

	<u>Responsible Sourcing policy</u>	Date: 4th April 2025
		Version 2

Policy objective

Sunjewels Ltd is an Indian jewellery manufacturer and Responsible Jewellery Council certified member (certification 0000 3903). We are a business that engages in the manufacturing of jewellery resulting from the procurement and use of cut & polished diamonds, coloured gemstones and precious metals for the manufacturing of jewellery. In some instances, materials are purchased by customers and supplied to us. Our aim is to be a trusted and transparent supplier to our customers, and we are committed to making continuous progress toward achieving responsible sourcing leading practice, including progressive and active efforts to build and exercise our leverage with our supply chain .

The objective of this policy is to set out the commitments by the company regarding the sourcing, procurement, trading and use of key jewellery materials in our supply chain and doing so in a way that avoids or minimises adverse impacts on people and the environment, whilst balancing our strategic and commercial priorities. We recognise that the jewellery supply-chain is complex, and our approach to responsible sourcing requires all supply-chain stakeholders to commit to playing their role in its continuous improvement in order to respect human rights, protect nature and ensure business is conducted ethically, including adhering to the rule of law and striving to meet voluntary global standards.

Scope and Definitions

The policy applies to Sunjewels and all of its business relationships in the supply chain. This includes suppliers with which it has a contractual relationship as well as suppliers' suppliers, up to the raw materials level.

The policy applies to the procurement and use of all the key materials we use for the manufacture of our goods including but not limited to; diamonds (cut & polished, rough, natural, synthetic, lab-grown), coloured gemstones (cut & polished, rough), gold and 3T metals (tungsten, tantalum, tin), platinum group metals (primarily platinum and palladium), silver, pearls and coral.

Definitions can be found in Annex 1.

Context and reference standards

Guiding global reference standards provide the context and aspirational voluntary commitments that we seek to adhere to in this policy. The standards that inform our approach include the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DDGs) in addition to that guidance document's Monitoring & Evaluation Framework (OECD M&E).

To ensure that these reference standards are upheld in our responsible sourcing of materials, this policy serves as the specific requirement we set to ensure we have the appropriate processes in place that also meet industry standards whose lineage references these global standards. The primary industry reference for us is the Responsible Jewellery Council's (RJC) certification requirements as a certified member, which compels us and our supply chain to adhere to their Codes of Practice (2019) (RJC-COP).

A key framework referred to in the RJC-COP standard requires companies to have a policy and risk management frameworks for conflict-sensitive sourcing practices, drawing on the OECD Guidelines and the OECD DDGs, and specifically Annex II risks (see below). Other reference standards we have drawn upon, with lineage from the OECD DDGs and in turn the RJC-COP include but are not limited to: the LBMA Responsible Sourcing Programme (both gold and silver), the DeBeers Trading Company Best Practice Principles (BPP), the Signet Responsible Sourcing Protocol (SRSP), the World Diamond Council System of Warranties/Kimberly Process Certification System (WDS-SOW/KPCS).

Key policy commitments

- We will never knowingly sell or trade in, or use jewellery raw materials, that have originated from sources involved with (including countries), conflict, , bribery, fraud, money-laundering or the funding of terrorism, and ensure that our sales or purchase documentation disclose this commitment by us and in signed agreement with a business partner.
- We commit to doing business with respect for human rights, by implementing human rights and environmental due diligence through a continuous improvement approach, across our own operations and value chain, in line with the global standards referenced above.
- We commit to raising awareness, sharing and expecting compliance to our policies, procedures and standards within our value-chain; with business partners and other stakeholders to give them the necessary assurances of our policies in relation to the products we sell.
- We commit to disclosing the characteristics and any treatments on goods sold by us to customers and ensure that we do not willingly mislead through false marketing or communication of our product.
- We reserve the right to require mandatory due diligence and compliance reviews (known also as enhanced KYC) together with third-party audits, to ensure that direct suppliers of goods we sell are meeting our, and wider industry, policies and standards.
- We reserve the right to terminate commercial relationships with any business partner failing to meet our due diligence standards, or to have been found to be in breach of our policies especially where deliberate falsification or mis-selling is concerned. Before we seek to terminate a relationship, we will pursue engagement opportunities with our business partners to support and push them to improve their practices, reflective of our commitment to continuous improvement across the jewellery supply-chain.

