DIANCO

BRINGING DIAMONDS TO LIFE

VERSION 2026

GROUP DIANCO - OECD 5 Step Framework for Upstream and Downstream Supply Chains

1. Company Management Systems

- Group Dianco – Responsible Sourcing Policy
- Group Dianco – Policy on Sourcing from Conflict-Affected and High-Risk Areas
- Group Dianco – Policy Third Party Due Diligence
- Group Dianco – Grievances Policy for Suppliers and Customers
- Group Dianco – Human Rights Policy
- Group Dianco – Global Standards for Business Partners
- Group Dianco – Procedure Receipt of Goods
- Group Dianco – Integrity and Safety Policy
- Group Dianco – Procedure on Treated Diamonds, Synthetic Diamonds and Diamond Simulants
- Group Dianco – Provenance Policy
- Group Dianco – Procedure on Kimberley Process and the World Diamond Council System of Warranties
- Group Dianco – Use of Diamond Terms
- Group Dianco – Supply Chain Policy
- Group Dianco – Whistleblowing Policy

2. Identify & Assess Risks in the Supply Chain

- **Position in supply chain category as per OECD and implementation strategy**

  The Group entities studied in detail the OECD Due Diligence Guidance and the RJC Code of Practices (COP) provisions for the sourcing of diamond and gemstone supplies. Based on that study and our understanding, we came to the conclusion that within the supply chain we are situated ‘Downstream’.

- **Brief overview of Group entities in the diamond and gemstone supply chain:**

  a) Dianco BV - Antwerp
  - Dianco BV is positioned at downstream level; it sources from recognized mining companies and diamond suppliers and sells to customers.
  - The ratio of trading in rough diamonds and polished diamonds is approximately Rough Diamonds 80% – 85% and Polished Diamonds 10% – 15% on an annual basis.

- Almost 98% of Rough Diamond supplies are from primary and secondary suppliers (midstream companies).
- The other 2% of the purchases comes from Tier 1 & Tier 2 midstream companies who sourced from the primary market; however, the information on the origin of these rough diamonds is not sufficient.
- For polished diamonds 95% of the supply is from a Group Dianco member, where mine-to-market information is clear.
- The other 5% is from downstream polished traders who do not have source information, mainly because the goods may have changed hands multiple times.
- Dianco BV trades the following products: rough: -10ct MB / MBCL / CLIV white & brown; polished: 0,05 – 40 points VVS – I2.

b) Dianco FZCO – Dubai
- Commercial activities similar to those of Dianco BV.

c) Dianco (HK) Ltd – Hong Kong
- Only trading of polished natural diamonds, no rough diamonds.
- Polished diamonds: 75% - 80% are purchased from the Group Dianco entities.
- Polished product range in line with Dianco BV – Antwerp and Dianco FZCO – Dubai.

d) Dianco Shanghai Ltd – China
- Only trading of polished natural diamonds, no rough diamonds.
- Polished diamonds are purchased only from the Group Dianco entities.

e) Dianco Solitaire – New York (United States)
- Trading of natural diamonds.
- Sourcing follows the same policies, procedures and due diligence as the other Group Dianco trading entities.

3. Manage Risks

- A list of all suppliers will be prepared and kept up-to-date. On a regular basis due diligence will be done to monitor their position in the global supply chain.
- All relevant policies and procedures will be published on the website of Group Dianco – www.diancogroup.com.
- All suppliers will be informed about the possibility to consult our website to create awareness and to let them understand what the requirements are for business partners of Group Dianco.
- At the beginning of every year all procedures and policies will be revised by an appointed responsible person and, if necessary, new ones will be implemented.
- Subsequently training will be provided for all staff, who afterwards have to sign a certificate that they have been trained, have understood and will respect the guidelines of the Group and their entity.
- In case of necessity during the year, an update will be planned and communicated.
- The compliance officer of the respective entities will monitor requirements in relation to KYC, anti-money laundering (including UAE Federal Decree-Law

No. 10 of 2025 for Dianco FZCO), anti-bribery, sanctions, the Kimberley Process, etc.

