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Name of Company: Prism (USA) Inc.

Section: Annual RJC Compliance Audit Report

Document Number: PRM – RPT – 001

Document Validity (YYYY): 31st December, 2025

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Annual RJC Compliance Report

Prepared by – Growlity, Inc.

Published 01/01/2025

For the period of January 1st, 2024 through December 31st, 2024

Locations: New York

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Prism (USA) Inc. Supply Chain Integrity Policy

Company shall complete the due diligence process prior to initiate business relationship. The company shall purchase/sale diamonds that are fully compliant with Kimberly Process Certification Scheme (KPCS) and shall purchase precious metals from legitimate source only.

The company shall ensure that all of its respective activities are in line with the OECD Due Diligence Guidelines, The Responsible Jewellery Council Standard and as per Universal Declaration on Human Rights laid down by United Nations.

The company shall prohibit any procurement from Conflict-Affected & High-Risk areas and adhere to compliance with standards on Anti-Money Laundering (AML) and Combatting the Financing of Terrorism (CFT).

Relevant Employees shall be trained on the Supply Chain & Due Diligence Requirement and OECD guideline at regular interval. We shall also provide support to our business partners and stakeholder for the same.

The company shall carry out risk assessment for its supply chain and shall not enter into any business relationship or if may require then shall suspend/discontinue the engagement with any such supplier involved in dealing with Conflict-Affected and High-Risk areas, Any form of Human Right Violation; Torture, Cruel, In-Human and Degrading Treatment; Forced/Compulsory Labor; Child Labor; Abuses such as widespread Sexual Violence; War Crimes; other serious violations of International Humanitarian Law, Crime against Humanity; Genocide and/or To Bribe or To be Bribed.



We strictly condemn and prohibit any Direct/Indirect support to public/private security forces which illegally Control, Tax or Extort money from Mining Sites, Transportation Routes and Upstream Sectors.

The company shall verify counterparty details, including the Know Your Customer (KYC) for any precious metals supplying Counterparties at regular interval. The company shall carry out risk-based assessment, set appropriate verification control and monitoring of all such commercial activities and transactions.

The company shall assign responsibility of Supply Chain Integrity and due diligence compliance to senior personnel of the organization to prevent any risk of illegal activities or beach of it. The company shall implement the management strategy to respond to identified risks. For the same, Compliance Officer shall report to Senior Management in case of any such violation of this policy.

The company has established a risk assessment module and any business partners with high risk rating shall be red flagged and report to be submitted to senior management.

Grievance Mechanism

The purpose of this document is to outline a process through which any stakeholder can understand due diligence and supply chain integrity policy of the organization. The identity of the person who so ever has registered a concern shall be kept confidential and no retaliatory action shall be taken against any whistle blower. For anonymous submissions, you may refrain to provide your contact information.

Please share your Complaint/Grievance/Suggestion on mail id available on website.

Date of effect : 01.01.2025



CAHRA Identification Protocol for Suppliers

Prism (USA) Inc. follows the OECD's definition of Conflict-Affected and High-Risk Areas, which is as follows:

Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law.

On a quarterly basis, the RJC Compliance Officer will evaluate the CAHRA (Conflict Affected and High-Risk Areas) status of all suppliers using a qualitative analysis of the local, national, and industrial circumstances affecting the company, its beneficial owners, and the communities in which they operate.

This will rely upon five principal resources:

- An evaluation of the supplier's operational locations against the European Union's CAHRA list.
- A search of the company name, its parent company's name (if applicable), and beneficial ownership on the OFAC SDN International Sanctions List.
- A consultation of Amnesty International's reporting on the country or countries within which the supplier operates to examine if there are national, regional, or local developments that may affect or be affected by the supplier's operations.
- An examination of the Crisis Group International's monitoring of conflict, synthesizing information from its reporting on the country-level and regional level to determine whether there is conflict relevant to the supplier's operational activity.
- A review of the Department of State's Annual Country Report on Human Rights to search for specific cases of state corruption, human rights abuses, or other risk factors that may provide direct information on the supplier's operational impact or provide context on areas of vulnerability within local or national governance that could pose a risk for violations of human rights, finance of armed conflict, or other intended or unintended consequences of the supplier's business activity in that community.



