



# Antwerp

Diamond Distributors, Inc.

581 5<sup>th</sup> Ave. Suite 560, NEW YORK, N.Y. 10017 • (212) 319-3300

August 15, 2022

## Annual statement to company stakeholders

Antwerp Diamond Distributors has followed local health and safety regulations due to the Covid-19 pandemic ensuring a safe work environment with distancing, masks and hand sanitizers. During the height of the outbreak beginning in mid-March 2020, employees were able to work from home via the internet and Zoom, leaving a skeleton crew in the office to handle order shipments, ensuring non-interrupted business operations. As of this report, all employees have returned to the office with safety protocols in place, ensuring operations to continue while keeping in mind the safety of our employees.

In September 2022 Antwerp Diamond Distributors will undergo an audit to renew its RJC certificate based on the COP 2019 that includes due diligence of our Supply Chain Policy including policies regarding OECD's and CAHRA's. The expanded policies that the company will be audited will include the following subject matters:


- Anti Bribery & Facilitation payments
- Anti Money Laundering and Finance of Terrorism
- Adherence to the Kimberley Process and World Diamond Council System of Warranties
- Supply Chain Policy-OECD-CAHRAs
- Diamonds to be purchased from responsible and legitimate sources
- Company policy with regards to synthetic diamonds
- Security of People and Products
- Sexual Harassment Policy
- Product Integrity Practices
- Human Rights
- Health & Safety Performance
- Community Relations
- Environmental Performance
- Relationship with Business Partners
- Statement of commitment to RJC policies and procedures
- Commitment to employee policies manual

Review and training of RJC & company policies will take place prior to the RJC audit.

This statement has been posted online and emailed to our stakeholder list.

Antwerp Diamond Distributors is committed to the safety and human rights of our employees and have trained our staff on proper workplace behavior and complaint mechanisms. By informing our business partners of our RJC requirements, we are committed to educating the jewelry industry in proper workplace practices and procedures throughout the supply chain.

Policies and procedures are available at [www.antwerpdistributors.com](http://www.antwerpdistributors.com) and upon request.

  
Phyllis Lisker  
President, Director of Operations



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## Grievance Procedure


Antwerp Diamond Distributors has established this grievance procedure to hear concerns about circumstances in its operations, Anti-Bribery policy, statements, human rights, supply chain procedures or OECD supply chain involving diamonds and minerals from conflict-affected and high-risk areas.

Mrs. Phyllis Lisker is responsible for implementing and reviewing this procedure. Concerns can be raised by interested parties via fax, email or telephone to:

Phyllis Lisker  
Tel: 212-319-3300  
Fax: 212-207-8168  
Email: [mail@antwerpdistributors.com](mailto:mail@antwerpdistributors.com)

On receiving a complaint, we will aim to:

- get an accurate report of the complaint;
- explain our complaints procedure;
- find out how the complainant would like it handled;
- decide who is the appropriate person internally to handle the complaint, or help redirect the complaint to another entity, such as the relevant supplier, or a relevant industry body;
- where the issue can be handled internally, seek further information where possible and appropriate;
- identify any actions we should take, or monitor the situation;
- advise the complainant of any decisions or outcomes; and
- keep records on complaints received, and the internal process followed, for at least five years.

Signed/endorsed: 

Phyllis Lisker  
President  
August 29, 2022

Antwerp Diamond Distributors ensures that the person / company filing this grievance shall do so without fear of blowback, retaliation, dismissal or harassment. The grievance filed shall remain confidential.



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## Human Rights Policy

We, at Antwerp Diamond Distributors, recognize our responsibility to respect human rights. We believe that our business has a role to play in protecting and promoting human rights.

Antwerp Diamond Distributors is committed to respect internationally recognized human rights throughout our operations and supply chains. In line with the UN Guiding Principles on Business and Human Rights, our Policy is based upon the international standards enshrined in the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Human rights refer to a set of basic rights and freedoms that belong to every person in the world, regardless of where they are from, what they believe or how they choose to live their life. It is a broad concept, with economic, social, cultural, political and civil dimensions. For Antwerp Diamond Distributors, respecting human rights means ensuring that any person involved in, or coming into contact with, our operations, supply chains and products is treated with dignity, respect, fairness and equality.

