



## ETHICAL BUSINESS PRINCIPLES

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#### **Section A: General Information about the Company:**

Imperial Jewels is the designated name for the lab-grown diamond jewelry manufacturing division of H.K. Designs. All jewelry production within our organization operates under this name, which serves as an internal classification for our manufacturing activities.

Imperial Jewels is not a separate legal entity but functions entirely under the ownership and operational control of H.K. Designs. All intellectual property, designs, and manufacturing processes within Imperial Jewels remain proprietary to H.K. Designs.

#### **Section B: Financial compliance of the Imperial Jewels**

##### **1.1 Background**

- a. At IMPERIAL JEWELS, our philosophy is to measure success by not only the results we achieve, but also how we achieve them.
- b. This Business Principles document, adopted by IMPERIAL JEWELS sets forth the basic internal standards to be observed by all Top Managements, officers and employees of the Company with respect to conducting business in a legal, ethical, professional and accountable manner.
- c. The company is required to take appropriate steps to ensure that the same is understood and put into practice by all of its Top Managements, officers and employees.
- d. Also, appropriate steps are taken to assure adherence to this Business Principles document, including establishing appropriate disciplinary procedures where violations of this document will result in sanctions up to and including discharge.

##### **1.2 Legislation and Regulations**

- a. IMPERIAL JEWELS shall operate in compliance with relevant national and international legislations / regulations as applicable in the countries in which they operate.
- b. All personnel are expected and directed to comply with all applicable laws and regulations as well as all internal Company rules and policies relating to their business activities.
- c. It is the responsibility of personnel to know and understand legal, regulatory and internal requirements as they apply to their jobs.
- d. The compliance team maintains the list of applicable legal and regulatory requirements and same is followed for compliance on day to day basis. Necessary records of requirements and their compliance is maintained.

##### **1.3 Money Laundering, Terrorism Financing, Other Financial Offences**



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- a. IMPERIAL JEWELS 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.
- b. Strict compliance is required at all times, with all applicable national and, where appropriate, international laws / regulations with respect to money laundering, terrorism financing, bribery, facilitation payments, corruption, smuggling, embezzlement, fraud, racketeering, transfer pricing and tax evasion.
- c. IMPERIAL JEWELS shall act in accordance with national laws with respect to auditing of its financial accounts and maintaining internal controls as guided by various regulations.
- d. It is the responsibility of concerned personnel to know and understand the relevant money laundering / financial offences related legal, regulatory and internal requirements as they apply to their jobs. Ignoring or not reporting suspicious activity that appears to be questionable may also be considered as a violation of the Business Principles, depending on the seriousness of the non-conformance.
- e. Compliance officer ensure all the critical steps such as KYC & KYS, Identification of suspicious transaction, reporting to management and record keeping as required by the local act and legislations are complied with.

#### **1.4 Anti Bribery and Facilitation Payment Policy:**

- a. The IMPERIAL JEWELS shall ensure complete prohibition Bribery and facilitation payment across organization and in all the entities.
- b. Company will not offer, accept or countenance any payment, gift in kind, hospitality, expense or promises as such that may compromise promises of fair competition.
- c. Anti shall prohibit bribery and facilitation payment and shall comply with various rules and regulations of the land.
- d. Period training and awareness shall be carried out to educate employees about various type and ways of bribery and facilitation payments.

#### **1.5 Disclosure of Diamond**

- e. The following essential principles will be applicable in all the transactions involving sale of Lab Grown Diamonds (HTHP/CVD)
  - Full disclosure i.e the complete and total release of all available information about a LGD (Lab grown Diamond) and all material steps it has undergone prior to sale to the purchaser, irrespective of whether or not the information is specifically requested and regardless of the effect on the value of the diamond.



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- Appropriate disclosure with respect to process for LGD shall be disclosed where information available and practically possible.
- All invoice shall have line items wise details of the same.
- No misuse of terminology or misrepresentations or attempts to disguise the product will be made in the selling, advertising and distribution of treated diamonds or simulant.

The word 'LG-diamond' will not be used in the case of names of firms, manufacturers, or trademarks; in connection with diamond simulant such as cubic zirconia etc.

