

KRAFTED BY AUMNISM LLP

**Annual Reporting on Responsible Sourcing and
Due Diligence Mechanism**

Doc. No. KBA-ARN-001

	Name	Date
Approved By	MR. KALPESH KOTHARI	04/04/2025
Next Review Date	03/04/2026	

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Date:	[04/04/2025]
Reporting period:	[04/2024] to [03/2025]
OECD Due Diligence Guidance	Action taken
<i>Step 1: Establish strong company management systems</i>	
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.	<p>Sourcing Policy has been established with document no. KBA-POL-015.</p> <p>Sourcing Policy communicated to internal interested parties through training and displayed on notice board.</p> <p>Sourcing Policy has been communicated to external interested parties through email communications, and displayed on notice board in office premises so that visitors can have access to it.</p>
1.B Structure internal management systems to support supply chain due diligence.	<p>The Company has prepared Manuals for Sourcing compliance and due diligence which includes procedure for risk assessment, methods for identification of red flags, risk mitigation etc.</p> <p>Training on responsible sourcing has been imparted to relevant personnel.</p> <p>The company has appointed senior official MR. KALPESH KOTHARI who bears the competence, knowledge and experience to be responsible for implementing due diligence management system.</p>

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<p>1.C Establish a system of controls and transparency over the minerals supply chain.</p>	<p>The Company collects supplier details through KYC/KYS documents from each associated parties which include Business registration documents, Completed KYC questionnaire. Also checks against relevant government lists for individuals or organisations implicated in money laundering, fraud or involvement with prohibited organisations and/or those financing conflict.</p> <p>The company collects all information pertaining to physical description and origin of supplies from suppliers for each parcel through Invoice and sales documents and Gemmological laboratory reports and/or certificates.</p> <p>The company has established supplier packet and shared with all the suppliers along with the company's requirement and obligations to comply with OECD requirements to make engagement with suppliers, the supplier packet which contains questions related to sourcing, their supplier due diligence mechanism etc.</p>
<p>1.D Strengthen company engagement with suppliers.</p>	<p>The company has established supplier's packet and shared with all the suppliers along with OECD requirements and its 5 steps of due diligence mechanism.</p> <p>The suppliers packet also contains agreement to take reasonable steps to ensure that all the supplies are supplied in accordance with Company's policy on supply chain/sourcing.</p>
<p>1.E Establish a company-level, or industry wide, grievance mechanism as an early warning risk-awareness system.</p>	<p>The company has established this grievance procedure to hear concerns about circumstances in the supply chain involving supplies from conflict-affected and high-risk areas.</p> <p>The company shares email address in supply chain/sourcing policy to contact to register grievance.</p> <p>The company also maintains grievance register to keep records on monthly basis.</p>

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Step 2: Identify and assess risk in the supply chain

Identify and assess risks in the supply chain and assess risks of adverse impacts.

The company has conducted risk assessment of all the suppliers based on information from supplier's packet, government assessments and from official websites.

No red flag identified, nor any suppliers found from conflict affected high risk areas.

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.

Partner receives the findings of risk assessments.

Devise and adopt a risk management plan.

The company has established risk mitigation plan to respond to the risks and impacts if identified.

Implement the risk management plan and monitor performance of risk mitigation efforts.

The company has developed a Monitoring and evaluation plan to monitor and track the effectiveness of mitigation measures, including the results of follow-up activities after six months to evaluate significant and measurable improvement.

Internal training

The company has imparted trainings to all relevant employees in the month of January 2025 and July 2024.

Communications

The company takes feedback from stakeholders if any risk identified and based on procedure to summaries the outcome of your engagement with relevant stakeholders

OPTIONAL INFORMATION ON Step 4: Carry out independent third-party audit

Annual audit

The company has appointed an independent third-party auditor **Ms. Jatin Patel** who conducted audit twice in a year and last audit conducted for the period of April – 2025 to September - 2024 & October – 2024 to March - 2025 and no non-conformances identified.

Grievances and remediation

The company has not received any grievance in the assessment year.

