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| <p>REPORTING PERIOD</p> <p>January to December-2022</p> <p>Report published as on October, 3rd, 2023</p> | <p>ANNUAL BUSINESS REPORT</p> <p>S.Vinodkumar USA, Inc Indigo Jewelry, Inc..</p> |  |
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Section A: General Information about the Company:

GROUP PROFILE

1978 the year of modest beginning in the Indian diamond market. set the motion with incredible accomplishments that jet - propelled S. Vinodkumar Group around the world. Within a space of a quarter century, pioneers Mr. Sumatilal Shah and Mr. Vinod Shah created a glittering trajectory of achievements that now span the globe.

Our more than 35 years old global network of marketing associates at major diamond hubs like USA, Hong Kong, China, Belgium and Dubai provide sales and services to our most prestigious and loyal clients. Making S. Vinodkumar one of the leading exporters of polished diamonds and establishing it as a leading diamantaire in the global Gem and Jewellery market.

All through that long and often arduous journey, our core values of consistency and excellence kept our reputation aloft. Now, a younger generation is forging new vigor, professionalism and flexibility in our organization; which coupled with experience and expertise has strengthened the company from its root upwards.

At S. Vinodkumar, each division functions with the same ethics as the principal office and this is clearly visible with each area of business being that of strength and recording growth year on year! With a combination of having the best sources for rough diamonds and the ability to achieve sales of polished diamonds and finished jewelry at the highest possible downstream level, we are the destination that our customers look out for

Section B: Financial compliance of the Group:

**2.1 Money Laundering, Terrorism Financing, Other
Financial Offences Current Status**

- S. VINODKUMAR GROUP OF COMPANIES recognizes the fact that entities in the gems and jewelry sector have to take on the onus of analyzing their potential vulnerabilities to money laundering and implement specific steps that are required for protection against abuse by criminals.

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- Strict compliance ensures all the entities and compliance officer has been appointed at entity level who in turn reports to group CFO on compliance status on annual basis.
- Know Your Counter Party and other compliance of Due Diligence is followed in line with OECD guidance.
- Ongoing monitoring is carried out and actions if required is taken and concern authority is updated.

Area of concern & Remedial Measures

- No suspicious truncation has been reported during the period.

2.2 Kimberley Process and System of Warranties

- S. VINODKUMAR GROUP OF COMPANIES is fully committed to complying with all the requirements specified in the Kimberley Process Certification Scheme and World Diamond Council's (WDC) System of Warranties Declaration.
- Day to day monitoring and compliance of Kimberly Process and SOW is done by entity compliance officer. Company is committed towards conflict free sourcing and zero tolerance policy is followed at group level.

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Area of concern & Remedial Measures

- We do not deal in Rough Diamond and no noncompliance or deviation seen in case of SOW compliances.

2.3 Anti-Bribery and Facilitation Payment Policy:

- The S. VINODKUMAR GROUP OF COMPANIES shall ensure complete prohibition Bribery and facilitation payment across organization and in all the entities.
- Company has published compliance team contact details on website to receive any grievance or complaints.

Area of concern & Remedial Measures

- Nil As on Date.

2.4 Ethical Sourcing of Loose Diamonds, Gold, Silver & PGM studded Jewelry Policy:

- Our company is concerned about the environment and social impacts of irresponsible mining.
- Group has identified the risk of supply chain with respect to Conflict Affected High Risk Area.
- Group ensure all its supplies are screened for conflict free supplies.
- We have published the OECD based ethical sourcing policy and we are communicating our policies to all the supply chain partners and pushing them to adopt the same.

Area of concern & Remedial Measures

- Concern is lack of awareness about OECD and its requirements among the industry..
- We have started circulation and spreading the literature for creating awareness about our Ethical sourcing requirements for our supply chain and stake holders.

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- We started Engagement with our global supply chain for obtaining the further supply chain information to ensure ethical and conflict free sourcing in metal business.