- All suppliers and customers are screened against UN, EU, US, UK and other applicable sanctions lists. No diamonds mined, processed or produced in the Russian Federation may enter the supply chain, in line with the G7 and EU sanctions regimes (including Article 3p of EU Regulation 833/2014). Where required at import, traceability-based information demonstrating non-Russian origin must be obtained and kept on file.
- Overall we have to ensure that our supply chain remains transparent and that in all stages of the process all criteria are fulfilled. This implies:
  - Due diligence questionnaire for each supplier in our supply chain with an update every two years;
  - To ensure that the steps as foreseen for the receipt of goods are strictly followed so that no discussion can be raised afterwards about the origin of the goods;
  - Ensuring that our sourcing remains conflict free based on the information given by suppliers and that this information is correct;
  - To ensure that all applicable national and international legislation, including sanctions, is respected;
  - Ensuring that all business partners respect basic human rights, in particular 'The Universal Declaration of Human Rights' and 'C29 Forced Labour Convention, 1930';
  - In case of mining, to investigate and to ensure that these operations have the consent of all local communities;
  - Regular reports from the Compliance Officers in relation to any possible issue.

4. Due Diligence Practices - Documents

4.1 Mid-Stream Tier-1 & Tier-2

- KYC documents need to be obtained and monitored on a regular basis.
- A due diligence questionnaire (Annex I) needs to be obtained and evaluated with attention to the OECD requirements. If needed, the supplier's attention will be drawn to these OECD requirements.
- Each supplier has to provide assurance, through our consultation of its website, social media, etc., through visits and/or by providing documents, on:
  - Social Compliance;
  - Ethical Sourcing Policy;
  - Sanctions compliance and non-Russian origin of goods;
  - Annual reporting.
- All documents are to be evaluated by the management of each entity and, in case of doubts and/or issues, by senior management of Group Dianco.

4.2 Downstream Traders of Polished Diamonds

- KYC documents need to be obtained and monitored on a regular basis.
- A due diligence questionnaire (Annex I) needs to be obtained and evaluated with attention to the OECD requirements. If needed, the supplier's attention will be drawn to these OECD requirements.

- Each supplier has to provide assurance, through our consultation of its website, social media, etc., through visits and/or by providing documents, on:
  - Social Compliance;
  - Ethical Sourcing Policy;
  - Sanctions compliance and non-Russian origin of goods;
  - Annual reporting.
- All documents are to be evaluated by the management of each entity and, in case of doubts and/or issues, by senior management of Group Dianco.

5. Reports

5.1 Suspicious Transaction Identification Procedure (Red Flag / CAHRAs):

- Each entity must obtain a duly filled in Annex I;
- If the elements are not satisfactory, additional investigations will be done;
- Cancelling or putting a commercial relationship on hold is the sole competence of the senior management of Group Dianco.
- The Compliance Officer of the Company is responsible for ensuring that all the applicable regulations with respect to reporting cash and non-cash equivalents and suspicious transactions to the relevant Regulatory Bodies (such as the Belgian CTIF-CFI, the UAE Financial Intelligence Unit via goAML the Hong Kong Joint Financial Intelligence Unit and FinCEN in the United States) are fully adhered to.

ANNEX I – DUE DILIGENCE RISK ASSESSMENT

1. Name of the supplier	Click or tap here to enter text.
2. Address	Click or tap here to enter text.
3. Contact person & Contact details	Click or tap here to enter text.
4. Type of business	☐ Rough/Polished trader ☐ Polished manufacturer ☐ Jewellery manufacturer ☐ Retailer ☐ Miner ☐ Other supplier
5. Type of goods and quantity (%) supplied	# Rough/Polished diamonds with well-known original source and miners Click or tap here to enter text. # Rough/Polished diamonds with limited information on original source Click or tap here to enter text. # Rough/Polished diamonds with no information on original source Click or tap here to enter text.
6. Compliance with industry-wide standards	☐ RJC compliant ☐ BPP compliant ☐ Other, please specify
7. Please provide list of all mines, mining companies, regions or geographical locations rough material comes from in your supply chain (intake)	☐ De Beers ☐ Angola ☐ South Africa ☐ Sierra Leone ☐ Namibia ☐ Botswana ☐ Canada ☐ Russia* ☐ Others, please specify ** Diamonds of Russian origin may not be supplied to Group Dianco (see question 14).*
8. Business Location where consolidation of all your rough &/or polished stones is done	☐ India ☐ Belgium ☐ UAE ☐ Sri Lanka ☐ Hong Kong ☐ USA ☐ Israel ☐ Botswana ☐ Russia ☐ Canada ☐ Others, please specify
9. Describe the method of extraction (if applicable)	☐ ASM (Artisanal or Small-scale mining) ☐ Large scale mining
10. Which policies and/or procedures are implemented related to "Responsible Sourcing" and "CAHRAs Sourcing"?	Click or tap here to enter text.

