



# Ethical Sourcing Policy

## **1. Introduction & Purpose**

Since 2005, Rosy Blue has been a founding member and certified participant of the Responsible Jewellery Council (RJC). The company currently holds its fifth consecutive certification under the RJC 2019 Code of Practices (certificate number 0000 5876), valid from 30 June 2024 to 30 June 2027. In addition, Rosy Blue became a signatory to the United Nations Global Compact in 2008, joined the World Jewellery Initiative 2030 in 2022, and is a participant of the UN Women's Empowerment Principles (UN WEPs)

Rosy Blue NV is committed to conducting business with integrity, transparency, and respect for human rights. This Ethical Sourcing Policy outlines our commitments, requirements, and operational processes to ensure that all diamonds and materials we source are obtained ethically, responsibly, and in compliance with international standards. result in immediate suspension or termination of business relationships.

## **2. Scope & Applicability**

This policy applies to all employees, suppliers, contractors, and business partners of Rosy Blue NV involved in the sourcing, trading, and handling of diamonds and jewelry materials. It covers our entire supply chain, from mining to retail.

## **3. Normative Frameworks**

Rosy Blue adheres to the following legal and normative frameworks:

- OECD Due Diligence Guidance for Responsible Supply Chains
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- RJC Code of Practices
- Kimberley Process Certification Scheme (KPCS)
- G7 and EU Sanctions on diamonds of Russian origin

## **4. Ethical Sourcing Principles**

Rosy Blue has zero tolerance for:

- Conflict diamonds
- Child labor or forced labor
- Human rights abuses, torture or war crimes
- Bribery, money laundering, or tax evasion
- Fraudulent misrepresentation of origin

## **5. Supplier Due Diligence**

Due diligence is a continuous, proactive, and reactive process that enables companies to ensure they respect human rights and avoid contributing to conflict. It also supports compliance with international and domestic legal requirements, including those related to the illicit trade in minerals and United Nations sanctions.

Risk-based due diligence involves taking structured steps to identify, evaluate, and respond to actual or potential risks, with the objective of preventing or mitigating adverse impacts linked to a company's operations or sourcing activities.

**All suppliers must comply with the following:**

1. Complete Rosy Blue's Supplier Due Diligence Questionnaire.
2. Sign the Business Partner Code of Conduct.
3. Rough origin data to be provided to the fullest extent possible, including both country of origin and mining company
4. Provide accurate, complete, and verifiable documentation for every transaction.
5. Allow Rosy Blue to perform audits or additional requests at any time.

**Failure or refusal to comply = automatic red flag.**

**6. Traceability & Provenance Claims**

We require:

- Provenance traceability for single stones (supplier, mine and country)
- Mass balance traceability for 0.18ct and smaller diamonds.
- Accurate, truthful invoice statements stating:
  - Natural and untreated origin
  - Conflict-free status
  - non-Russian, non-Zimbabwean.

**7. Alignment With High-Standard Clients Sourcing Protocols**

Certain luxury clients in the global watch and jewellery sector apply enhanced sourcing protocols that specify strict requirements regarding approved mining sources, documentation standards, warranty statements, inventory controls, and audit expectations.

Rosy Blue integrates these requirements into its responsible sourcing system to ensure full compliance whenever supplying clients who operate under such protocols.

**7.1. Approved Sources & Origin Requirements**

Some clients maintain an Approved Sources List identifying the mines, producers, and countries from which diamonds may originate. These lists commonly include major responsible producers across Africa, Canada, And Australia.

Rosy Blue ensures that for any transaction requiring compliance with such protocols:

- Diamonds originate only from documented and approved mines/countries.
- No diamonds originate from prohibited or subject sources identified as high-risk for human rights violations or armed conflict.
- Full mine-level or country-level origin documentation is retained and available for verification.

This includes complete segregation of goods intended for high-standard clients from any non-approved origin material.

## 7.2. Mandatory Warranty & Documentation Requirements

High-standard protocols typically require three categories of warranty statements on invoices or commercial documents:

1. **Protocol-Specific Source Warranty**  
Attesting that diamonds were obtained exclusively from approved sources and not from any prohibited origins.
2. **World Diamond Council (WDC) System of Warranties Statement**  
Rosy Blue already applies the WDC SoW across all transactions.
3. **Natural & Untreated Confirmation**  
Confirming that all diamonds are of natural origin and untreated.

Where required, Rosy Blue will also include industry-standard unique identifiers such as WDC UIN numbers.

## 7.3. Inventory Control & Audit Obligations

Some clients require Sellers to maintain qualified inventory control procedures, including:

- Segregation of goods from different origins
- Full chain-of-custody traceability
- Documentation retention (minimum five years)
- Annual source warranty audits
- Periodic invoice reconciliation assessments by independent auditors

*Rosy Blue meets and exceeds these requirements through internal compliance systems aligned with OECD guidance, G7 traceability expectations, RJC COP, and our own Due Diligence framework.*

## 7.4. High-Risk or Prohibited Origin Restrictions

Under several high-standard protocols, certain countries or mining regions are prohibited due to sanctions, conflict involvement, or severe governance risks.

Rosy Blue aligns with these protocols by prohibiting:

- Diamonds from sanctioned countries
- Diamonds from conflict-affected or human-rights-risk regions
- Diamonds lacking complete, verifiable origin documentation

*Rosy Blue will only supply goods that fully comply with the origin restrictions applicable to the relevant client.*

## 7.5. Best-Knowledge Verification & Source Documents

Protocols typically require that all warranties be issued based on “best knowledge,” supported by:

- Verified upstream warranties
- Kimberley Process Certificates
- Transparent origin documentation

- Segregated inventory control procedures

*Rosy Blue reviews all such documents before issuing any warranty and escalates discrepancies through our internal red-flag and risk-assessment procedures.*

## **7.6. Transparency, Cooperation & Audit Readiness**

Rosy Blue cooperates with all client requests related to:

- Origin verification
- Transaction-level documentation
- Audit support
- Due diligence questionnaire
- Corrective actions and compliance reviews

These expectations are fully embedded into Rosy Blue's broader Ethical Sourcing Framework and support our commitment to integrity and supply chain transparency.

## **8. Governance & Responsibilities**

The implementation and oversight of this policy lies with the Director of Supply Chain supported by the Compliance Officer, COO, and Internal Audit team. Any red flags or deviations must be escalated to the Director of Supply Chain and Chief Operating Officer.

## **9. Monitoring, Audit & KPIs**

We commit to ongoing monitoring, internal and external audits, and reporting. Key indicators include:

- % of suppliers fully screened
- % of suppliers with verified origin documentation
- Number of red flags detected
- Number of escalated supplier reviews
- Annual audit compliance ratio.

## **10. Grievance Mechanism**

Any stakeholder can report ethical sourcing concerns via:

- Email: [csr@rosyblue.be](mailto:csr@rosyblue.be)
- Phone: +32 3 206 16 76
- Anonymous Whistleblower platform: <https://rosyblue.sdwhistle.com/en/home>

All complaints will be documented, investigated, and resolved transparently without retaliation.

## **11. Policy Review & Updates**

This policy will be reviewed at least annually and updated as required to remain in line with evolving legal requirements, international standards, and business practices.

Version: 01.2026

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Next Review: January 2027