2.5 Social Compliance

- We ensure full compliance with all applicable national and, where appropriate, international laws / regulations with respect to employment and labor codes in all our establishment.
- We respect all regulations for child labor, forced labor, non-discrimination, non-retaliation etc.
- All work man rights are respected and adhere to freedom of association and collective bargaining regulations.

Area of concern & Remedial Measures

- No point has been reported in the social compliance of the group where remedial measures at group level is required. Entity level remedial measures are taken based on internal and external audits conducted by reputed agencies,

2.6 Health and Safety

- We at S. Vinodkumar Group are concerned about the health and safety of employees and are constantly studying any adverse impact of our business processes which are identified and eliminated. Towards this end, we will systematically review our operations to identify sources of health and safety related risks.
- This review will use appropriate standards as required by prevailing laws, expert opinion and our knowledge of best practices.
- All our staff will be trained in the manner required to adhere to these work practices and drills.
- The health of our staff, exposed to certain hazardous processes, are be monitored periodically through appropriate medical checks, and reviewed using expert inputs for improvements.

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Area of concern & Remedial Measures

- Nil as on date, as no accidents are reported in last one year

2.7 Human Rights

- S. VINODKUMAR GROUP OF COMPANIES is not and will not interfere in the right of employees to observe tenets or practices based on caste, race, national origin, gender, religion, disability, union membership, or political affiliation
- The Company strongly discourages any form of sexually coercive, threatening, abusive or exploitative behavior.
- Any reported incidents relating to direct or indirect physical, sexual, racial, religious, psychological, verbal, or any other form of harassment or abuse, or any other form of intimidation or degrading treatment will not be tolerated by the company.
- S. VINODKUMAR GROUP OF COMPANIES ensure that none of its suppliers and stake holder have engaged in any activity which can violate the Human Right Principles.
- We have carried out the Human Right Due Diligence of suppliers and other Stake holders & based on risk assessment where necessary.

Area of concern & Remedial Measures

- No Area of concern & Remedial Measures has been raised in the Human right for any of our operating units.
- Supplier's further upstream compliance with respect to Human Right compliance for conflict free sourcing is a new development, where company is heading towards 100% conflict free supplies.

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2.8 Environment Protection

- S. VINODKUMAR GROUP OF COMPANIES is Complying with all applicable environmental laws and regulations
- The impact of each of our operations on the environment are studied systematically and assessed for compliance with appropriately defined standards and reviewed periodically to mitigate or eliminate such impact.
- Disposal procedures for waste generated are followed in line with the applicable national and international regulations.
- Improvement is seen employee's environmental awareness and performance with the help of detailed policies and procedures, training, and recognition of excellence.

Area of concern & Remedial Measures

- Emerging need for sustainable growth and responsible manufacturing is the area for improvements and management has suggested step by step approach to grow in this direction.
- mainly Sales office and no manufacturing activity.

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ANNUAL ETHICAL SOURCING REPORTING (COP-7)

Step 1: Establish strong company management systems

1.A. Adopt and clearly communicate to suppliers and the public, a company policy for the supply chain of minerals originating from conflict- affected and high-risk areas

- We have published the policy at company level for easy accesses to stakeholder.
- OECD and Best Practice Annual communication has been sent to all the active supplier.
- Awareness presentation on Ethical sourcing based on OECD guideline has been circulated.
- Detailed policy and procedure at entity level has been established based on risk of CAHRA's is done.

1.B Structure internal management systems to support supply chain due diligence.

- Additional responsibility has been assigned to Compliance officer to look over the compliance of Ethical sourcing policy.
- All key employees involved in sourcing and procurement of precious metals have been trained on our Ethical precious metal sourcing policy. Refresher trainings are provided.
- List of Suppliers has been maintained along with status of their social and ethical compliance.
- On going monitoring of each supplies and associated suppliers is carried out with the help of tools such as digital media, web search, review of supply documents, declaration and market intelligence etc.

