



ROYAL ASSCHER.[®]
A M S T E R D A M

Responsible Jewellery Council
Code of Practices 2019

Yearly Report on COP 3, 6 and 7

Contact Information

COMPANY NAME: **Royal Asscher Diamond Compnay Ltd.**
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COP 3: REPORTING

Royal Asscher Diamond Company Ltd. will be providing details Human Rights due diligence, OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and overall responsible business practices (such as promotion of responsible business practices with stakeholders), identified during our business and due diligence activities.

ACTIONS

Royal Asscher Diamond Company Ltd. have the following policies in place: a Company Policy, relating to social and environmental conditions, as well as an overall of the human rights and financial obligations we strive to respect and protect; an Anti-Corruption / Anti-Bribery Policy, relating to the issue of bribery, facilitation payments etc.; an Anti Money Laundering Policy, relating to the prevention of money laundering and terrorism financing (which is then carried out via the Know Your Counterparty process); a Provenance Claim Policy, relating to the claims the company makes regarding the origin of the diamonds as well as the World Diamond Council System of Warranties; a Supply Chain Policy, relating to the respect of human rights and OECD guidelines in the company's supply chain; an Employment Policy, relating to working conditions and fundamental rights of workers and an Emergency Response Policy, relating to response to emergencies and evacuation in case. These policies can be found the company's website at www.royalasscher.com

As a company we have already taken action regarding Human Rights issues; doing so through carrying out a risk assessment that covers all the basis for the company to show that we have the utmost care for the respect of human rights. In smaller terms, we have switched to the least hazardous substance for the cleaning of diamonds (methanol), while any other hazardous substance has been phased out (for example, the scaif is cast iron rather than cobalt).

We plan to tackle the environmental sustainability factor (use of renewable energy in the office, possibly becoming a net zero company) in the future, by taking it up to the management of the building and taking steps that are currently under review.

The outcome of risk-assessing Human Rights has been a greater attention to details and a stronger engagement by employees in knowing and understanding the concept of Human Rights; we expect further outcomes to be highlighted in the future, aimed to cement the company as a leader in responsible business practices in the sector. In this regard we have made sure our business partners are aware that we are undergoing a re-certification with RJC, and offered help in carrying out the process if they so need.

This report will now delve into COP 6 – Human Rights and COP 7 – Due Diligence, to highlight the steps Royal Asscher has taken to ensure compliance with the two provisions.

COP 6: HUMAN RIGHTS

COMPANY MANAGEMENT SYSTEMS

Royal Asscher Diamond Company Ltd. details our commitment to respect human rights throughout our supply chain as part of the overarching company policy, and in combination with the other policies that we have adopted. Royal Asscher endorses these policies to our suppliers and stakeholders by distributing them via our website www.royalasscher.com. Since the company is a solely downstream business, we only hold control over our supply chain in terms of Due Diligence, as will be highlighted later in the report (under COP 7).

To aid us identifying our human rights impacts we have developed and implemented the Human Rights risk-assessment as available on the RJC website, based on COP2013 but still applicable to the new COP2019; this is not shared with the public as it serves as a guidance internally, to act on any possible risks found. The senior managers responsible for overseeing our human rights impacts Mike and Lita Asscher, the co-presidents of the company.

As a company we communicate our expectations regarding human rights by making sure our policy is accessible and highlights our human rights expectations clearly. In addition to this, we also correspond and ask for due diligence information in the supply chain to strengthen our engagement with suppliers; the outcome of doing so has so far helped building a relationship with some suppliers and brought more attention to human rights issues to other suppliers.

Our grievance mechanism for internal stakeholders and our external grievance mechanism do not differ. It is available on the website as Royal Asscher believes that accessibility can create a more involved network of customers and suppliers. The person responsible for the grievance mechanism is Mike Asscher, the co-president of the company.

IDENTIFIED & ASSESSED RISKS

We assess our suppliers practice relating to human rights by ensuring their products are compliant with the Kimberley Process and/or the World Diamond Council System of Warranties (as is indicated in their invoices). We further inquire periodically on their anti-money laundering practices, as well as the Due Diligence regarding their supply chain and the origin of the diamonds they supply to us (see COP7 part of the report). This gives us an idea of where the diamonds we supply come from and the red-flag mechanism in place for COP7 also ensures that human rights are respected to the furthest point we can manage to reach in the supply chain. Furthermore, the assessment is conducted by asking our suppliers for their human rights documentation directly.