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Doc. No: KBA-CRA-007

Date: 10.04.2025

GRIEVANCE MECHANISM

KRAFTED BY AUMNISM LLP has established this grievance procedure to hear concerns about circumstances in the supply chain involving diamonds and minerals from conflict-affected and high-risk areas.

MR. KALPESH MAHENDRA KOTHARI is responsible for implementing and reviewing this procedure.

Concerns can be raised by interested parties via email or telephone to:

Name	MR. KALPESH MAHENDRA KOTHARI
Mobile phone	+91 9099638334
Email address	KBALLP07@gmail.com

On receiving a complaint, we will aim to:

- Get an accurate report of the complaint.
- Explain our complaint procedure.
- Find out how the complainant would like it addressed/resolved.
- Assess the eligibility of the complaint and, where applicable, decide who should handle it internally. In cases where we are unable to address the complaint internally (e.g. where our company is too far removed from the origin of the issue raised in the complaint), we may redirect it to a more appropriate entity or institution, such as the relevant supplier or industry body.
- Where the issue can be handled internally, seek further information where possible and appropriate.
- Identify any actions we should take including hearing from all parties concerned, and monitoring the situation.
- Advise the complainant of our decisions or outcomes.
- Keep records on complaints received and the internal process followed, for at least five years.

KRAFTED BY AUMNISM LLP

DOC. NO.: KBA-POL-001

POLICY STATEMENT FOR CHILD LABOUR

- No form of child labour should be employed at **KRAFTED BY AUMNISM LLP**.
- The minimum age for employment that will be applicable is fifteen (As per ILO Convention No. 138).
- For authorized adolescents (persons below 18 years of age but above 15 years), the entity management is responsible for providing working conditions, hours of work and wages in compliance with applicable local laws as a minimum.
- If a child is found working at **KRAFTED BY AUMNISM LLP** either own or sub-contracted, the responsibility of rehabilitation will be undertaken by the management.
- The above policies will also be applicable to subcontracted labour.

KRAFTED BY AUMNISM LLP

Date: 01/05/2025

KRAFTED BY AUMNISM LLP

DOC. NO: KBA-POL-002

Policy Statement of Forced Labour

The policies relating to this section are part of the Business Policies adopted by KRAFTED BY AUMNISM LLP and are presented below for reference:

- a. The management of **KRAFTED BY AUMNISM LLP** are fully committed to ensuring that forced or involuntary, bonded, indentured or prison labour, is not practiced nor used in any form at any of its facilities. **KRAFTED BY AUMNISM LLP** shall ensure that there is no restriction in the freedom of movement of employees and dependents. Any reported incidents relating to forced labour will be considered as a serious violation of the Business Policies.
- 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'

KRAFTED BY AUMNISM LLP

Date: 01/05/2025

KRAFTED BY AUMNISM LLP

DOC. NO: KBA-POL-007

Policy Statement of Human Rights

- ❖ We, KRAFTED BY AUMNISM LLP, recognize our responsibility to respect human rights. We believe that our business has a role to play in protecting and promoting human rights.
- ❖ KRAFTED BY AUMNISM LLP is committed to respecting internationally recognized human rights throughout our operations and supply chains. In line with the UN Guiding Principles on Business and Human Rights, our Policy is based upon the international standards enshrined in the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.
- ❖ Human rights refer to a set of basic rights and freedoms that belong to every person in the world, regardless of where they are from, what they believe or how they choose to live their life. It is a broad concept, with economic, social, cultural, political and civil dimensions. For KRAFTED BY AUMNISM LLP, respecting human rights means ensuring that any person involved in, or encountering, our operations, supply chains and products is treated with dignity, respect, fairness and equality.
- ❖ Our Policy sets out overarching principles for how we conduct business at KRAFTED BY AUMNISM LLP, together with our employees and business partners, we are committed to driving forward the implementation of this Policy throughout our operations and supply chains. We recognise unique challenges to these standards may arise and we will work to address these challenges in partnership with relevant partners and stakeholders.
- ❖ Code of Conduct as reference as well as the related to labour rights, working conditions and health & safety.
 1. Employment is freely chosen
 2. Freedom of association
 3. Working conditions are safe and hygienic
 4. Child labour shall not be used
 5. Living wages are paid
 6. Working hours are not excessive
 7. No discrimination is practiced
 8. Regular employment is provided
 9. No harsh or inhumane treatment is allowed

