

ANNUAL BUSINESS RESPONSIBLE REPORT

For the year 2024 Dated: October 3rd 2025

H. K. Designs Inc

535, 5th Avenue, 18th floor, New
York, NY 10017, U.S.A.

Section A: General Information about the Company:

Started in the year 2005, H. K. Designs is built on the pillars of trusted collaborations, constant innovation, impeccable quality, sustainable solutions, ethical sourcing and artistic designs that exceed your expectations.

We are among the world's top three leading manufacturers of diamond and gemstone studded jewelry.

Section B: Financial compliance of the Group:

1.1 Money Laundering, Terrorism Financing, Other Financial Offences

Current Status

- H. K. DESIGNS INC 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 is ensured 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 along with all stake holder.

Area of concern & Remedial Measures

- Nil As on Date.

1.2 Kimberley Process and System of Warranties

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

Area of concern & Remedial Measures

- Nil As on Date.

1.3 Anti Bribery and Facilitation Payment Policy:

- The H. K. DESIGNS INC 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.

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Area of concern & Remedial Measures

- Nil As on Date.

1.4 Ethical Sourcing of Loose Diamonds, Gold, Silver & PGM studded Jewellery 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.

1.5 Social Compliance

- We ensure full compliance with all applicable national and, where appropriate, international laws / regulations with respect to employment and labour codes in all our establishment.
- We respect all regulation for child labour, forced labour, 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,

1.6 Health and Safety

- We at H. K. Designs Inc are concern about the health and safety of employees and are constantly studding about any adverse impact of our business processes are identified and eliminated. Towards this end, we will systematically review our operations to identify sources of health and safety related risks.

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- 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.
- 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 had any fire or any other incidents leading to dangerous circumstances.

1.7 Human Rights

- H. K. DESIGNS INC 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 behaviour.
- 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.
- H. K. DESIGNS INC ensures 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 and would require more focus on the same.

1.8 Environment Protection

- H. K. DESIGNS INC is Complying with all applicable environmental laws and regulations

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- 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 these direction.

Section D: OECD Compliance Report:-

Step. 1. Establishing Strong Company Management Systems	
1.A Adopt and clearly communicate to suppliers and the public company policy for the supply chain of mineral originated from conflict affected and high risk areas.	H. K. DESIGNS INC has established its sourcing policy, which has been documented and published as on 03 rd February,2025 on the website of the company. All our suppliers are RJC Certified suppliers, and they have implemented Ethical supply chain policy at their respective organization level.
1. B Structure internal management system to support supply chain due diligence	H. K. DESIGNS INC has established strong internal risk assessment policy and does not buy from CAHRA regions. The Company has carried out countrywide risk assessments and the suppliers wise risk assessment in accordance with the OECD requirements and classified suppliers in to various category as per their position in supply chain and Residue risks have been calculated.
1.C. Establishing system of controls and transperance over the minerals supply chain.	Suppliers are requested to share the information, which is analyzed to identify potential risk of CAHRA's if any. This risk has been categorized in to 3 risk categories: High, Medium & Low

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	All the suppliers are in Low to Medium risk and none of the suppliers are at High risk level.
1.D. Stringent Company Engagement with Suppliers	Policy has been published and suppliers are expected to follow our OECD based Ethical sourcing compliance. Ongoing monitoring carried out where needed necessary corrective actions are carried out. Periodic reporting to Senior management is done.
1.E. Establishing company-level or industry wide grievance mechanism as an early warning risk-awareness system.	Grievance mechanism has been establishing and published on the web site "Group Level"
Step. 2. Identify and Asses The Risk In The Supply Chain	
2. Identify and assess the risks in the supply chain and asses risk of adverse impact	Company has established strong ongoing monitoring system for each and every transaction and no risk has been reported. All suppliers have been rated between low to medium suppliers.
Step. 3. Identify and Asses The Risk In The Supply Chain	
3.1. Report findings of the supply chain risk assessment to the designated senior management of the company	Compliance officer conducts a regular review of supply chain compliance and any risk reported are shared with management and suitable Corrective actions are proposed. All our suppliers are RJC COP2019 compliant.
3.2 Device and adopt risk management plan	Company has devised the detailed risk management plan with time line in case of Red Flags reported, same is followed and records of compliance is maintained.
3.3. Implement the risk management plan and monitor the performance of the risk mitigation efforts.	Compliance officer shall monitor the effectiveness Mitigation actions taken and revised status of the associate risk if any and where needed.
3.4 Internal Training	Regular trainings are carried out among all the affected employees.
3.5 Communication	Communication is sent across the supply chain for increasing awareness about Ethical sourcing as per OECD regulations.
Step. 4. Optional information on Step 4	

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4.1 RJC COP Audit done on & Done By	ISOQAR (India) Pvt. Ltd. An accredited auditor from RJC shall conduct an audit by Mid of October-2025
4.2 Grievance and recommendation	No grievance has been reported Grievance contact cell has been appointed and its contact details are available on the company website.

Prepared by : Compliance officer

Approved By: President

Date : October 4th, 2025