Our Policy sets out overarching principles for how we conduct business at Antwerp Diamond Distributors. Together with our employees and business partners, we are committed to drive forward the implementation of this Policy throughout our operations and supply chains. We recognize unique challenges to these standards may arise and we will work to address these challenges in partnership with relevant partners and stakeholders.

1. Employment is freely chosen
2. Freedom of association
3. Working conditions are safe and hygienic
4. Child labor shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practiced
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed

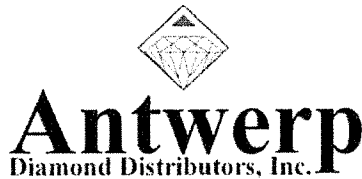
Antwerp Diamond Distributors will continuously work to embed this Policy throughout the relevant processes and procedures of the company to ensure its effective implementation.

We recognize that we must take steps to identify and address any actual or potential adverse impacts, whether they are directly or indirectly linked to our business activities or relationships. We understand that human rights due diligence is a dynamic, on-going process which requires acting on the findings, tracking our actions, and communicating to our stakeholders how we address impacts.

As our human rights risks and impacts may vary over time, this policy will be subject to review if proven inadequate by our human rights due diligence process.

Phyllis Lisker - President

August 2022



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## **Kimberley Process & System of Warranties Background, Regulations & Processes**

### **Definition and applicability**

The Kimberley Process is a joint government, international diamond industry and civil society initiative to stem the flow of conflict diamonds. Conflict diamonds is a term for rough diamonds that are used by rebel movements to finance wars against legitimate governments. (*Source:*

*<http://www.kimberleyprocess.com/>*)

### **Background**

The issue of conflict diamonds began gaining public prominence in the late 1990s. Human rights nongovernmental organizations (NGOs) drew attention to the illegal trade in rough diamonds. This trade was funding rebel movements in Angola and Sierra Leone and indirectly contributing to human rights atrocities. The diamond industry was brought into the media and consumer spotlight.

In response, the diamond and jewelry industry, through its designated representative organization the World Diamond Council (WDC), began working with the United Nations, key governments and NGOs to seek a solution. These meetings became known as the Kimberley Process. The outcome was the Kimberley Process Certification Scheme (KPCS) which aims to prevent conflict diamonds from entering the supply chain. The system is implemented by governments and tracks the export and import of shipments of legitimate rough diamonds between participating countries. To support it, the WDC also created a voluntary program of industry self-regulation called the System of Warranties (SoW) which extends to the trade in cut and polished stones.

The diamond industry has made a strong commitment to the Kimberley Process and the effectiveness of the KPCS and the WDC SoW is being closely monitored by NGOs. This includes both the performance of governments and that of the diamond industry. Exposure of ineffective systems or complicity in the sale of conflict diamonds poses a significant risk to the reputation of individual companies and for the industry as a whole. For companies, failure to abide by KPCS or the WDC SoW exposes the Member to expulsion from industry organizations and loss in trade.

At an industry level, if self-regulation is seen to be ineffective, the pressure for stronger regulatory action will grow.

### **Regulations**

#### **The Kimberley Process Certification Scheme (KPCS)**

The Kimberley Process Certification Scheme came into effect in 2003. The KPCS requires participating nations to keep conflict diamonds out of legitimate channels of commerce. All imports and exports of rough diamonds must be via a government office. This office verifies the source, packs diamond consignments to be transported in tamper-resistant containers and issues the accompanying government-validated Kimberley Process Certificate.

Each forgery-resistant certificate must be uniquely numbered and include data describing the shipment's contents and the country of origin. Government signatories to the Kimberley Process are required to implement internal controls on the movement of diamonds and can only export/import diamonds to/from other countries that are part of the KPCS.