In relation to these key policy commitments and with specific acknowledgement of the most concerning aspects of our value-chain risks and responsible sourcing, pertinent points are referenced in the OECD DDG's Annex II risks, namely:

- *Serious abuses associated with the extraction, transport or trade of minerals (aligned with RJC-COP 6 on Human rights, and for diamonds with Annex 2 of the World Diamond Council-System of Warranties ("WDC-SOW") guidelines). This includes but is not limited to: any forms of torture, cruel, inhuman and degrading treatment; any forms of forced or compulsory labour; the worst forms of child labour; other gross human rights violations and abuses such as widespread sexual violence; and war crimes or other*

serious violations of international humanitarian law, crimes against humanity or genocide.

- *Direct or indirect support to non-state armed groups (aligned with RJC-COP 29 on KPCS and WDC-SOW).*
 - *Direct or indirect support to public or private security forces who illegally control, tax or extort money from mine sites, transportation routes and upstream actors.*
 - *Bribery and fraudulent misrepresentation of the origin of minerals (for diamonds, aligned with Annex 2 of the WDC-SOW guidelines).*
 - *Money-laundering and non-payment of taxes and royalties due to governments (aligned with RJC-COP 12 Know Your Counterparty: money laundering and finance of terrorism, and for diamonds with Annex 2 of the WDC-SOW guidelines).*
- We will take a best endeavours approach to exclude (subject to change if future circumstances permit it) materials originating from sources that carry severe risks to human rights and the environment, including but not necessarily limited to the list above, and further drive continuous improvement through our supply chain to actively drive and support our partners to meet the requirements set out in the aforementioned global and industry standards.
 - Specifically, as an RJC certified member, we commit to meet the requirements of the RJC-COP regarding supply chain due diligence for diamonds, gold, silver and PGMs and we commit to a best endeavours approach to obtaining the relevant, and transparent chain of custody documents from our suppliers and publishing the efforts of our KYC system.

Systems of warranties and disclosures

System of Warranties We commit to:

- Only purchase polished diamonds if they have a WDC-SOW statement on the invoice or if it can be proved that the diamond was polished before the implementation of the KPCS.
- Keep records of WDC-SOW statements for all purchases of polished diamonds for a minimum of 3 years. These records will be verified by our own independent auditors on an annual basis.
- Ensure that if asked for by a duly authorised government agency, these records will be able to prove compliance with the KPCS.
- Not knowingly buy diamonds from suspect sources or unknown suppliers, or which originate from countries that have not implemented the KPCS.
- Not buy diamonds from any sources that, after a mandatory or legally-binding due diligence process system, have been found to have violated government regulations restricting the trade of diamonds originating from conflicted-affected or high-risk countries.
- Not buy diamonds in or from any region that is subject to a legal ruling or advisory by a governmental authority indicating that conflict diamonds are emanating from or available for sale in such region, unless diamonds have been exported from such region in compliance with the KPCS.

- All diamonds are sold in accordance with our own policies and we seek to be aligned, where material to our business operations, to the BPPs, or other similar customer standards if required.
- We commit to providing company employees with comprehensive and repeated training and information regarding the sourcing of diamonds, their assurances, countries of provenance that are conflict-affected or high-risk, disclosure etc including training and information on the WDC-SOW and KPCS.
- Ensure that all company employees who buy or sell diamonds are well informed regarding trade resolutions and government regulations restricting the trade in conflict diamonds.
- The following assurances are to be printed on all customer invoices:

“Sunjewels Ltd expressly warrants that it shall have good and marketable title to the goods it delivers to you, that such goods shall be free from all hypothecs, liens and encumbrances at the time of sale to you and that all diamonds supplied follow the Kimberley Process. Sunjewels Ltd expressly warrants that the goods provided shall conform to any specifications, samples or other descriptions set forth in the Delivery Note; shall be of good quality, shall be free from defects; and shall be merchantable and fit for your intended uses and purposes to the extent that such use and purposes are known or reasonably should be known to Sunjewels Ltd.”

