

**SUPPLY CHAIN DUE DILIGENCE POLICY &  
DECLARATION OF HYBRID DIAMONDS & GOLD (PTY)  
LTD.**

Hybrid Diamonds & Gold upholds the strictest ethical standards of compliance through a framework of policies, procedures and practices aligned with regulations, laws and guidance of various regulatory bodies and Acts of the Parliament of the Republic of South Africa.

Knowing that risks of significant adverse impacts may be associated with the role of precious metals extraction, trade, handling and export from conflict-affected and high-risk areas, we acknowledge that we have a responsibility to respect human rights and not contribute to conflict. We hereby commit to adopt, widely disseminate and incorporate in all our business activities with all suppliers, the following policy with regards to abuse of human rights, contribution to conflict, money laundering and combating terrorist financing. Hybrid Diamonds & Gold hereby commits itself to uphold the principles of The OECD Due Diligence Guide for the Supply Chain of Minerals from Conflict-Affected and High-Risk Areas. Hybrid strives to comply with all Codes of Practice as per the regulations and requirements set out by the South African Diamond and Precious Metals Regulator (SADPMR) and Acts of Parliament. We further commit to comply with relevant United Nations sanctions resolutions.

It is Hybrid's policy to only purchase precious metals from legitimate and ethical sources and that the purchase of such precious metals have not been associated with corruption, crime, armed conflict, misrepresentation of tax and royalty payments or human rights abuse. We will continue to operate our company with honesty and the highest of moral standards in all aspects of our business. Hybrid Diamonds & Gold has implemented the abovementioned policy and appointed a Compliance Officer, who is responsible for overseeing the Policy, Management Systems and Due Diligence process regarding the purchasing of precious metals.

The Shareholders, Directors, Managers and staff of Hybrid all commit to the following principles:

**Regarding serious abuses associated with the extraction, transport or trade of minerals:**

1. While sourcing precious metals 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:
  - i. Any forms of torture, cruel, inhumane and degrading treatment;
  - ii. 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;
  - iii. The worst forms of child labour;
  - iv. Other gross human rights violations and abuses such as widespread sexual violence;
  - v. War crimes, or other serious violations of international humanitarian laws, crimes against humanity or genocide.

**Regarding risk management of serious abuses:**

2. We will cease engagement with upstream suppliers where a reasonable risk has been identified that they are sourcing from, or linked to, any party committing or partaking in violations or serious abuses as cited above.

**Regarding direct or indirect support to non-state armed groups:**

3. We will not tolerate any direct or indirect support of non-state armed groups through the extraction, logistical support, trade, handling or export of minerals. "Direct or indirect support" includes, but is not limited to, procuring minerals from, making payment to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:
  - i. Illegally control mine sites, or otherwise control transportation routes, points where minerals are traded and upstream actor in the supply chain; and/ or;
  - ii. Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes, or at mineral trading points; and/ or
  - iii. Illegally tax or extort intermediaries, export companies, or traders.

**Regarding risk management of direct or indirect support to non-state armed groups:**

4. We will immediately suspend or cease engagement with upstream suppliers where a reasonable risk has been identified in that they are sourcing from, supporting or linked to, either directly or indirectly, non-state armed groups as defined in paragraph 3.

**Regarding public or private security forces:**

5. We agree to eliminate, in accordance with paragraph 10, direct or indirect support to public or private security forces who unlawfully 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 traders.

Initial:

6. 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.
7. 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 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.
8. We will support efforts, or take steps, to engage with central and local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security to be improved.
9. We will support efforts, to engage with local authorities, international organizations and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

**Regarding risk management of public or private security forces:**

10. In accordance with the specific position of the company in the supply chain, we will immediately formulate 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, as identified in paragraph 5, where we identify that such a reasonable risk exists. In such cases, we will suspend or cease to support such suppliers after failed attempts at mitigation within four months from the implementation of the risk management plan. Where we identify a reasonable risk of activities inconsistent with paragraphs 8 and 9, we will respond in the same manner.

**Regarding bribery and fraudulent misrepresentation of the origin of minerals:**

11. 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 purpose of mineral extraction, trade, handling, transport and export.

**Regarding money laundering:**

12. We will support efforts, or take steps, to contribute to the effective abolition 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:**

13. We will 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 the company'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:**

14. In accordance with the specific position of the company 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 after failed attempts at mitigation.

The Members and staff of Hybrid Diamonds & Gold (Pty) Ltd are required to confirm their commitment and compliance to Hybrid Diamonds & Gold's Policy.

All upstream suppliers are required to conform and confirm their commitment and compliance to Hybrid Diamonds & Gold's Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name & Designation

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company Name