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- ❖ KRAFTED BY AUMNISM LLP, will continuously work to embed this Policy throughout the relevant processes and procedures of the company to ensure its effective implementation.
- ❖ We recognise that we must take steps to identify and address any actual or potential adverse impacts, whether they are directly or indirectly linked to our business activities or relationships.
- ❖ We understand that human rights due diligence is a dynamic, on-going process which requires acting on the findings, tracking our actions, and communicating to our stakeholders how we address impacts.
- ❖ As our human rights risks and impacts may vary over time, this policy will be subject to review if proven inadequate by our human rights due diligence process.

KRAFTED BY AUMNISM LLP

Date: 01/05/2025

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DOC. NO.: KBA-POL-015

Policy Statement Use of Supply Chain

- a. The company shall complete a thorough due diligence process prior to establishing any business relationship. It shall only source, purchase, or sell laboratory-grown materials in full compliance with all applicable laws, ethical standards, and recognized responsible sourcing guidelines, ensuring that all transactions uphold transparency, integrity, and accountability throughout the supply chain.
- b. The company shall ensure that all activities related to laboratory-grown materials are conducted in accordance with the OECD Due Diligence Guidelines and the principles of the United Nations Universal Declaration of Human Rights, promoting ethical practices, human rights protection, and responsible sourcing throughout the supply chain.
- c. The company shall prohibit the procurement of laboratory-grown materials from Conflict-Affected and High-Risk Areas and shall strictly comply with applicable Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) standards, ensuring that all sourcing and transactions are legal, ethical, and risk-free.
- d. The company shall prohibit the procurement of laboratory-grown materials from Conflict-Affected and High-Risk Areas (CAHRAs) and shall comply with all applicable Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) requirements, ensuring that all sourcing and transactions are legal, ethical, and free from risks associated with conflict or illicit financing.
- e. The company shall conduct thorough risk assessments across its supply chain and shall not enter into, or shall suspend or discontinue, any business relationship with suppliers operating in Conflict-Affected and High-Risk Areas (CAHRAs) or engaged in any form of human rights violations, including but not limited to torture or cruel, inhuman, or degrading treatment; forced or compulsory labour; child labour; widespread sexual violence; war crimes; other serious violations of international humanitarian law; crimes against humanity; genocide; and bribery or corruption. This ensures that all laboratory-grown materials are sourced responsibly and in alignment with ethical and legal standards.
- f. The company strictly condemns and prohibits any direct or indirect support to public or private security forces that illegally control, tax, or extort money from production sites, transportation routes, or other upstream activities, ensuring that all laboratory-grown materials are sourced in a lawful, ethical, and conflict-free manner.

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- g. The company shall verify counterparty details, including conducting Know Your Customer (KYC) checks for all suppliers and counterparties of laboratory-grown materials at regular intervals. It shall carry out risk-based assessments and implement appropriate verification controls and ongoing monitoring of all commercial activities and transactions to ensure compliance, transparency, and integrity throughout the supply chain.
- h. The company shall source, purchase, and manage all laboratory-grown materials responsibly, in compliance with applicable laws, ethical standards, and recognized responsible sourcing guidelines, prohibiting procurement from Conflict-Affected and High-Risk Areas or suppliers engaged in human rights violations, corruption, or illegal activities. Senior personnel are responsible for supply chain integrity and due diligence, with the Compliance Officer reporting any breaches to Senior Management. All sourcing, handling, and corrective actions shall be documented to ensure transparency, accountability, and ethical compliance throughout the supply chain.
- i. The company has established a risk assessment module to evaluate all business partners, and any partners receiving a high-risk rating shall be red-flagged, with detailed reports submitted to Senior Management for review and appropriate action.
- j. **Grievance Mechanism**
 - a. The purpose of this document is to outline a clear process through which any stakeholder can understand the organization's due diligence and supply chain integrity policies related to laboratory-grown materials. The identity of any individual raising a concern shall be kept strictly confidential, and no retaliatory action will be taken against whistleblowers. For anonymous submissions, stakeholders may choose to refrain from providing their contact information.
 - b. Please share your Complaint/Grievance/Suggestion on kballp07@gmail.com

