

Scope: Modeling and Design Of Jewelry with Gold and Silver Precious Metals Production, Sale and Export

1. Policy Statement

Milan Jewellery is committed to conducting all its business activities with integrity, transparency, respect for human rights, environmental responsibility, and responsible sourcing principles throughout the gold and silver, jewelry supply chain.

Milan Jewellery has adopted this policy in full alignment with:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- OECD Annex II – Model Supply Chain Policy
- Responsible Jewellery Council (RJC) Code of Practices 2024
- UN Guiding Principles on Business and Human Rights
- International Labour Organization (ILO) Core Conventions

This policy establishes Milan Jewellery's commitment to **identify, prevent, mitigate, and account for risks** related to human rights, conflict financing, corruption, and unethical business conduct.

2. Purpose and Scope of the Policy

This policy defines the framework for responsible sourcing and due diligence related to:

- Gold and silver
- All production, trading, sales, and export activities
- Employees, management, suppliers, subcontractors, logistics providers, and business partners
- Upstream and downstream supply chain actors

The policy applies to all sourcing locations, including Conflict-Affected and High-Risk Areas (CAHRAs).

3. Alignment with OECD Due Diligence – Five-Step Framework

Milan Jewellery implements the OECD Five-Step Due Diligence Framework, as required under RJC COP 6.

Step 1 – Establish Strong Company Management Systems

Milan Jewellery has established internal management systems to support responsible sourcing, including:

- This OECD-aligned policy approved by senior management
- Clear assignment of responsibilities
- Supplier contracts including responsible sourcing and Annex II commitments
- Recordkeeping systems for traceability, sourcing, and risk assessments

Step 2 – Identify and Assess Risks in the Supply Chain

Milan Jewellery conducts risk-based due diligence to identify actual and potential risks, including:

- Sourcing from CAHRAs
- Human rights abuses
- Forced or child labour
- Armed group involvement
- Corruption, bribery, money laundering, and tax evasion

Risk assessments are conducted through:

- Supplier self-assessments
- Documentation review
- Country and supplier risk analysis
- Where necessary, on-site or third-party audits

Step 3 – Design and Implement a Risk Management Strategy

Where risks are identified, Milan Jewellery will:

- Develop Corrective Action Plans (CAPs)
- Engage suppliers to mitigate and remediate risks
- Monitor progress against defined timelines
- Suspend or terminate relationships in cases of severe or unmitigable risk

Step 4 – Carry Out Independent Third-Party Audits

Milan Jewellery supports and facilitates:

- Internal reviews
- Independent third-party audits where required
- Verification of supplier compliance with this policy

Audit results are documented and retained as evidence.

Step 5 – Public Reporting and Transparency

Milan Jewellery commits to transparency by:

- Maintaining records of due diligence activities
- Communicating responsible sourcing efforts internally and externally
- Reporting through sustainability, compliance, or annual reports

4. Commitment to OECD Annex II – Zero Tolerance Areas

Milan Jewellery adopts a strict zero tolerance approach and will not engage in or tolerate the following practices at any stage of the supply chain:

4.1 Serious Human Rights Abuses

Including but not limited to:

- Forced, bonded, or compulsory labour
- Child labour
- Human trafficking and modern slavery
- Torture, cruel, inhuman, or degrading treatment
- Sexual violence
- War crimes, crimes against humanity, genocide

4.2 Armed Group Financing

Milan Jewellery will not source, process, or trade materials that:

- Directly or indirectly finance illegal armed groups
- Originate from areas controlled by armed groups

4.3 Security Practices

Milan Jewellery ensures that any public or private security arrangements:

- Respect human rights
- Are proportional and transparent
- Comply with applicable laws

4.4 Anti-Bribery, Corruption, and Financial Crime

Milan Jewellery strictly prohibits:

- Bribery and corruption
- Money laundering
- Tax evasion
- Improper payments or facilitation fees

5. Chain of Custody and Traceability

Milan Jewellery implements systems to ensure: If starts production of Diamond jewelry

- Traceability from source to final product
- Segregation and identification of materials
- Documentation of origin and transactions

For diamonds, compliance with the Kimberley Process Certification Scheme (KPCS) is mandatory.

6. Training and Capacity Building

Milan Jewellery provides:

- Regular training for employees on responsible sourcing and due diligence
- Communication of policy requirements to suppliers and partners
- Awareness programs on CAHRA risks and ethical sourcing

Training records are maintained.

7. Grievance Mechanism and Whistleblower Protection

Milan Jewellery maintains an accessible, confidential grievance mechanism for employees and external stakeholders.

- Anonymous reporting is permitted
- Retaliation is strictly prohibited
- All reports are investigated impartially
- Corrective and remedial actions are implemented where required

8. Non-Compliance and Sanctions

Violations of this policy may result in:

- Corrective actions

- Suspension or termination of supplier relationships
- Disciplinary actions
- Legal proceedings where applicable

9. Continuous Improvement and Policy Review

This policy is reviewed at least annually and updated to reflect:

- Changes in OECD or RJC standards
- Regulatory developments
- Operational or supply chain changes

10. Conclusion

This policy demonstrates Milan Jewellery's commitment to responsible sourcing, ethical business conduct, and full compliance with the OECD Due Diligence Guidance and RJC Code of Practices 2024. Milan Jewellery will continue to uphold the highest international standards across its operations and supply chain.

APPROVED BY THE CEO AND THE BOARD OF DIRECTORS

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