

# D. Navinchandra Gems

ANNUAL BUSINESS RESPONSIBILITY & OECD COMPLIANCE REPORT 2023

DATED: 20<sup>th</sup> November 2024.

Dear Stakeholder,

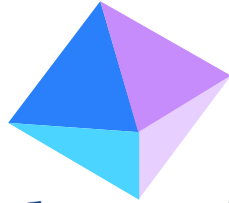
This report is in line with the COP 3 & COP& of the RJC COP-2019 Requirements. Report is for the calendar year 2023.

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

- D. Navinchandra Gems BV BA specialises in manufacturing and delivering ultra-premium, small, polished diamonds. With over 40 years of experience in the diamond industry, we not only have the capabilities, but also the confidence to cut and polish at an unparalleled quality. Through the use of our state-of-the-art technology we are able to take commercial and makeable rough diamonds and transform them into luxury, high-end products. This expertise allows D. Navinchandra Gems BV BA to be a leading supplier to many prestigious jewellery and watch houses across Europe and Asia.
- We are pioneering manufacturers for small polished diamonds - and we're committed to improving our diamond products by pushing manufacturing standards ever higher. We know that our diamonds must be as beautiful as possible if they are going to maintain their position as the ultimate prestige product. That's why we invest heavily in R&D and consistently implement new technologies and processes; we're able to leverage technology to remain on the leading edge. We transform our products from makeable models to beautiful fine make.

## **Section B: Financial compliance of the D. NAVINCHANDRA GEMS BV BA.:**

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



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- D. NAVINCHANDRA GEMS BV BABV BA recognizes the fact that entities in the gems and jewellery sector have to take on the onus of analysing 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 who in turn reports to D. NAVINCHANDRA GEMS BV BA Management 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 stakeholders.

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

- Nil As on Date.

## **2.2 Kimberley Process and System of Warranties**

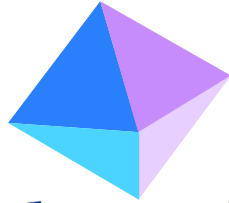
- D. NAVINCHANDRA GEMS BV BA is fully committed to complying with all the requirements specified in the Kimberley Process Certification Scheme of World Diamond Council's (WDC) System of Warranties Declaration.
- Day to day monitoring and compliance of SOW is done by compliance officer.
- D. NAVINCHANDRA GEMS BV BA is committed towards conflict free sourcing and zero tolerance policy is followed at D. NAVINCHANDRA GEMS BV BA.

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

- Nil As on Date.

## **2.3 Anti-Bribery and Facilitation Payment Policy:**

- The D. NAVINCHANDRA GEMS BV BA shall ensure complete prohibition Bribery and facilitation payment across organization and in all the entities.



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- D. NAVINCHANDRA GEMS BV BA. has published compliance team contact details on website to receive any grievance or complaints.

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

- Nil As on Date.

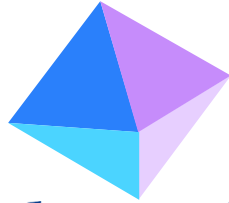
## **2.4 Ethical Sourcing of Loose Diamonds Policy:**

- Our company is concerned about the environment and social impacts of irresponsible mining.
- D. NAVINCHANDRA GEMS BV BA has identified the risk of supply chain with respect to Conflict Affected High Risk Area.
- D. NAVINCHANDRA GEMS BV BA 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.
- Our majority of suppliers are low risk suppliers and we are slowly removing high risk suppliers from our supply chain.

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

- 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**



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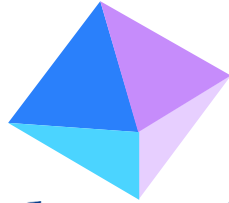
- We ensure full compliance with all applicable national and, where appropriate, international laws / regulations with respect to employment and labour codes in all our establishment.
- We respect all regulation for child labour, forced labour, non-discrimination, non-retaliation etc.
- All work man 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 D. NAVINCHANDRA GEMS BV BA. where remedial measures are required.
- Entity level remedial measures are taken based on internal and external audits conducted by reputed agencies.

## **2.6 Health and Safety**

- We at D. NAVINCHANDRA GEMS BV BAare 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.
- 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, is be monitored periodically through appropriate medical checks, and reviewed using expert inputs for improvements.



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

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

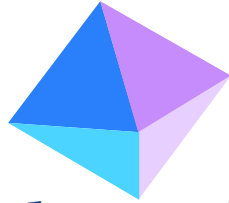
- Nil as on date, as no accidents are reported in last one year.
- Organization has been blessed and we did not have any fire or any other incidents leading to dangerous circumstances.

## **2.7 Human Rights**

- D. NAVINCHANDRA GEMS BV BAIs 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.
- D. NAVINCHANDRA GEMS BV ensures that none of its suppliers and stakeholder 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.



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- 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.

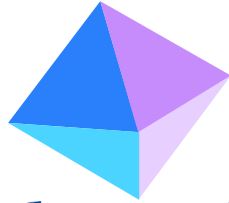
## 2.8 Environment Protection

- D. NAVINCHANDRA GEMS BV BA is Complying with all applicable environmental laws and 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

- Nil, mainly Sales office and no manufacturing activity.