### **The World Diamond Council System of Warranties (SoW)**

To provide industry support for the KPCS and additional assurance to end-consumers, the World Diamond Council (WDC) created a voluntary program of self-regulation, the System of Warranties (SoW). It requires that all consignments of diamonds, whether rough, polished, or set in jewelry, be accompanied by a written warranty on all invoices through the supply chain. This applies each time the diamonds change hands and extends down to retail jewelers (but not to end-consumers). The official WDC warranty statement reads:

“The diamonds herein invoiced have been {sourced}\* purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding national laws {where the invoice is generated}\*\*. The seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines.”

\*{sourced} - may be used by companies that do not purchase from open market, but source and aggregate diamonds from production facilities that are owned/partly owned by them

\*\*{where the invoice is generated} - may be used by companies if they specifically want to reference the country of invoice issuance

Records must be kept of the warranty invoices received and issued, which must be auditable and reconciled on an annual basis. If asked for by a duly authorized government agency, these records must be able to prove compliance with the Kimberley Process for rough diamonds.

### **Industry Principles of Self-Regulation**

In addition to KP and SoW adherence, all diamond and jewelry industry organizations and their Members have adopted the following principles of self-regulation, obliging them to:

- 1) Trade only with companies that include warranty declarations on their invoices;
- 2) Not buy diamonds from suspect sources or unknown suppliers, or which originate in countries that have not implemented the Kimberley Process Certification Scheme;
- 3) Not buy diamonds from any sources that, after a legally binding due process system, have been found to have violated government regulations restricting the trade in conflict diamonds;
- 4) Not buy diamonds in or from any region that is subject to an advisory by a governmental authority indicating that conflict diamonds are coming from or available for sale in such region, unless diamonds have been exported from such region in compliance with the Kimberley Process Certification Scheme;
- 5) Not knowingly buy, sell or assist others to buy or sell conflict diamonds;
- 6) Ensure that all company personnel that buy or sell diamonds are well informed regarding trade resolutions and government regulations restricting the trade in conflict diamonds.

### **Antwerp Diamond Distributors' management approach to the Kimberley Process**

Phyllis Lisker has been identified as the representative of Antwerp Diamond Distributors to manage and implement the KPCS and SoW program.

Thus, all rough and polished diamond purchases must meet regulations as outlined above as part of the Industry Principles of Self-Regulation.

August 2022



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## OECD Supplier Information Yearly Report

Antwerp Diamond Distributors has conducted a Supply Chain review per the OECD (Organisation for Economic Co-operation and Risk Development) standards to meet due diligence guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (CAHRA's) for the year 2022.

Antwerp Diamond Distributors has found its suppliers in Diamonds and minerals to be responsive in completing due diligence forms to satisfy risk related issues relating to OECD. We have not found any red flags when dealing with our suppliers.

Review of Antwerp Diamond Distributors' completed due diligence was conducted and matched the internal investigation results.

Supply Chain review and results will be conducted annually with the next report scheduled for August 2023.

For more information regarding the OECD results, please contact us at 212-319-3300 or [mail@antwerpdistributors.com](mailto:mail@antwerpdistributors.com).

A handwritten signature in black ink, appearing to be 'Phyllis Lisker'.

Phyllis Lisker  
Antwerp Diamond Distributors  
President  
August 31, 2022



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## Responsible Jewellery Council (RJC) Policy

Antwerp Diamond Distributors is a wholesaler of polished loose diamonds.

We have one location which is 581 Fifth Ave, Suite 560, New York, NY 10017.

Antwerp Diamond Distributors is a certified Member of the Responsible Jewellery Council (RJC).

The RJC is a standards-setting organization that has been established to advance responsible ethical, human rights, social and environmental practices throughout the diamond, colored gemstones, gold, silver and platinum group metals (PGM's) jewelry supply chain.


The RJC has developed a benchmark standard for the jewelry supply chain and credible mechanisms for verifying responsible business practices through third party auditing.

As a RJC Member we commit to operating our business in accordance with the RJC Code of Practices which is available at [www.responsiblejewellery.com](http://www.responsiblejewellery.com). We commit to integrating ethical, human rights, social and environmental considerations into our day-to-day operations, business planning activities and decision-making processes.

