

SUPPLY CHAIN POLICY FOR ALFION SA

1. Introduction

Alfion SA is committed to responsible and ethical sourcing, manufacturing, and trading of diamonds. This policy outlines our approach to managing our supply chain to ensure that our business operations do not contribute to human rights abuses, conflict financing, or environmental degradation.

2. Scope

This policy applies to all employees, contractors, and business partners of Alfion SA, including suppliers involved in the supply chain of diamonds.

3. Commitments

Alfion SA is committed to:

- conducting business ethically, sustainably and transparently,
- respecting human rights and avoiding contributing to conflict through our sourcing practices,
- complying with all applicable laws and regulations,
- implementing and promoting responsible environmental practices.

4. Supply Chain Due Diligence

We will conduct due diligence, following a risk-based approach to identify, assess, and mitigate risks in our supply chain. This includes:

- 1. Establishing Strong Management Systems**
 - Adopt and communicate our supply chain policy to suppliers and stakeholders.
 - Assign senior management responsibility for due diligence processes.
 - Establish internal systems to track and manage diamond supply chain data.
- 2. Identifying and Assessing Risks in the Supply Chain**
 - Map our supply chain to understand the origin of diamonds and the conditions under which they are extracted, transported, and traded.
 - Conduct risk assessments to identify areas of potential human rights abuses, conflict financing, and environmental risks.
- 3. Designing and Implementing a Strategy to Respond to Identified Risks**
 - Develop and implement risk management strategies tailored to specific risks identified.
 - Engage with suppliers to address and mitigate risks, providing training and support where necessary.
 - Monitor and track the effectiveness of risk mitigation measures.
- 4. Carrying Out Independent Third-Party Audits**
 - Ensure that high-risk suppliers undergo independent third-party audits to verify compliance with our supply chain policy and relevant standards.
 - Review audit reports and take appropriate actions based on findings.

5. Reporting on Supply Chain Due Diligence

- Publicly report on our due diligence efforts and the measures taken to address risks in our supply chain.
- Ensure transparency by providing stakeholders with relevant and accurate information.

5. Supplier Requirements

Alfion SA requires all suppliers to:

- comply with our Supplier Code of Conduct, which includes ethical, social, and environmental standards,
- provide transparent information about their supply chain, including the origin of diamonds,
- participate in due diligence processes and cooperate with risk assessments and audits,
- implement corrective actions to address any identified risks or non-compliances.

We will immediately stop engaging with upstream suppliers if we find a reasonable risk that:

- they tolerate, profit from, contribute to, assist or facilitate the commission of:
 - torture, cruel, inhuman and degrading treatment,
 - forced or compulsory labor,
 - child labor,
 - human rights violations and abuses,
 - war crimes, violations of international humanitarian law, crimes against humanity or genocide;
- they are sourcing from, or are linked to, any party providing direct or indirect support to non-state armed groups.

6. Grievance Mechanism

We have established a grievance mechanism to allow stakeholders to report concerns related to our supply chain. Reports can be made anonymously and without fear of retaliation to info@alfion.ch. All reports will be investigated, and appropriate actions will be taken to address substantiated concerns.

7. Continuous Improvement

Alfion SA is committed to continuously improving our supply chain practices. We will regularly review and update this policy to reflect evolving standards, stakeholder feedback, and our ongoing commitment to responsible sourcing.

8. Conclusion

By adhering to this Supply Chain Policy, Alfion SA aims to uphold the highest standards of ethical conduct and contribute to a more responsible and sustainable diamond industry.