ANNUAL REPORTING TEMPLATE (RJC TOOL KIT VERSION 5.0)	
<b>Company Name:</b>	D. NAVINCHANDRA GEMS BV BABV BA
<b>Date:</b>	20 <sup>TH</sup> November, 2024
<b>Reporting Period :</b>	Calendar Year 2023
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	<ul style="list-style-type: none"><li>• We have published the policy at company level for easy accesses to stakeholder.</li><li>• OECD and Best Practice Annual communication has been sent to all the active supplier.</li></ul>

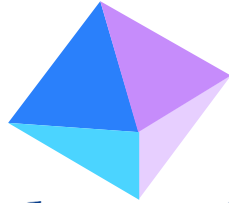


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	<ul style="list-style-type: none"><li>• Awareness presentation on Ethical sourcing based on OECD guideline has been circulated.</li><li>• Detailed policy and procedure at entity level has been established based on risk of CAHRA's is done.</li></ul>
1.B Structure internal management systems to support supply chain due diligence.	<ul style="list-style-type: none"><li>• Additional responsibility has been assigned to Compliance officer to look over the compliance of Ethical sourcing policy.</li><li>• 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.</li><li>• List of Suppliers has been maintained along with status of their social and ethical compliance.</li><li>• 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.</li></ul>



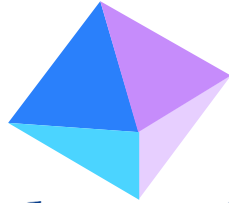
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1.C Establish a system of controls and transparency over the minerals supply chain.	<ul style="list-style-type: none"><li>• Supplier upstream information collection process started and to obtained CAHRA's information and Ethical sourcing compliance at supplier level.</li><li>• Currently D. Navinchandra Gems BV BA. 85% and above supply from law risk and balance 15% is from non-regular suppliers.</li></ul>
1.D Strengthen company engagement with suppliers.	<ul style="list-style-type: none"><li>• 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.</li><li>• Further we are also obtaining the vital information about suppliers from social platforms and social compliance registration such as BPP &amp; RJC, Approved ASM programs etc.</li><li>• 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).</li></ul>



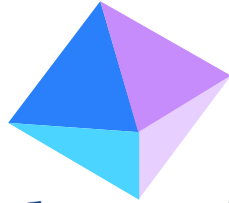


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1.E Establish A Company-Level, Or Industry Wide, Grievance Mechanism As An Early Warning Risk-Awareness System.	<ul style="list-style-type: none"><li>We have established the grievance handling policy and procedure at company level, contact details of compliance head provided in Social and Ethical policy on our Web site under Business Principle Section ( which is publicly available).</li></ul>
Step 2: Identify And Assess Risk In The Supply Chain	
Identify And Assess Risks In The Supply Chain And Assess Risks Of Adverse Impacts.	<ul style="list-style-type: none"><li>We have established the detailed policy and procedure for identification of risk at entity level.</li><li>Each entity has appointed and trained compliance officer to oversee the financial and ethical sourcing compliances.</li><li>We have categorized supply chain in to 2 major segments that its Secondary supplier and Open market suppliers.</li><li>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</li></ul>

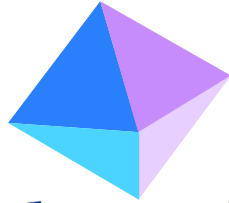


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	supplier as mentioned in point 1.B & 1.C.
Step 3: Design And Implement A Strategy To Respond To Identified Risks (If Applicable)	
Report Findings Of The Supply Chain Risk Assessment To The Designated Senior Management Of The Company.	<ul style="list-style-type: none"><li>• 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.</li><li>• Compliance officer shall report all un-answered flags to Top management.</li><li>• In worst situation were 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.</li></ul>
Devise And Adopt A Risk Management Plan.	<ul style="list-style-type: none"><li>• We have formulated the risk management plans at entity level considering individual entities</li></ul>

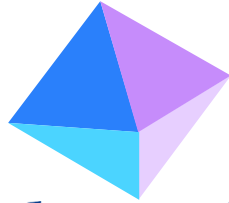


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	<p>position in supply chain and position of supplier in supply chain.</p> <ul style="list-style-type: none"><li>• Entity compliance officer carries out monitoring of each and every business transactions and were required Red Flags are been raised and further steps are followed as mention above.</li><li>• Brief of companies Risk Management Practices has been mentioned in communication of Business policy on our website.</li></ul>
Implement The Risk Management Plan And Monitor Performance Of Risk Mitigation Efforts.	<ul style="list-style-type: none"><li>• Organization level monitoring of Red Flags and its effective closure is monitored.</li><li>• Compliance officer provides period status reports of OECD compliance to the management.</li></ul>
Internal Training	<ul style="list-style-type: none"><li>• Organisation provides period training to all the concern employee involved in buying and selling and compliance monitoring team.</li></ul>
Communications	<ul style="list-style-type: none"><li>• Business principle has been published on the website covering all the COP wise policy including</li></ul>



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	<p>Ethical Precious Metal sourcing policy of the organisation.</p> <ul style="list-style-type: none"><li>• Over and above Annual communication on Business policy and Awareness on various best practices and expectation from business partners is communicated.</li></ul>
OPTIONAL INFORMATION ON Step 4: Carry Out Independent Third-Party Audit	
RJC COP Audit	<ul style="list-style-type: none"><li>• RJC &amp; BPP Periodic audits are conducted , at least once in a year and during the audit 3<sup>rd</sup> party verifies our OECD Supply chain policy.</li></ul>
Grievances And Remediation	<ul style="list-style-type: none"><li>• No grievance of what so ever has been reported till date.</li></ul>

Prepared By: Compliance officer

Approved By: Top Management

Date : 20<sup>th</sup> November, 2024