- We recognise the risk of using diamonds and the presence of so-called conflict-diamonds in the supply chain. The definition of conflict diamonds that Sunjewels Ltd recognises is as follows:

“Rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments, as described in relevant United Nations Security Council (UNSC) resolutions insofar as they remain in effect, or in other similar UNSC resolutions which may be adopted in the future, and as understood and recognised in United Nations General Assembly (UNGA) Resolution 55/56, or in other similar UNGA resolutions which may be adopted in future”

- We recognise this definition may be limited in scope primarily to countries referred to as “Great Lakes” countries and may not include other sources of conflict. As such we will maintain an active risk-based exclusion list that includes areas of high-risk from which sources of materials we may source may nevertheless enter the supply chain (see above).
- The WDC-SOW is a voluntary system of industry self-regulation which requires all buyers and sellers of rough diamonds, polished diamonds and jewellery containing diamonds to make the following affirmative statement on all invoices:

“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.”*

* see appendix

- We commit to sourcing gold and other precious metals in accordance with the 5-step process outlined in the OECD DDGs (gold supplement), further referenced in the LBMA’s responsible

sourcing program and through undertaking annual supplier due diligence assessments in accordance with the requirements of the RJC-COP.

Disclosures

- We adhere to disclosure as defined in the International Standard on 'Jewellery – Consumer confidence in the diamond industry', ISO 18323:2015 (E) to ensure clear and accurate labelling on how to describe diamonds, treated diamonds, synthetic diamonds, composite diamonds and imitations of diamonds.
- We commit to ensuring we do not misuse terminology when representing the goods we sell; we commit to not deliberately or knowingly make any representation of our products that do not conform in all respects to full disclosure in the selling, advertising or distribution of any gold, diamond, treated diamond, synthetic diamond or diamond simulant.
- We commit to full disclosure, which is the complete and total release of material information about all other materials and goods, and any steps materials or goods have undergone prior to sale to the purchaser and that this takes place whether or not the information is specifically requested and regardless of the effect on the value of the item being sold.
- We do not deliberately or knowingly make any misleading or deceptive statement, representation or illustration relating to origin, formation, production, condition, quality or fineness of any gold, diamond, treated diamond, synthetic diamond or diamond simulant.
- We do not use the word 'diamond' (see appendix) unless it is used to describe or identify any object or product meeting our definition. We will not use the words 'real', 'genuine' or 'natural' to describe any synthetic diamond or any treated diamond. We will not use the words 'real', and 'genuine' to describe any treated diamond or any diamond simulant. The word 'natural' will not be used to describe any diamond simulant if the diamond simulant is not a naturally occurring mineral or compound.
- We do not use the word 'gold' unless it is used to describe or identify any object or product meeting our definition (see appendix).

Annex 1

"Advertising" includes directly or indirectly promoting the sale or use of a product.

"Best endeavours approach" – an obligation to take all steps that a prudent and determined person acting in their own interests and desiring the result would take, provided this does not require the person to act against their own commercial interests (although it may recognise long-term interests over short-term interests).

"Bribery and corruption" - offering, promising or giving (or requesting, agreeing to receive or accepting) a financial or other advantage, no matter how small or incidental, with the intention and/or effect of improperly influencing their decision making process in order to obtain business or an advantage in the conduct of business, whether directly or indirectly. In many countries it is countered by anti-bribery & corruption "ABC" regulations or laws.

"Business ethics" - the application of ethical values to business behaviour. Business ethics is relevant both to the conduct of individuals and to the conduct of the organisation as a whole. It applies to any and all aspects of business conduct. Typically in a legal context, business ethics will encompass *inter*

alia governance systems, risk management and assurance, policies covering ABC, AML, ATF, whistleblowing and employee protections.

“Diamonds” - a natural mineral consisting essentially of pure carbon crystallised with a cubic structure in the isometric system. Its hardness in the Mohs scale is 10; its specific gravity is approximately 3.52; it has a refractive index of 2.42 and it can be found in many colours.