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| <p>1.C Establish a system of controls and transparency over the minerals supply chain.</p> | <ul style="list-style-type: none"> • Supplier upstream information collection process started and to obtained CAHRA's information and Ethical sourcing compliance at supplier level. • Currently Group 95% supply from low risk and balance 5% is from non-regular suppliers. |
| <p>1.D Strengthen company engagement with suppliers.</p> | <ul style="list-style-type: none"> • As mentioned above supplier questionnaire has been circulated and we are in the process of following up with them to obtained the filed information from them. • Further we are also obtaining the vital information about suppliers from social platforms and social compliance registration such as BPP & RJC, Approved ASM programs etc • We are in the process of compiling filled supplier questionnaire data , after analysis we will be formulate supplier engagement practices based on risk reported at each supplier level (if any) |
| <p>1.E Establish A Company-Level, Or Industry Wide, Grievance Mechanism As An Early Warning Risk-Awareness System.</p> | <ul style="list-style-type: none"> • We have established the grievance handling policy and procedure at company level, contact details of compliance head provided in our Group Social and Ethical policy on our Web site under Business Principle Section (which is publicly available) |

Step 2: Identify And Assess Risk In The Supply Chain

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| <p>Identify And Assess Risks In The Supply Chain And Assess Risks Of Adverse Impacts.</p> | <ul style="list-style-type: none"> • We have established the detailed policy and procedure for identification of risk at entity level. • Entity has appointed and trained compliance officer to oversee the financial and ethical sourcing compliances. • We have categorized supply chain in to 2 major segments that its Secondary supplier and Open market suppliers. • All suppliers are bifurcated in to this category and open market supplies are considered as potential risk for supplies from CAHRA's and thus step by step information are gathered from this category of supplier as mentioned in point 1.B & 1.C. |
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Step 3: Design And Implement A Strategy To Respond To Identified Risks (If Applicable)

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| <p>Report Findings Of The Supply Chain Risk Assessment To The Designated Senior Management Of The Company.</p> | <ul style="list-style-type: none"> • Ongoing monitoring of each supplies is done by compliance officer to confirm its free from Conflict, were required Red Flags are been raised for seeking additional information and closed after receiving such information to our satisfaction. • Company compliance officer shall report all un-answered flags to local management and Group compliance officer. • In worst situation where information is half or not satisfactory management starts engagement practice and discussion and dialogue with suppliers is carried out to ensure full information in further business. |
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| <p>Devise And Adopt A Risk Management Plan.</p> | <ul style="list-style-type: none"> • We have formulated the risk management plans at entity level considering individual entities position in supply chain and position of supplier in supply chain. • Entity compliance officer carries out monitoring of each and every business transactions and were required Red Flags are been raised and further steps are followed as mention above. • Brief of companies Risk Management Practices has been mentioned in communication of Business policy on our website. |
| <p>Implement The Risk Management Plan And Monitor Performance Of Risk Mitigation Efforts.</p> | <ul style="list-style-type: none"> • Entity level and group level monitoring of Red Flags and its effective closure is monitored. • Compliance officer shall provide annual report of OECD compliance to the management. |
| <p>Internal Training</p> | <ul style="list-style-type: none"> • Company has provided training to all the concern employee involved in buying and selling and compliance monitoring team. |
| <p>Communications</p> | <ul style="list-style-type: none"> • Business principle has been published on the website covering all the COP wise policy including Ethical Precious Metal sourcing policy of the group. • Over and above Annual communication on Business policy and Awareness on various best practices and expectation from business partners is communicated |

OPTIONAL INFORMATION ON Step 4: Carry Out Independent Third-Party Audit

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| RJC COP Audit | <ul style="list-style-type: none"> Recently Our office has finalised the RJC COP 2019 certification audit and same is scheduled in the month of July and August 2023 |
| Grievances And Remediation | <ul style="list-style-type: none"> No grievance of what so ever has been reported till date. |

Prepared By & Approved by : Compliance Officer

Date : October 3rd, 2023