#### **1.6 Supply Chain Management / Best Endeavors**

- The management of IMPERIAL JEWELS is committed to taking appropriate action to use best endeavors to ensure the commitment of business partners and associated manufacturing units complies with the same.
- Annual circulation of Best Practices is done among all trade suppliers and customer

#### **1.7 Sourcing of Diamond**

Imperial Jewels is committed to being a responsible corporate citizen and is opposed to human rights abuses. As part of that commitment, Imperial Jewels seeks to source products, components and materials from companies that share our values around human rights, ethics and environmental responsibility.

Imperial Jewels shall strive to ensure that all its supply of diamonds are not originating from CAHRA's and where practically possible origin of diamonds is known to us.

##### **CAHRA's are.**

IMPERIAL JEWELS ensures that none of its supplies come from the aforesaid countries/regions. IMPERIAL JEWELS shall communicate its sourcing policy to all its stakeholders and will ensure effective implementation of its policy amongst all its entities.

IMPERIAL JEWELS shall ensure that none of its supplies come from CAHRA Region sources. For More Details of CAHRA's refer to list of country under the regulation of EU 2017 <https://www.cahraslist.net/cahras>

##### **Identified CAHRA'S Affected Diamond Producing Nations:**

IMPERIAL JEWELS shall refer to OFAC, EU sanction list and applicable law of the land to ensure the ethical and conflict free supply not to fund CAHARA regions.

Imperial Jewels shall ensure that none of its supplies are coming from above sources (CAHRA's). Imperial Jewels shall communicate its sourcing policy to all the stakeholders and will ensure effective implementation among them.



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#### **1.8 Gold Sourcing Policy:**

Our company is concerned about the environment and social impacts of irresponsible mining.

We at IMPERIAL JEWELS shall ensure that all our gold suppliers compliance with gold sourcing guidelines.

Further we are committed to ensure that sourcing of gold and precious metals products and articles are under the highest social, Human right and environmental standard caution of trade.

- Imperial Jewels is committed to being a responsible corporate citizen and is opposed to human rights abuses. As part of that commitment, Imperial Jewels seeks to source products, components and materials from companies that share our values around human rights, ethics and environmental responsibility.
- We discourage supply form “conflict minerals” originating from the Democratic Republic of the Congo (the “DRC”) or adjoining countries.
- Revenue from the mining and transport of these conflict minerals is believed to be financing or benefiting groups that are responsible for human rights violations.

#### **What is CAHRA’s (Conflict Affected High Risk Area’s) for Minerals**

- The four most commonly mined conflict minerals (known as 3TGs, from the initials) are cassiterite (for tin), wolframite for tungsten), coltan (for tantalum) and gold ore, which are extracted from the eastern Congo, and passed through a variety of intermediaries before being purchased.
- These minerals are essential in the manufacture of a variety of devices, including consumer electronics such as mobile phones, laptops, and MP3 players.
- Imperial Jewels strongly recommends all the supplier’s of (Gold & 3T’s) not to supply any mineral or metals sourced from above regions.
- Imperial Jewels supports industry-wide efforts to identify, reduce and hopefully eliminate the use of conflict minerals originating from the DRC, CAHRA’s and adjoining countries
- Suppliers to Imperial Jewels are expected to establish their own conflict minerals policies, due diligence frameworks and management systems that are designed to prevent conflict minerals originating from the DRC, CAHRA or adjoining country/ ies, to the extent that they benefit groups committing human rights violations, from being included in the products sold to Imperial Jewels. In the event if group determines that a supplier has failed to develop and implement reasonable steps to comply with this Policy, Imperial Jewels reserves the right to take appropriate actions, which may include discontinuing the business relationship with the supplier.



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#### **1.9 Supply Chain Management / Best Endeavors**

The management of IMPERIAL JEWELS *is* committed to taking appropriate action to use best endeavors to ensure the commitment of all channel partner/ supply chain for SCS approved – Sustainable Lab Grown Diamonds

**Note:** Wherever applicable necessary declaration of compliance is obtained. Also, SCS certificate validity is checked prior to placing a purchase order.

#### **1.10 Employment**

- a. Compliance is always required, with applicable national and, where appropriate, international laws / regulations with respect to employment and labour.
- b. The Company shall not require workers to work for more than the national limit of hours in a week on a regular basis, with
- c. The Company shall ensure that wages and benefits for a standard working week shall meet at least national minimum standards and shall be sufficient to meet the basic needs of workers and provide some discretionary income.
- d. It is the responsibility of concerned personnel to know and understand the relevant employment and labour related legal, regulatory, and internal requirements as they apply to their jobs.
- e. When required, due recognition will be given to the existence, membership and lawful activities of worker representative bodies, and worker representatives will be given access to carry out their responsibilities / functions.
- f. The procedures detailed in the Employee Manual should be followed for dismissal of employees, in case the need for the same arises, and arbitrary dismissal procedures should be avoided.
- g. Information regarding applicable employment policies and working practices should be communicated in a transparent manner to all employees

#### **1.11 Health and Safety**

IMPERIAL JEWELS recognizes the need to develop a sustainable, value creating business and is committed to the following:

- Any adverse impact of our business processes on those who carry it out shall be 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.



