social security requirements and deduct & pay the social security amount as required by the law
3. All employees shall be covered under an Accident Insurance Policy as required by Belgian Laws

Child labour & Forced labour

1. No children are employed in any areas of work. EL-RAN does not support child labour
2. No forced labour will be used in any areas of work
3. No original documents of employees will be retained by the company for any purpose whatsoever. Only copies will be kept. Originals will be returned asap
5. No amounts will be taken from employees to retain their job

Freedom of Association

1. Employees are free to join any employee union or association
2. The company does not prevent any such membership and there are no repercussions
3. There is no possibility of joining an internal union as there are only 4 employees

Discrimination

1. Company does not discriminate between employees on basis of caste, creed, religion, sex, political affiliations or any other basis

Discipline & Grievances

1. All employees are required to keep to their working hours
2. The assigned project must be completed on time
3. The company does not subscribe to any corporal punishment



4. The company explicitly prohibits subjecting any employee to harsh or degrading treatment; sexual or physical harassment; mental, physical or verbal abuse; coercion or intimidation in the work place
5. Employees are required to report any such instances to the Management
6. Employees are free to approach the Management in case of any grievances
7. The company welcomes any suggestions for improvement in the operations

Hours of Work & Leaves

1. All employees will be required to keep to their working hours as defined in the work contract
2. Any deviations are to be reported to ensure work is not hampered
3. All the holidays declared by Belgian Government will be granted as per list
4. Annual vacation / leave will be given to all employees in April, August & December as per regulations – PC 324 Diamant

Overtime

1. The company does not encourage working overtime
2. When there is any urgent task which requires overtime, compensation will be provided as per Belgian Law requirements and as agreed by the employee & employer
3. Overtime if required, will be voluntary

Remuneration

1. Employees receive a monthly salary after their recruitment
2. The salary will be transferred to their account directly through bank
3. Salary slip will be issued to all employees with the details of all calculations
4. The minimum salary as per the salary sheet for diamond industry will at least be paid

Hazardous Work

1. There are no Hazardous work areas in the office
2. The office does not use any hazardous chemicals

Induction Training

1. New employees will be given the risk register to ensure that they understand the risks of the job
2. Introduction training will include emergency response procedures
3. Trainings will be offered to the new recruit
4. All new employees will be explained the terms and conditions of their employment

	<p style="text-align: center;">EL-RAN bvba Hoveniersstraat 35, Office 760, 2018 Antwerpen, Belgium Office: +32(0)3 2051727 – info@elran-diamonds.com</p>	<p style="text-align: center;">Anti Bribery Procedure</p>
---	---	--

Bribery& Facilitation Payments

Bribery

- ❖ Bribery is offering, promising or giving, as well as demanding or accepting of any undue advantage, whether directly or indirectly, to or from:
 - A public official
 - A political candidate, party or official, or
 - Any private sector employee (including a person who directs or works for a private sector enterprise in any capacity)

Facilitation Payment

- ❖ Facilitation Payments are done to receive preferential treatment for something that the receiver is otherwise still required to do

Control of Bribery& facilitation Payment

1. The company prohibits involvement in bribery in any form
2. No bribes or facilitation payments will be offered, accepted or countenanced
3. No bribes, gifts in kind, hospitality, expenses or promises will be offered to get any unfair business advantage
4. No bribes will be given to influence the government decision making process or to get business
5. Gifts, if at all, given during festive seasons will be recorded. No high value gifts will be given
6. All cash expenses will be recorded in a cash book.
7. All accounts will be annually audited as per requirements of the Belgian law

Risk of Bribery

1. Although Belgium is not a country with a high risk of bribery, the areas where a risk of Bribery exists will be identified in the Risk Assessment
2. Appropriate controls are identified to prevent such risks from occurring
3. The company has a policy which clearly defines bribery as being unacceptable
4. No employee will face adverse action for refusing to pay bribes

Responsibilities of Associates

1. All co-workers are encouraged to report attempted bribery
2. The company supports prevention of bribery and no one shall be penalized in any way for refusing to pay a bribe or a facilitation payment
3. All cash expenses will be recorded in a cash book of which a copy is communicated to the accountant
4. All gifts, if any, will be recorded in the gift register

