

# FACET

## **Policy on Responsible Sourcing and Supply Chain Compliance**

Facet Group should recognizing that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals/metals 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.

Facet Group shall carry out due diligence at regular interval. The due diligence shall be carried out for all business partners especially for minerals and metals suppliers includes Diamond/Coloured Gemstone/Gold/Silver and Platinum Group metals.

Facet Group shall carry out due diligence process for minimizing a company's exposure to these risks when sourcing minerals.

Facet Group shall adopt and communicate to their suppliers and the public a supply chain policy for sourcing gold and PGM from conflict-affected and high-risk areas. Facet Group shall comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals/Metals from Conflict-Affected and High-Risk Areas.

Facet Group shall procure gold and platinum group metal from government approved banks or Responsible Jewellery Council Certified Supplier. Facet Group shall complete the due diligence process prior to initiate business relationship. We only buy or sale diamonds that are fully compliant with Kimberly Process Certification Scheme.

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

Facet Group 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.

Facet Group 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 Labour; 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

# F A C E T

Direct/Indirect support to public/private security forces which illegally Control, Tax or Extort money from Mining Sites, Transportation Routes and Upstream Sectors.

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

Facet Group 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. Facet Group 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.

Facet Group 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.

## **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:

- a. any forms of torture, cruel, inhuman and degrading treatment;
- b. any forms of forced or compulsory labour, 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;
- c. the worst forms of child labour;
- d. other gross human rights violations and abuses such as widespread sexual violence;
- e. 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:

# FACET

- a. illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
- b. illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- c. 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 recognise 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 organisations and civil society organisations 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 organisations and civil society organisations to avoid or minimise 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 Facet Group 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

# FACET

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 shall always 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 shall always 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 Facet Group'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 Facet Group 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 if not found compliant with the ethical business practices and compliance with our supply chain policy.

Facet Group has a zero-tolerance policy to procure any minerals or metals from the Conflict-affected and high-risk areas and suppliers involved in unethical business practices and anti-social activities.

**GRIEVANCE MECHANISM:**

Facet Jewellery Solution S.L. has established this grievance procedure to hear concerns about circumstances in the supply chain involving gold or platinum group metals from conflict-affected areas.

The compliance officer is responsible for implementing and reviewing this procedure. Concerns can be raised by interested parties via email to:

[[compliance@facet.es](mailto:compliance@facet.es)]

Facet Jewellery Solutions S.L.

Date: 01/04/2021

# FACET

Supplier Risk Assessment /Due Diligence Report – Publication (Detailed report is with Compliance team and may produce to concerned parties upon request)

Due Diligence Steps		Name of Suppliers	
		Supplier EJ/FB	Suppliers (O)
Step 1: Establish strong company management systems		Yes	Yes
	Supply chain policy	Yes	Yes
	Management structure and responsibilities for due diligence programme	Yes	Yes
	Record-keeping systems	Yes	Yes
Step 2: Identify and assess risk in the supply chain			
	Assessment of supplying refiner's due diligence practices	Yes	Yes
	Methodology of company supply chain risk assessments	RJC CoP	RJC CoC/CoP
	Actual or potential risks identified	NIL	NIL
Step 3: Design and implement a strategy to respond to identified risks (if applicable)			
	Steps taken to manage risks, including involvement of affected stakeholders	NIL	NIL
	Efforts made to monitor and track performance for risk mitigation	On Going	On Going
	All instances of risk mitigation and results of follow-up after six months	NIL	NIL

The compliance team of Facet Group has completed the due diligence and Risk assessment of all its gold supplier with respect to latest RJC Chain of Custody and Code of Practice standard and we found all our supplier are complying with requirements.

Date: 01/04/2021