“Due Diligence” as related to environmental, human rights and governance issues is a *“process through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems. Due diligence can be included within broader enterprise risk management systems, provided that it goes beyond simply identifying and managing material risks to the enterprise itself, to include the risks of adverse impacts related to matters covered by the Guidelines. Potential impacts are to be addressed through prevention or mitigation, while actual impacts are to be addressed through remediation¹.”* Due diligence as a term is also sometimes used for a related but distinct process related to a process designed to ensure compliance with national laws and to manage commercial risk. See more on this latter under “Know Your Counterparty”.

“Encumbrance” - refers to any sort of claim against a property.

“Facilitation payment” - (sometimes also referred to as a “speed” or “grease” payment) is a small payment made with intention or effect of speeding up obtaining something that you would, in any event, be entitled to.

“Full disclosure” – refers to the disclosure of information relating to a product during its sale, including; verbal disclosure which must clearly take place prior to the completion of sale; written disclosure which must be conspicuously included on each bill of sale or receipt in plain language and readily understandable to the purchaser. Written disclosure should normally be in English and any relevant local language; and a disclosure that must immediately precede or succeed the description of the diamond and/or gold and must be equally conspicuous to that description.

“Gold” - a chemical element with the symbol Au, an atomic number of 79 and a mineral with specific hardness of 2.5-3 on the Mohs scale of hardness.

“Hypothecs” - a form of security, often with similar characteristics to a charge, where possession of the secured asset stays with the person providing the security

“Know your Counterparty (“KYC”) procedure” – a system named sometimes inter-changeably alongside “due diligence” which requires a business partner to submit information as part of a commercial agreement prior to any transaction. Information required includes but is not limited to; the identity of the counterparty through government-issued identification; an understanding of the nature and legitimacy of their business; warrants and disclosures from business partners to ensure they agree to comply with the above policy considerations; record keeping of transactions, engagement with suppliers and a commitment to notify the authorities if the company suspects they are transacting with an entity at risk of breaching any considerations of law (such as ABC, AML, ATF etc)

“Lien” - represents a monetary claim levied against property to secure payment - the settlement of an obligation from the property owner

¹ Definition used in the OECD Guidelines for Multinational Enterprises 2011 edition, page 23, paragraph 14.

“Modern slavery and human trafficking” - broadly include activities such as indentured servitude, forced and compulsory labour and forced movement, sub-standard worker accommodation and working conditions, by someone or an entity, in order to exploit another person for personal or commercial gain, all of which have in common the deprivation of a person's liberty.

“Money laundering” - is the process by which criminal proceeds are made to appear to have originated from a legitimate source, for example by concealing their origin, ownership and/or purpose so that their true origin cannot be traced. In many countries it is countered by anti-money laundering “AML” regulations or laws.

“Representation” includes illustrations, descriptions, expressions, words, figures, depictions or symbols shown in a manner that may reasonably be regarded as relating to the substance.

“Selling” includes offering for sale, exposing for sale, displaying in such a manner as to lead to a reasonable belief that the product so displayed is intended for sale. For avoidance of doubt this includes the accepted jewellery industry practice of ‘memo’, the practice of consigning goods, to clients for prearranged periods for potential sale.

“Sourced” – for the purposes of WDC-SOW, “sourced” may be used by companies that do not purchase from an open market, but source and aggregate diamonds directly from production facilities.

“Terrorist financing” involves the use of legitimately obtained income and/or criminal proceeds for terrorist related activities. In many countries it is countered by anti-terrorist financing “ATF” regulations or laws.

“Where the invoice is generated – for the purposes of WDC-SOW, “where the invoice is generated” may be used by companies if they specifically want to reference the country of invoice issuance.

For Sunjewels Pvt. Ltd.

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SVP- Human Resources, Facility & Sustainability

Supplier Signatory

I hereby confirm that I have ready the policy and will adhere to it completely.

I undertake to automatically inform of any material charges.

Signature:	
Print name:	
Title:	
Company name:	
Date and location:	