During our assessment, we identified no potential and actual risks within our supply chain. The majority of our suppliers are RJC members and are either certified or in the process of getting certified, meaning that they will respect the human rights standards necessary to become certified or already do so.

Royal Asscher Diamond Company Ltd. communicates to stakeholders regarding due diligence activities and efforts to prevent human rights risks. This communication is in the form of a yearly report published on our website, and upon request, we provide information to complete our business partners' Know Your Counterparty processes or similar. When a human rights risk is identified we communicate the risk and how we are addressing it to potentially affected stakeholders by emailing them directly. This has not happened so far as no human rights risks have been identified in carrying out the risk assessment.

COP 7: DUE DILIGENCE

STEP 1: ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

Royal Asscher Diamond Company Ltd. has a Supply Chain Policy in place with regard to our supply chain of minerals originating from conflict-affected and high-risk areas. This policy is communicated to the public as it can be accessed via www.royalasscher.com.

To support supply chain due diligence, we have implemented a structure for internal manager and a system of controls and transparency over our diamond supply chain. The senior manager responsible for overseeing supply chain due diligence is Mike Asscher as co-president of the company. Other roles are occupied by Joop Janssens as financial resources manager, and Mattia Moleri, as Know Your Counterparty and Due Diligence assistant.

The company's system of controls and transparency relies on the truthfulness of the claims made by our suppliers, as our process to ensure transparency is to have our suppliers provide documents in line with OECD Due Diligence and the Responsible Jewellery Council.

As a company we communicate our expectations regarding supply chain due diligence via email. In requesting for details about the Know Your Counterparty process we have made clear that we need to carry out Due Diligence with our suppliers, and in doing so we have strengthened the engagement on the topic. We always offer to help for the first steps of the certification with the Responsible Jewellery Council to suppliers who are not members

Our grievance mechanism is the same for internal and external stakeholders, and can be found on the company's website. The person responsible for the mechanism is Mike Asscher, the co-president. When receiving a complaint, a number of steps are taken in order to ensure a prompt resolve.

STEP 2: IDENTIFY AND ASSESS RISK IN THE SUPPLY CHAIN

We assess our supplier's due diligence practices by checking the occurrence of conflicts in the world based on the 'Conflict Barometer' by the Heidenberg Institute for International Conflict Research. The assessment is done on the documents we receive from our suppliers, in answering questions about whether they know the origin (in percentage) of the diamonds they supply to us. In case they have limited or no information about said diamonds, then the strategy to respond to the risk comes into play, as highlighted in the next chapter of this report. In case where the origin of the diamonds supplied is known and does not come from a CAHRA (Conflict-Affected or High-Risk Area), then no red flag can be identified and the due diligence stops there with the supplier in question.

As of December 2021, two instances of possible red flags have risen (two suppliers are unsure as to the precise country in Africa where the diamonds come from), and they currently being dealt with according to our strategy.

STEP 3: DESIGN AND IMPLEMENT A STRATEGY TO RESPOND TO IDENTIFIED RISKS

The person who receives the findings our risk assessment is Mattia Moleri, the CSR Intern, who turns to the co-presidents, Lita and Mike Asscher to evaluate the findings.

To respond to the risks identified within our supply chain we keep in contact with our suppliers and ask them directly for more detailed information on the specific instance where a red flag could be identified. When they come back with more information, we assess again and give them six months to fix the red flag problem if it's still assessed as such.

In the case of the two possible red flag cases identified in the course of our due diligence process, we have initially asked for more information regarding the specific data closely related to the red flag (which is the unknown origin of the diamonds supplied to us in this instance). Both of the suppliers, however, are RJC members and are certified under COP2013. Since their certifications are coming to an end and they will soon have to turn to COP2019 (which importantly includes a Due Diligence process), we did not follow up with a six month ultimatum as we would have done in a different scenario.

We engage with our stakeholders regarding our due diligence activities on a yearly basis, we do so via a report like the present one, published on our website www.royalasscher.com.