11. Has the entity carried out due diligence based on an approach aligned with OECD guidelines? OECD Due Diligence Guidance – Minerals	☐ Yes ☐ No
12. Did you discover during the Due Diligence on your diamond pipeline "Red Flags" for one of your business partners?	☐ No ☐ Yes
13. In case of "Red Flags", is the relationship with that particular business partner suspended?	☐ No ☐ Yes
14. Do you confirm that none of the diamonds supplied to Group Dianco were mined, processed or produced in the Russian Federation, and that you comply with all applicable UN, EU, US, UK and G7 sanctions?	☐ Yes ☐ No
15. Can you provide, on request, the declarations and traceability information needed to demonstrate the non-Russian origin of the goods (e.g. G7 import documentation, mine-of-origin or traceability platform records)?	☐ Yes ☐ No
16. Additional Comments	Click or tap here to enter text.
For office use only: Remarks	
Risk assessment *(Select the appropriate risk level associated with the supplier)*	☐ Low risk ☐ Medium risk ☐ High risk

ANNEX II – General Information

What Are "Conflict Diamonds"?

Blood Diamonds, also known as "Conflict Diamonds," are stones that are produced in areas controlled by rebel forces that are opposed to internationally recognized governments. The rebels sell these diamonds, and the money is used to purchase arms or to fund their military actions.

Blood Diamonds are often produced through the forced labor of men, women and children. They are also stolen during shipment or seized by attacking the mining operations of legitimate producers. These attacks can be on the scale of a large military operation.

The stones are then smuggled into the international diamond trade and sold as legitimate gems. These diamonds are often the main source of funding for the rebels; however, arms merchants, smugglers, and dishonest diamond traders enable their actions. Enormous amounts of money are at stake, and bribes, threats, torture, and murder are modes of operation. This is why the term "blood diamonds" is used.

(geology.com)

What Are “Conflict-Affected and High-Risk Areas” (CAHRAs)

Definitions:

OECD definition of conflict-affected and high-risk areas: Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict 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.

EU definition of conflict-affected and high-risk areas: Areas in a state of armed conflict, fragile post-conflict areas, as well as areas witnessing weak or non-existing governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses.

CAHRAs Procedure Guidance:

To support companies' development of their CAHRAs procedures, the RMI created Example Procedures to Identify CAHRAs for companies. This document covers the requirements defined in the Responsible Minerals Assurance Process (RMAP) and is grounded in the OECD Due Diligence Guidance and EU Conflict Minerals Regulation. When developing the CAHRAs procedure, companies can take into account the size and complexity of their operations. Companies may find that a combination of the publicly available resources referenced below and other resources (such as custom-tailored tools like the RMI’s Country Risk Assessment Tool available to RMI members and RMAP auditees) works best for their company’s operations. Once a company designs its procedure, the next step is to review countries of origin and transit of its materials, and countries where the company is operating, against the procedure to identify if any would qualify as CAHRAs.

According to the RMI RMAP Standard, the CAHRAs shall include, at a minimum, countries identified as high-risk by relevant conflict minerals regulation, such as: The Democratic Republic of the Congo (DRC) and its nine adjoining countries as outlined in Section 1502 of the Dodd Frank Act, namely Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia; and the indicative and non-exhaustive list of CAHRAs provided by the European Commission pursuant to Article 14.2 of the European Union Regulation 2017/821.

On December 17, 2020, pursuant to Article 14.2 of the European Union Conflict Minerals Regulation 2017/821, the European Commission Directorate General for Trade (DG TRADE) published the indicative, non-exhaustive and regularly updated list of conflict-affected and high-risk areas (CAHRAs).

(R.I.M.)

QR-Code: OECD Due Diligence Guidance for Minerals – 5-Step Framework for Upstream and Downstream Supply Chains