

# ANNUAL BUSINESS REPORT



For the calendar year 2021. Dated: March 2, 2022

## **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.
- Strict compliance ensures at 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 among with all stake holder.

#### **Area of concern & Remedial Measures**

- Nil As on Date.

### **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. Group is committed towards conflict free sourcing and zero tolerance policy is followed at group level

# ANNUAL BUSINESS REPORT



For the calendar year 2021. Dated: March 2, 2022

## Area of concern & Remedial Measures

- Nil As on Date.

### 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.

- Group 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

- Current concern is lack of awareness about OECD regulation and requirements of sourcing.
- We have started creating awareness about our Ethical sourcing requirements for our supply chain
- 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 regulation 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 were 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 concern 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.

# ANNUAL BUSINESS REPORT



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- 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.
- All workplaces are constructed to meet safety standards with local regulations as the minimum standards that will be applicable

## Area of concern & Remedial Measures

- Nil as on date, as no accidents are reported in last one year
- Organization has been blessed and we did not have any fire or any other incidents leading to dangerous circumstances.

## 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 Huma 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 and would require more focus on the same.

## 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.