	<p style="text-align: center;">EL-RAN bvba Hoveniersstraat 35, Office 760, 2018 Antwerpen, Belgium Office: +32(0)3 2051727 – info@elran-diamonds.com</p>	<p style="text-align: center;">Accident Investigation Procedure</p>
---	---	---

Accident & Incident Investigation

Accident

- ❖ Accident is an occurrence that has caused injury to a person or has damaged the environment

Incident

- ❖ Incident is an occurrence that has potential to cause injury to a person or damage the environment

Accident Response

1. In case of accident & injury, provide first aid as required
2. Call the ambulance if the injury is severe

Accident Reporting

1. In case of accident & injury provide details as required by the insurance company
2. All employees are covered by the accident insurance policy as per Belgian law

Accident Investigation

1. Record the immediate reason for the accident in the first investigation report part of the accident report
2. Find the basic cause underlying the accident
3. Identify and initiate remedial actions
4. Ensure that the remedial actions are effective and decide if any follow up actions are required

Accident Analysis

1. Update the risk assessment for the new risk
2. Implement additional controls to prevent recurrence of the accident

	<p style="text-align: center;">EL-RAN bvba Hoveniersstraat 35, Office 760, 2018 Antwerpen, Belgium Office: +32(0)3 2051727 – info@elran-diamonds.com</p>	<p style="text-align: center;">Provenance Claim Policy</p>
---	---	---

Provenance Claim Policy

In compliance with RJC Standards EL-RAN will ensure that all its provenance claims will be fully valid along with available evidence and/or procedures to support the claims.

Provenance Claim Types

Provenance Claims can be classified in the following categories:

- ❖ *Origin*: Geographical origin of the materials; country, region, mine or corporate ownership of the mining facility, and/or
- ❖ *Source*: Type of source; recycled, mined, artisanal mining, date of production, and/or
- ❖ *Practices*: Specific practices applied in the supply chain, relevant to the Code of Practices, including but not limited to standards applicable to extraction, processing or manufacturing, conflict-free status, or due diligence towards sources

Diamond Origin Declaration / Traceability

- ❖ For all new goods given in consignment to EL-RAN the supplier is requested to fill out the Diamond Origin Declaration form. This will provide us with data on how the goods were acquired. As well as the geographical origin of the materials; country, region, mine or corporate ownership of the mining facility, and the polishing location; country & region

EL-RAN will ensure

- that all claims and statements on practices in the supply chain and the origin or source of Diamonds, Synthetics, Gold and/or Platinum through the use of both descriptions and symbols are valid
- that there will be no attempt to mislead consumers through illustrations, descriptions, expressions, words, figures, depictions or symbols relating to the Provenance Claims
- that the necessary procedures are implemented to ensure compliance with respect to the Provenance Claims, and will ensure that all the relevant employees are both aware about the Provenance Claims and the procedures

Complaint and Grievance Register

Last but not least EL-RAN has installed a complaint and grievance register and has appointed a compliance officer with regard to Provenance Claims

See addendum

Addendum to the Provenance Claim policy:

Description of Provenance Claims and procedures

- The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding Belgian laws.
- EL-RAN hereby guarantees that these diamonds do not come from Zimbabwe and are conflict free.
- To the best of EL-RAN's knowledge, these diamonds are natural, not synthetic, free of any kind of enhancements and have not been treated in any way, unless otherwise stated. EL-RAN has received similar assurance of their natural and untreated state from any supplier from whom these diamonds were obtained.

Provenance Claims

- The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding Belgian laws.
- EL-RAN hereby guarantees that these diamonds do not come from Zimbabwe and are conflict free.
- To the best of EL-RAN's knowledge, these diamonds are natural, not synthetic, free of any kind of enhancements and have not been treated in any way, unless otherwise stated. EL-RAN has received similar assurance of their natural and untreated state from any supplier from whom these diamonds were obtained.

The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding Belgian laws. EL-RAN hereby guarantees that these diamonds do not come from Zimbabwe and are conflict free. EL-RAN confirms adherence to the WDC SoW Guidelines, under the number 3A1C0741. To the best of EL-RAN's knowledge, these diamonds are natural, not synthetic, free of any kind of enhancements and have not been treated in any way, unless otherwise stated. EL-RAN has received similar assurance of their natural and untreated state from any supplier from whom these diamonds were obtained.