



Supply Chain Sourcing Due Diligence Policy & Procedure

Document No: **Pol-Supply-001**

Date: 03/01/2023

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Document Control & Revision History

Revision No	Date	Reason	Prepared by	Reviewed by	Approved by
00	03/01/2023	New Document	Shraddha Dalvi – Senior Executive, HR	Ashok Pati- General Manager – HR & Admin	Nishant Parikh – VP Manufacturing



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A) GENERAL

This document details Supply Chain Sourcing Due Diligence policies and procedures of the company.

It is the responsibility of each employee involved in sourcing to adapt this policy.

Diamond & Gold Control department and Sourcing Head are responsible for implementing these policies.

B) Scope

This policy is applicable to all facilities and offices of KBS creations in India.

C) Contents

This policy contains the following administrative policies & procedures;

1. Human Rights
2. Ethical Sourcing
3. Provenance Claim
4. Grievance Mechanism

D) Ethical Business – Supply Chain Policy

This document is applicable for Diamond/Gold/Silver/Colour Gemstone and Platinum Group Metals.

1. KBS Creations is in a business of Diamond studded Jewellery Manufacturing and sales. This policy confirms KBS Creations' commitment to respect human rights, avoid contributing to the finance of conflict and comply with all relevant UN sanctions, resolutions and laws.
2. KBS Creations is a member of the Responsible Jewellery Council (RJC). As such, we commit to proving, through independent third-party verification, that we:
 - respect human rights according to the Universal Declaration of Human Rights and International Labour Organization Declaration on Fundamental Principles and Rights at Work; 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 extractives industry; do not provide direct or indirect support to illegal armed groups; enable stakeholders to voice concerns about the jewellery supply chain; and 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.



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3. We also commit to using our influence to prevent abuses by others. We shall communicate to all our supplier for compliance of ethical sourcing policy, carry out due diligence and risk assessment of their supplier to ensure compliance with OECD Requirements.
4. 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 labour; c. the worst forms of child labour; d. human rights violations and abuses; or e. war crimes, violations of international humanitarian law, crimes against humanity or genocide.
5. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are committing abuses as mentioned in this policy, or linked to, any party committing these abuses.
6. Regarding direct or indirect support to non-state armed groups: We only buy or sell diamonds/Diamond studded jewellery that are fully compliant with the Kimberley Process Certification Scheme and, as such, will not tolerate direct or indirect support to non-state armed groups, including, but not limited to, procuring diamonds/gold/silver/platinum group metal 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 diamonds are traded and upstream actors in the supply chain; or b. tax or extort money or diamonds at mine sites, along transportation routes or at points where diamonds are traded, or from intermediaries, export companies or international traders.
7. 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.
8. 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.
9. 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.
10. 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.

Policy statement on Responsible Business Practices - RJC.

Responsible Jewellery Council Policy

KBS Creations is involved in Diamond Studded Jewellery Manufacturing and Sales. We have five operations in Mumbai. KBS Creations is a member of the Responsible Jewellery Council (RJC).



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The RJC is a standards-setting organisation established to advance responsible ethical, human rights, social and environmental practices throughout the gold, silver, platinum group metals, diamond and coloured gemstone jewellery supply chain. The RJC has developed a benchmark standard for the jewellery supply chain and credible mechanisms for verifying responsible business practices through third-party auditing.

As an RJC member, we commit to operating our business in accordance with the RJC Code of Practices. We commit to integrating ethical, human rights, social and environmental considerations into our day-to-day operations, business planning activities and decision-making processes.

Due Diligence and Risk Assessment Policy

Due diligence provides companies with the information they need to identify risks in order to prevent or mitigate adverse impacts associated with their sourcing practices.

As a part to customer and supplier due diligence, the company shall collect information from all customer and supplier including KYC information.

The company shall not continue business relationship with any supplier found in violation of Conflict-Affected and High-Risk Areas (the 'OECD Guidance')

The company shall communicate to suppliers that they will undertake supply chain due diligence and risk management in ways that are consistent with your supply chain policy.

The compliance office shall be appointed to ensure compliance with ethical supply chain policy and due diligence risk assessment and management system. The due diligence and risk assessment procedure shall be carried out on annual basis and in case of identification of any high-risk areas, risk mitigation plan shall be implemented.

Provenance claim

The policies relating to this section are part of the Business Principles adopted by the company, and are presented below for reference:

"The company shall ensure all its Provenance Claims made will be fully valid along with available evidence to support the Claim(s)"

Based on the written assurance from our supplier, our diamonds are not originated from Mbada and Marange region of Zimbabwe. The diamonds herein invoiced are not sourced from artisanal mines. The diamonds are in compliance with the relevant WFDB Charter on disclosure of synthetic, treated natural and natural diamonds, OFAC guideline and OECD standards on due diligence for the entire diamond/Jewellery supply chain." The seller warrants that these products have been supplied in compliance with the Signet Responsible Sourcing Protocol ("SRSP").

Provenance Claims may also relate to origin, sources or practices that are specifically excluded from the supply chain, such as through a 'negative warranty'.

The company shall ensure that all claims and statements (made to consumers or other businesses) on practices in the supply chain and the origin or source of Diamonds, Coloured Gemstone, Gold/Silver and / or Platinum through the use of both descriptions and symbols are valid.

The company shall ensure that there will be no attempt to mislead consumers through illustrations, descriptions, expressions, words, figures, depictions or symbols relating to the Provenance Claim(s).

The company shall ensure that all the relevant employees are aware about the provenance claim and its procedures.



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Grievance mechanism

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.
- We shall resolve any complain / grievance within 10 working days / time frame subject to the management discretion.

The company has established this complaints procedure to hear concerns about circumstances in the supply chain/ethical business practice/provenance claim. Compliance officer is responsible for implementing and reviewing this procedure. Concerns can be raised by interested parties via email or telephone to: [Compliance Officer] [+91 22 4877 4877] [Shraddha Dalvi - shraddha@kbscreations.com]

Supplier Risk Assessment /Due Diligence Report – Publication (Detailed report is with Compliance team and may produce to concerned parties upon request)

Risk Assessment – Report Summery –

Overall Risk is Low and suppliers are not involved in any unethical business practice and dealing with Conflict affected and High-Risk Areas- CAHRA's

The compliance office of the company has carried out risk assessment in context of OECD guideline and for all its suppliers. The company has made aware all its supplier about ethical supply chain practice and OECD requirements. Upon verification of information provided by all our suppliers and information available in public domain, we have verified the existence of risk of violation of OECD guideline. We found all our suppliers are involved with the legitimate business practices not involved with any activity that violates OECD requirements. Details report for all suppliers has been available with the senior management of the company.