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- The review will lead to formulation of clearly described work practices and drills.
- 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, will be monitored periodically through appropriate medical checks, and reviewed using expert inputs for improvements.
- Workers shall not be under the influence of or abusing, drugs, alcohol and/ or other illegal substances.
- We will seek to substitute the use of material, which are known to cause an adverse impact on the health of workers or health of consumers during its manufacture or use.
- All workplaces will be constructed to meet safety standards with local regulations as the minimum standards that will be applicable
- Wherever requires and applicable, individual entities will nominate a Health, Safety and Environment Committee, headed by a senior management representative, which will have its fullest support in executing operational changes required to carry out these policies.
- **Environmental Management Systems:** The Group maintains environmental controls and procedures to manage resource use, emissions, and waste in line with applicable legal and RJC COP 2024 requirements.
- **Legal Compliance :**Environmental practices, including water treatment and waste disposal, are implemented in compliance with applicable environmental laws, permits, and regulatory obligations.
- **Water Stewardship:** Water consumption is monitored and reduced through conservation measures, recycling, reuse of treated water, and rainwater harvesting where feasible. Currently we are water negative and management will take actions to support water preservation and water conservation drives.
- Effluent Treatment & Discharge Wastewater generated from operations is segregated, treated, and discharged only after meeting regulatory standards to prevent contamination of land or water bodies.
- Resource Efficiency Company promotes efficient use of natural resources by adopting water- efficient systems, preventive maintenance, and environmentally responsible technologies.
- **Climate & Energy Management – GHG Measurement:** Greenhouse gas (GHG) emissions from Scope 1, Scope 2, and Scope 3 sources are calculated and monitored periodically in line with recognized methodologies. The Group’s carbon footprint as of 31



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December 2024 has been calculated. Management is currently reviewing the baseline study and publicly available sustainability and ESG disclosures, as published on the Group's website (<https://www.hk.co/sustainability>).

- **Climate Action & Continuous Improvement:** Emission reduction targets and energy-efficiency initiatives are identified based on GHG assessments to support continuous improvement over time.
- **Pollution Prevention & Land Protection:** Controls are implemented to prevent land contamination through safe handling, storage, treatment, and disposal of chemicals, lubricants, and production residues.
- **Waste Management** Solid, liquid, and hazardous wastes are managed, treated, and disposed of through authorized methods in accordance with statutory and RJC COP expectations.

#### **1.12 Non-Discrimination, Disciplinary Practices**

- a. Discrimination can mean distinction, exclusion, or preference.
- b. Any form of discrimination relating to the hiring, discharge, pay, promotion and training of employees on the basis of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, HIV status, Migrant status, membership of worker representative bodies, political affiliations, or any criteria that are unlawful is strongly discouraged by the Company and any such reported incidents will be viewed as a serious violation of this Business Principles.
- c. IMPERIAL JEWELS will ensure that employees who have certain life-threatening diseases or illnesses are not treated differently from other employees, and will continue to employ such personnel, if they are physically and mentally fit to attend to their normal job responsibilities.
- d. IMPERIAL JEWELS shall at no time condone the use of corporal punishment or other forms of mental or physical coercion
- e. IMPERIAL JEWELS encourages all personnel to voice concerns promptly, if they have a genuine reason to believe that a policy, Company operation or practice is or will likely be in violation of any law, regulation or internal Company rule or policy, including this Business Principles. IMPERIAL JEWELS assures all employees who come forward in good faith to report issues, that they will be treated fairly and respectfully.

#### **1.13 Child Labour**

- a. No form of child labour should be employed at any of the facilities of IMPERIAL JEWELS
- b. Unless local laws stipulate a higher age, the minimum age for employment that will be



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applicable is fifteen (As per ILO Convention No. 138).