After completing the evaluation of the supplier with the five tools, if there is an identifiable direct relationship between business activity and a country/region/city location on any single reporting tool, this constitutes a CAHRA and requires a halt to business with the supplier pending an additional Red Flag investigation. As an example, a direct relationship might entail a beneficial owner's name or company name appearing on an international sanction list, reporting of abuses at a mine or refinery site where they are operating, or some other definitive and obvious connection between their operations and human rights abuses or relationship to armed conflict. In this case, National Chain will take firm action by ceasing business activity with the supplier until a Red Flag Investigation is completed.

If there is evidence of an indirect relationship on any single reporting tool, this is considered a potential CAHRA and requires an additional investigation to determine the level of risk and necessary response. An example of an indirect relationship that would require further investigation would be a report of protests or civil conflict in a nearby area that doesn't directly implicate the company but may have some crossover between company personnel and the activity. Alternatively, if there was any report of corruption of local/regional/political figures that could potentially tie to the business operations, this would also be seen as an indirect relationship requiring further information.

Red Flag Investigations

If there is information discovered in any of these resources that indicates a direct or intentional relationship between a supplier and human rights violations, finance of armed conflict or terrorism, or any other egregious violation of responsible business practices, the Compliance Department will notify all purchasing personnel to immediately cease business with the supplier pending a Red Flag review. This Red Flag Investigation entails communication with the supplier to collect additional information on the circumstances of the Red Flag.

If this quarterly review discovers information suggesting an indirect relationship between the supplier and adverse activity within a CAHRA, the Compliance Department will notify purchasing personnel that the supplier is under review for a potential Red Flag and that further instruction will be provided after additional investigation to determine whether business with the supplier must be halted or may continue during a process of remediation. As part of the investigation, the Compliance Department will contact the supplier for additional information to assess the potential impact. Purchasing personnel will be notified of an ongoing investigation but it does not require an immediate halt to business.



For all Red Flag Investigations, the initial investigation must be completed within 7 days of discovery. In the case of a potential CAHRA, identified above as an indirect relationship between the supplier and adverse activity within a CAHRA, business with the supplier will be halted if the investigation is not completed after 7 days and will not be resumed until after the conclusion of the investigation.

Supply Chain Risk Identification and Assessment

Identification of Suppliers of Precious Metals, Natural Diamonds and Gemstones

As part of its due diligence procedures, Prism (USA) Inc. has collected information on all suppliers of precious metals, diamonds and gemstones for the period of January 1, 2024 to December 31, 2024. This entails Know Your Counterparty information that establishes beneficial ownership, banking information, anti-money laundering compliance, and locational information on the suppliers' operations. Ownership and company information is cross-referenced against objective evidence, such as government-issued identification, public financial filings, business licenses, and other relevant documentation. Prism (USA) Inc. also requires its suppliers have a supply chain policy consistent with the OECD Guidance on Supply Chain Due Diligence as a condition of the ongoing business relationship and that any diamond vendors comply with the Kimberly Process Certification Scheme (KCPS), World Diamond Council System of Warranties (WDC SoW), and national law.



Assessment of Suppliers' Due Diligence Practices

All of Prism (USA) Inc. active suppliers of precious metals, diamonds and gemstones conform to or exceed Prism (USA) Inc. requirements for KYC information and Supply Chain Due Diligence and transparency. In all cases, KYC information is complete and verified with additional evidence to support the veracity of the information collected. Furthermore, all suppliers of precious metals and gemstones have a Supply Chain Due Diligence policy and procedures in conformance with the OECD, including the requirements of Third-Party audit and Annual Reporting on their ongoing due diligence, which are reviewed by Prism (USA) Inc.'s RJC Compliance Officer alongside its CAHRA identification protocol.

Risks Identified

No risks have been identified for the period of January 1, 2024 to December 31, 2024. This marks Prism (USA) Inc. first year of rigorous engagement with the Due Diligence program outlined in this report, and it will continue to review and assess its own due diligence practices for continued improvement.

Strategy to Respond to Identified Risks

As there are no identified risks based on KYC, AML, and CAHRA Identification protocols for this period, this section is not applicable, but will be included in subsequent Annual Reports as necessary based on any identified risks for that period.

Human Rights

The company is maintaining all the human rights related compliances maintaining human rights policy, due diligence etc. which satisfies RJC and law of land's requirements. No violation regarding human rights is found.