

7.0 Due Diligence for Responsible Sourcing from Conflict affected and High-risk areas (CAHRA).

7.1 Supply Chain Policy

L&R Josyfon Ltd. is committed to avoidance, to the extent possible, of purchase of any stones and precious metals (Gold and Platinum) from Conflict Affected or high-Risk Areas (CAHRA). We shall adopt the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRA. We also commit to take all measure to ensure that this policy is aligned with our policy on Human Rights and the Policy in Business Partner KYC.

Bruce Josyfon

7.2 Responsibility

Bruce Josyfon is responsible to ensure the implementation of this policy.

7.3 Procedure

- The implementation shall be done in through the process of KYC of Business Partners as well as the adoption of Kimberley Process and WDC SoW requirements.
- L&R Josyfon Ltd. endeavors to have only long-term relations with the suppliers/ customers which helps in reducing the risk.
- Identification of CAHRA – Typical Issues as per OECD Guidance Annex II
 - Serious abuses associated with the extraction, transport or trade of minerals.
 - Direct or indirect support to non-state armed groups
 - Public or private security forces
 - Bribery and fraudulent misrepresentation of the origin of minerals
 - Money laundering
 - Payment of taxes, fees and royalties due to governments
- L&R Josyfon Ltd. shall also encourage all its other Business Partners to avoid business with CAHRA.
- In general, any potential business partner that is from CAHRA, shall not be included as a business partner and no business relation shall be established.
- In case any such event is identified where business relation is unavoidable, or the risk is identified after the relation has started, it will be endeavoured by Bruce Josyfon to initiate risk identification and mitigate such risks. Such entities shall be treated as RED-FLAG entities. Where the non-compliances require that L&R Josyfon Ltd. report it to legal authorities, the same shall be done promptly.
- Where the risks are unacceptable, after taking mitigation actions, the default process to terminate such relations shall be initiated keeping in mind that such actions do not have adverse impacts on human rights of such entities.

7.4 Records

- Purchase and Sale Invoices
- KYC Records of Business Partners (Annexure 12.1)
- Tier 2 Midstream/downstream information form (as per D1.3 of COP Guidance (Annexure 7.1))