- c. For authorized adolescents (persons below 18 years of age but above 15 years), the Company management is responsible for providing working conditions, hours of work and wages in compliance with applicable local laws as a minimum.
- d. As per our company policy no child labour or adolence child labour will be employed.
- e. Company will implement suitable policy and procedures to verify the age proof all new employees joining the organization.

#### **1.14 Forced Labour**

- a. The management of IMPERIAL JEWELS is fully committed to ensuring that forced or involuntary labour is not practiced in any form at any of its facilities. Any reported incidents relating to forced labour will be considered as a serious violation of this Business Principles.
- b. The following definitions will be applicable:
  - The Universal Declaration of Human Rights that states that ‘No one shall be held in slavery or servitude’
  - ILO Convention 29, which defines forced or compulsory labour as ‘all work or service which is extracted from any person under the menace of any penalty, and for which the said person has not offered himself voluntarily’”

#### **1.15 Human Rights**

- ❖ All employees in the Company’s facilities will be treated with equality, respect and dignity.
- ❖ IMPERIAL JEWELS 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.
- ❖ HSE & Anti sexual harassment committees are formed, and committee shall review the compliance at regular intervals by holding review meetings.

#### **1.16 Environment Protection**

IMPERIAL JEWELS is committed to effective environmental management as one of its important corporate priorities, and will focus on the following initiatives:

- a. Compliance with all applicable environmental laws and regulations



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- b. The impact of each of our operations on the environment will be systematically assessed for compliance with appropriately defined standards and reviewed periodically to mitigate or eliminate such impact.
- c. Disposal procedures for waste generated will be clearly defined and practiced in line with standards that are set by law and best practices of the industry.
- d. Improvement of employee environmental awareness and performance through detailed policies and procedures, training, and recognition of excellence.
- e. Measurement of environmental performance through auditing with employee accountability and reporting to senior management.
- f. Commitment to a continual improvement process in environmental management

#### **1.17 Product Security**

IMPERIAL JEWELS is committed to provide safety of product throughout its supply chain by following precaution as mentioned below

- g. Each stage of product processing it is covered through blanket insurance
- h. Suitable safeguarding and storage is ensured at all stage with the help of safes
- i. All the manufacturing, sales and retailing units are guarded by security agency and monitored by close circuit cameras.
- j. All the concern persons are trained on relevant safety and security procedures to be followed at all times.
- k. Organization has developed emergency plan, which includes procedure in case of emergency (include emergency scenario such as theft robbery etc)
- l. Product purity quality and other parameters are monitored at each stage to avoid switch over of the product.

#### **Public Grievances**

- a. Imperial Jewels understands the importance of addressing increasing public grievances.
- b. Company has introduced the common public grievance cell to look in to matter of reporting noncompliance against any of the company policy or raising red flag against any of its business entity or individuals
- c. Further any query or clarification of diamonds can be raised and same shall be replied with 5 working days as per group public communication policy.

#### **WHISTLEBLOWER PROTECTION – SCOPE & COVERAGE**



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- This Whistleblower Protection mechanism is established to enable employees, contract workers, suppliers, and other relevant stakeholders to safely raise concerns related to actual or suspected misconduct or non-compliance. The scope of reportable concerns includes, but is not limited to, breaches of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals, AML/CFT laws and regulations, Kimberley Process Certification Scheme, Source of Wealth (SOW) and disclosure requirements, as well as social, labour, and human rights standards, and health, safety, and environmental (HSE) obligations. This mechanism supports ethical conduct, transparency, and responsible business practices across the precious metals, diamonds, and jewellery supply chain, and is designed to align with applicable legal, regulatory, and industry-specific expectations.
- Any grievance or whistleblowing can be done using multiple ways such as phone call to compliance officer, email, meeting in person and using other communication techniques, contact details of compliance officers are published.

#### **Grievances and Whistleblowing Policy**

##### Grievances and Complaints Committee

- The Committee formed the Department to deal with Grievances, concerns and complaints submitted by the employees, clients, customers, and other affected end user and stakeholders.
- A written objection to the business operation resolution issued concerning the employees, clients, customers, and other affected end-user and stakeholders. Which is submitted by him/her to remove the injustice or wrongdoing he/she claims to have been witnessed or inflicted.

#### **The Objectives of the Grievances:**

1. Ensures that materials acquired and services provided are obtained with adherence to human rights, labor, environmental and highest business ethics.
2. Ensures to achieve justice, employment satisfaction and the stability of the legal status of the employees.
3. Ensures that business activities meet the international market ethics and standard.
4. Ensures that business operates in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its Supplement on Gold, DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain and Responsible Jewellery Council.



