



# HYBRID

Office: +27 11 450 2034 | Fax: 086 767 9809 | Email: [info@hybridng.co.za](mailto:info@hybridng.co.za) | Registration: 2013/069671/07  
Erf 15, 7 Field Street, Wilbart, Germiston, 1401 | P O Box 752809, Gardenview, 2047

## **POLICY AND PROCEDURES**

### **MATERIALS FROM CONFLICT-AFFECTED AREAS**

#### **PURPOSE**

The purpose of this policy is to confirm Hybrid Diamonds & Gold's commitment to respect Human rights, refrain from action which contributes to the finance of conflict, and to comply with relevant sanctions resolutions and laws implementing such resolutions.

#### **GENERAL PRINCIPLES**

Hybrid Diamonds & Gold is a Member of the Responsible Jewellery Council (RJC). The RJC standard setting organization that has been established to reinforce consumer confidence in the jewellery industry by promoting responsible ethical, human rights, social and environmental practices throughout the jewellery supply chain. The RJC and its members are opposed to activities, which directly or indirectly finance, benefit or facilitate armed conflict, extreme violence and human rights abuses.

RJC has two standard platforms which provide the mechanism for RJC Members to support these commitments:

1. Code of Practice
2. Chain of Custody

Hybrid Diamonds & Gold commit that we:

- Respect human rights according to the Universal Declaration of Human Rights and Labour Rights.
- Do not engage in or tolerate bribery, corruption, money laundering or finance of terrorism.
- Support transparency of government payments and rights-compatible security forces in the industry.
- Do not provide direct or indirect support to illegal armed groups.
- Establish processes through which stakeholder can raise concerns about the jewellery supply chain.

#### **REGARDING SERIOUS ABUSES:**

We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:

- Torture, cruel, inhuman and degrading treatment.
- The worst form of child labor.
- Human rights violations and abuses.

- War crimes, crimes against humanity.

We will not deal with, and will immediately discontinue engagement with, upstream suppliers where we identify a reasonable risk that they are committing, or are sourcing from or linked to any party committing, abuses described above.

#### **REGARDING DIRECT OR INDIRECT SUPPORT TO ARMED GROUPS:**

We will not tolerate direct or indirect support to non-state armed groups, including, but not limited to procuring gold from, making payments to or otherwise providing assistance or equipment to, non-state armed groups or their affiliates who illegally:

1. Control mine sites, transportation routes, points where gold is traded and upstream actors in the supply chain and,
2. Tax or extort money or gold at mine sites, along, transportation routes or at points where gold is traded or from intermediaries, export companies or international traders.

We will not deal with, and will immediately discontinue engagement with, upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups

#### **REGARDING PUBLIC OR PRIVATE SECURITY FORCES:**

We affirm that the role of public or private security forces is to provide security to workers, facilities, equipment and property in accordance with the rule of law including law that guarantees human rights. We will not provide direct or indirect support to public or private security forces that commit abuses or that act illegally.

#### **REGARDING BRIBERY AND FRAUDULENT MISREPRESENTATION OF THE ORIGIN OF GOLD:**

We will not offer, promise, give or demand bribes, and will resist the solicitation of bribes, to conceal or disguise the origin of gold, or to misrepresent taxes, fees and royalties paid to governments for the purpose of extraction, trade, handling, transport and export of gold.

#### **REGARDING MONEY LAUNDERING:**

We will support efforts and contribute to the effective elimination 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 gold.

#### **POLICY OF HYBRID**

It is the policy and practice of Hybrid Diamonds and Gold (PTY) Ltd. to maintain high standards of ethical conduct to comply with all applicable laws, and to do business only with persons who themselves abide by law and ethical principles. When dealing with precious metals, we will operate only with transparency by all parties and with assurances of legitimacy in all transactions. This policy covers all our employees and directors. We will supplement and administer this policy through more specific codes and procedures, regular monitoring and periodic review.

This policy and due diligence procedures that implement it are based on our commitment to conduct business in a culture of honesty and opposition to fraud and corruption; maintain proper business relationships with all individuals, including government officials and employees.

#### **In addition**

1. Hybrid (PTY) Ltd will follow SARS, OECD & LBMA guidelines for combating Money Laundering and the financing

of terrorism by implementing internal measures as may be deemed necessary.

2. Hybrid (PTY) Ltd will have agreements in place with suppliers that support responsible sourcing of minerals from high risk & conflict affected areas in order to avoid any action which may contribute to financing of conflict.
3. Hybrid (PTY) Ltd will comply with all relevant UN resolutions combating and all forms of inhuman treatment, forced child labour & sexual violence.
4. Hybrid (PTY) Ltd will not tolerate direct or indirect support of non-state armed groups and/or their affiliates at any level of the mineral production process including but not limited to trade and illegally controlled mines, illegal taxation and/or exportation.
5. Hybrid (PTY) Ltd will not offer, promise, give and/or demand and bribes and/or fraudulent misrepresentation of the origin of mineral, taxes, fees, and royalties paid to governments for any mineral process.
6. Hybrid (PTY) Ltd will not conduct any business transactions with potential client 'Applicant' unless they can provide us with their yearly TAX Clearance Certificate and it has been verified by the compliance officer.
7. Hybrid (PTY) Ltd will implement a risk matrix to assess our customers and based on the status of that client Hybrid will implement enhance due diligence.
8. Hybrid (PTY) Ltd will follow the strict regulations set out by SADPMR ([www.sadpmr.co.za](http://www.sadpmr.co.za))
9. Hybrid (PTY) Ltd will report any suspicious activity or information to Local Authorities.
10. Hybrid (PTY) Ltd will be conducting internal and external audits to make sure that all procedures and controls are operating in accordance with SADPMR, LBMA and OEDC guidelines for responsible sourcing of precious metals.
11. Hybrid (PTY) Ltd will only pay the owner of the goods and no 3rd party whatsoever.
12. Hybrid (PTY) will not allow our employees, agents, consultants, and business partners to divulge any information about our customers to our clients.

**We require our employees, agents, consultants, and business partners to comply with this policy, and will enforce it with appropriate disciplinary measures, up to and including termination of employment or contract.**