KRAFTED BY AUMNISM LLP

Date: 01/05/2025

KRAFTED BY AUMNISM LLP

DOC. NO.: KBA-POL-008

Policy Statement of Bribery and Facilitation Payments

The policies relating to this section are part of the Business Policies adopted by **KRAFTED BY AUMNISM LLP** and are presented below for reference:

- a. **KRAFTED BY AUMNISM LLP** is committed to prohibit bribery in all business practices and transactions that are carried out by the company or on its behalf by business partners. The company will not offer, accept or countenance any payments, gifts in kind, hospitality, expenses or promises as such that may compromise the principles of fair competition or constitute an attempt to obtain or retain business for or with, or direct business to, any person; to influence the course of the business or governmental decision – making process.
- b. **KRAFTED BY AUMNISM LLP** considers Bribery Risk as it applies to its organization (including agents) to identify which areas pose high risks. **KRAFTED BY AUMNISM LLP** has developed appropriate methods to monitor conduct of employees and agents and eliminate bribery based on this understanding.
- c. The management of **KRAFTED BY AUMNISM LLP** facilitates the reporting of incidences of attempted bribery or inappropriate gifts within their organization and shall apply appropriate sanctions for bribery and attempted bribery in all forms.
- d. **KRAFTED BY AUMNISM LLP** ensures that no employee will suffer demotion, penalty or other adverse consequences for voicing a concern, or for refusing to pay a bribe or facilitation payment even if this action may result in the enterprise losing business.

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Date: 01/05/2025

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DOC. NO.: KBA-POL-010

Policy Statement of Money Laundering and Finance of terrorism

The policies relating to this section are part of the Business Policies adopted by **KRAFTED BY AUMNISM LLP** is presented below for reference:

- a. **KRAFTED BY AUMNISM LLP** 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, corruption, smuggling, embezzlement, fraud, racketeering, transfer pricing and tax evasion.
- c. **KRAFTED BY AUMNISM LLP** shall act in accordance with national laws and national / international accounting standards with respect to maintaining financial accounts of all business transactions and auditing of its financial accounts.
- d. **KRAFTED BY AUMNISM LLP** ensures that concerned employees know and understand the relevant regulatory jurisdiction for national and international transactions, 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 Policies, depending on the seriousness of the non-conformance.
- e. **KRAFTED BY AUMNISM LLP** implements a “Know your Customer” and “Know your Supplier” procedure that establishes the identity of all organizations with which it deals, have a clear understanding of their business relationships and have a reasonable ability to identify and react to transaction patterns appearing out of the ordinary or suspicious.

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Date: 01/05/2025

KRAFTED BY AUMNISM LLP

Doc. No: KAL-POL-023

RJC Compliance Policy

The Responsible Jewellery Council (RJC) is a not for profit organization with the following mission:

“To advance responsible ethical, social and environmental practices, which respect human rights, throughout the diamond and gold Jewellery supply chain, from mine to retail”

RJC’s “LGMS” defines responsible ethical, human rights, social, and environmental practices, applicable to all RJC members.

KRAFTED BY AUMNISM LLP has become a member of RJC and is fully committed to the Code of Practices.

We strongly encourage all our business partners to follow and implement the various requirements of the RJC system. More information about the Program is available on the internet site <http://www.responsiblejewellery.com>.

We encourage your co-operation in adopting the standard and ensuring that the entire diamond industry is seen as a role model in setting high standards with respect to business, social and environmental responsibilities.

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Date: 01/05/2025