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5. Maintain the business status in providing the highest standard in operating in the gold and silver industry.

#### **Grounds for the Grievance and Procedure for submission:**

1. Human rights violations; force and child labor, torture, serious abuses, etc.
2. Contravention of the law, regulations or by-laws
3. Accounts and financial Manipulation
4. Fraud, bribery, corruption and solicitation
5. Falsification of documents
6. Tolerates law and regulation violators and supporter of non-state armed group and all forms of criminal activities.
7. Employee misconduct and labor practices.
8. Health and safety; working conditions.

We encourage all to submit reports along with solid proof of documents and provide as much information as possible for the investigation. Reports may submit to the following email address: [paresh.p@hk.co](mailto:paresh.p@hk.co)

#### **Confidentiality:**

Committee will guarantee with the outmost capability of Hari Krishna Group to keep the identity of the concern person confidential with respect to all events. Documents and files, they view and all information that comes from their knowledge will solely be used for the purpose of investigating illegal activities or non-compliance allegations to Hari Krishna Group policies.

#### **Escalation Procedure and Timeline for Grievances and Whistleblowing**

##### **1. Submission of Grievance**

- Responsible Party: Complainant (employee, client, customer, stakeholder, or end-user)
- Method: Submission via email to [paresh.p@hk.co](mailto:paresh.p@hk.co)
- Content Required:
  - ✓ Full details of the grievance or complaint
  - ✓ Supporting documentation and evidence (if available)
  - ✓ Name and contact information (optional for anonymous reporting)
- Timeline: At any time
- Confidentiality: Full confidentiality guaranteed by Hari Krishna Group



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#### **2. Acknowledgement of Receipt**

- Responsible Party: Compliance Officer
- Action: Issue written acknowledgment of grievance receipt
- Timeline: Within 3 working days of submission

#### **3. Preliminary Review and Risk Assessment**

- Responsible Party: Grievances and Complaints Committee
- Actions:
  - ✓ Assess completeness of submission
  - ✓ Evaluate urgency and severity
  - ✓ Determine if the issue falls under Committee jurisdiction
- Timeline: Within 7 working days from acknowledgment

#### **4. Initiation of Investigation**

- Responsible Party: Assigned Investigators (from Compliance or Legal Dept.)
- Action:
  - ✓ Conduct internal investigation
  - ✓ Request clarifications or additional documents (if needed)
  - ✓ Interview relevant parties (when applicable)
- Timeline: Investigation must be initiated within 10 working days from the preliminary review
- Duration: Completed within 20 working days, unless extended due to complexity

#### **5. Escalation (if necessary)**

If the issue cannot be resolved internally or requires higher authority or external reporting:

- Escalation to:
  - ✓ Senior Management
  - ✓ Board Compliance Sub-Committee
  - ✓ External Auditor (if legally required or high-risk breach)
- Timeline for escalation decision: Within 5 working days of investigation conclusion

#### **6. Issuing Final Decision and Corrective Actions**

- Responsible Party: Grievances and Complaints Committee
- Action:



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- ✓ Issue a reasoned written decision
- ✓ Recommend corrective or disciplinary actions
- ✓ Notify the complainant (unless anonymous)
- ✓ Update internal risk management systems

- Timeline: Within 10 working days from conclusion of investigation

#### **7. Follow-Up and Monitoring**

- Responsible Party: Compliance Officer
- Action:
  - ✓ Ensure implementation of corrective measures
  - ✓ Monitor resolution progress
  - ✓ Re-assess for recurrence risk
- Timeline: Periodic check-ins at 30, 60, and 90 days after decision

#### **8. Recordkeeping and Reporting**

- Responsible Party: Compliance Department
- Action:
  - ✓ Securely store grievance records
  - ✓ Report summary of grievances and actions to senior management quarterly
  - ✓ Include anonymized data in annual compliance reports

#### **The Issuing of Decisions:**

The Committee shall issue its reasoned resolutions base on the Grievance and Whistleblowing mechanism and appropriate corrective actions shall be taken if necessary.

#### **Public Grievances Contact Cell & Annual Ethical Sourcing Policy Contact**

**Contact person Name:** Mr. Paresh Patadia

**Phone Number:** +91-22-67161616

**Email:** Paresh.p@hk.co