Specific policies relate to:

- Anti Bribery & Facilitation payments
- Anti Money Laundering and Finance of Terrorism
- Adherence to the Kimberley Process and World Diamond Council System of Warranties
- Supply Chain Policy-OECD-CAHRA's
- Diamonds to be purchased from responsible and legitimate sources
- Company policy with regards to synthetic diamonds
- Security of People and Products
- Sexual Harassment Policy
- Product Integrity Practices
- Human Rights
- Health & Safety Performance
- Community Relations
- Environmental Performance
- Relationship with Business Partners
- Statement of commitment to RJC policies and procedures
- Commitment to employee policies manual

Antwerp Diamond Distributors' RJC policy is available upon request for public viewing.

  
Phyllis Lisker

President

August 15, 2022



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## Supply Chain Complaint Form

<b>Name of Company</b>	
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<b>Date of the Complaint</b>	
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Description of Supply Chain complaint:

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How has the complaint been resolved?

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Comments:

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<b>Authorized Signature</b>		<b>Date</b>	
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Antwerp Diamond Distributors ensures that the person / company filing this grievance shall do so without fear of blowback, retaliation, dismissal or harassment. The grievance filed shall remain confidential.

Send complaint to Fax: 212-207-8168 Att: Phyllis Lisker, [mail@antwerpdistributors.com](mailto:mail@antwerpdistributors.com) or hand deliver





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## Supply Chain Policy

- 1) Antwerp Diamond Distributors is a wholesaler of loose polished diamonds based in New York, NY. This policy confirms Antwerp Diamond Distributors' commitment to respect human rights, avoid contributing to the finance of conflict and comply with all relevant UN sanctions, resolutions and laws.
- 2) Antwerp Diamond Distributors is a certified member of the Responsible Jewellery Council (RJC). As such, we commit to following policies relating to the RJC OECD (Organization for Economic Co-operation and Development) Guidance and a commitment to identify and assess risks related to conflict affected and high-risk areas (CAHRA's). The areas of concern are:
  - A)
    - a) respect human rights according to the Universal Declaration of Human Rights and International Labour Organization Declaration on Fundamental Principles and Rights at Work;
    - b) do not engage in or tolerate bribery, corruption, money laundering or finance of terrorism;
    - c) support transparency of government payments and rights-compatible security forces in the extractives industry;
    - d) do not provide direct or indirect support to illegal armed groups;
    - e) enable stakeholders to voice concerns about the jewelry supply chain; and
    - f) are implementing the OECD five-step framework as a management process for risk-based due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas.
  - B) Regarding serious abuses associated with the extraction, transport or trade of minerals: We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:
    - a) torture, cruel, inhuman and degrading treatment;
    - b) forced or compulsory labor;
    - c) the worst forms of child labor;
    - d) human rights violations and abuses; or
    - e) war crimes, violations of international humanitarian law, crimes against humanity or genocide.
- 3) We also commit to using our influence to prevent abuses by others by informing our suppliers and stakeholders of our policies through e-mailings and online vehicles. Antwerp Diamond Distributors requires KYC forms from vendors and customers to prove legitimization in the diamond industry, as well as an acknowledgement letter that partnering companies will follow the points of interest of the RJC. Complaint mechanisms are in place through contacting our office and online. Companies that have proven to be blatant non-compliant with RJC policies will be removed from vendor/customer list until proof of correction can be shown. Companies that are suspected of abuses will be given up to 6 months to correct abuses and we will offer our guidance to correct the abuse. If after this time period said company has not changed its practices, we will stop working with said company. If it is suspected (internally or externally) that any of our upstream suppliers are sourcing materials from any Conflict-Affected and High-Risk Areas (CAHRA'S), they shall immediately alert the Highest-ranking Company Officer available. Their

alert shall remain anonymous and will be investigated by upper Management. Each potential alert will be handled individually and will be thoroughly reviewed. Due diligence will be used to confirm or dismiss the alert presented to Antwerp Diamond Distributors. Whether the alert is deemed to be in violation will be based on the discretion of Antwerp Diamond Distributors, the outlined guidelines in this document and in addition to all guidelines set forth by RJC. If there are any questions or complaints, please contact Phyllis Lisker at [mail@antwerpdistributors.com](mailto:mail@antwerpdistributors.com) or call (212) 319-3300.


- 4) Whereas Antwerp Diamond Distributors requires the OECD due diligence from our suppliers, we in turn expect our suppliers to conduct their own OECD due diligence from their suppliers.
- 5) Regarding direct or indirect support to non-state armed groups: 1) We only buy or sell diamonds that are fully compliant with the Kimberley Process Certification Scheme and System of Warranties and 2) will not tolerate direct or indirect support to non-state armed groups, including, but not limited to, procuring minerals from, making payments to, or otherwise helping or equipping non-state armed groups or their affiliates who illegally:
  - a) control mine sites, transportation routes, points where minerals are traded and upstream actors in the supply chain; or
  - b) tax or extort money, or minerals at mine sites, along transportation routes or at points where minerals are traded, or from intermediaries, export companies or international traders.
- 6) It is the policy of Antwerp Diamond Distributors and its suppliers to be fully compliant with the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties (SoW). All diamond invoices are to be compliant with the WDC SoW, stating **“The diamonds herein invoiced have been {sourced} purchased from legitimate sources not involved in the funding of conflict, in compliance with United Nations Resolutions and corresponding national laws {where the invoice is generated}. The seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines.”**
- 7) Where national law prevents the SoW statement from being included in your invoice, you should include it in separate accompanying documents.
- 8) We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are sourcing from, or are linked to, any party providing direct or indirect support to non-state armed groups as described in paragraph 2 or 5.
- 9) 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 described in paragraph 2B or that act illegally as described in paragraph 5.
- 10) Regarding bribery and fraudulent misrepresentation of the origin of minerals, we will not offer, promise, give or demand bribes, and will resist the solicitation of bribes, to conceal or disguise the origin of minerals or to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of minerals.

- 11) Regarding money laundering: We will support and contribute to efforts to eliminate money laundering where we identify a reasonable risk resulting from, or connected to, the extraction, trade, handling, transport or export of minerals.
- 12) As part of its core business, the following minerals are used by the company: Loose Polished Diamonds.
- 13) We hereby guarantee our diamonds have not originated from the Mbada and Marange regions of Zimbabwe.
- 14) All minerals used in the manufacturing of jewelry for Antwerp Diamond Distributors are responsibly sourced and conflict free.
- 15) All suppliers and customers must complete a Know Your Counterparty (KYC) document that contains basic background information, including: company contact information, owners/directors and beneficial partners. KYC's must be included for all partner companies. Suppliers must also complete the "Supplier Compliance Packet" that includes acknowledgement of above principles for Human Rights, sourcing of goods and accepted trade practices.
- 16) KYC information will be fact checked against government databases including OFAC Sanctions List, World Bank Listing of Ineligible Firms & Individuals and United Nations Security Council. We will not work with any company that has been sanctioned by these government organizations.

Policies are updated through government notices and trade notifications including: [www.responsiblejewellery.com](http://www.responsiblejewellery.com), [www.kimberleyprocess.com](http://www.kimberleyprocess.com), [www.un.org](http://www.un.org), [www.worlddiamondcouncil.org](http://www.worlddiamondcouncil.org), [www.awdc.be](http://www.awdc.be), [www.gold.com](http://www.gold.com), [www.rapnet.com](http://www.rapnet.com)

This policy is reviewed yearly and will be modified per updates to RJC protocols or due to a change in sourcing practices.

Phyllis Lisker is the manager of the Supply Chain Policy.

  
Phyllis Lisker

President

August 15, 2022

To file a grievance against Antwerp Diamond Distributors, please email [mail@antwerpdistributors.com](mailto:mail@antwerpdistributors.com). Antwerp Diamond Distributors ensures that the person / company filing this grievance shall do so without fear of blowback, retaliation, dismissal or harassment. The grievance filed shall remain confidential.