

MaxMark, Inc.

ETHICAL BUSINESS POLICY & ANNUAL COMPLIANCE REPORT ON OECD

2.1 Legislation and Regulations

- a. MaxMark, Inc. 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 MaxMark, Inc. 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. Legal Compliance Record are Maintained.

2.2 Money Laundering, Terrorism Financing, Other Financial Offences

- a. MaxMark, Inc. 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.
- b. MaxMark, Inc. shall act in accordance with national laws with respect to auditing of its financial accounts and maintaining internal controls as guided by various regulations. Following acts and international guidelines is considered while establishing company level policies
 - US Patriot Act
 - FATF 40 Recommendations and 8 special recommendations
- c. 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.
- d. 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.
- e. Compliance officer carries out periodic review of AML/CFT compliances and submits his report to management on Quarterly basis.

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2.3 Kimberley Process and System of Warranties

- a. MaxMark, Inc. is dealing in polished diamonds Studded Jewellery and fully committed to complying with all the requirements specified in World Diamond Council's (WDC) System of Warranties Declaration.
- b. We will not engage in business with the supply chain who deals in 'conflict diamonds' or not following the System of Warranties Declaration in invoices, either knowingly or unknowingly, will be considered as a violation of the Business Principles.
- c. Statement of Warranties, Declaration is provided on all invoices raised to B2B Customers.

2.4 Anti-Bribery and Facilitation Payment Policy:

- a. The MaxMark, Inc. shall ensure complete prohibition of Bribery and facilitation payment across organization and in all the entities.
- b. MaxMark, Inc. 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. Company shall prohibit bribery and facilitation payment and shall comply with various rules and regulations of the land.

2.5 Disclosure of Treated Diamonds, Synthetics and Stimulant

The following essential principles will be applicable in all the transactions involving treated diamonds, synthetics and stimulant

- Full disclosure i.e. the complete and total release of all available information about a 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.
- We deal in real and natural diamonds and any treatment of real and natural diamonds is disclose to customer prior to sales
- In case of LGD necessary declaration is provided.

2.6 Diamond & Gemstone Sourcing Policy as per OECD

Conflict Minerals Policy Statement (Diamond & Gem Stone)

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

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environmental responsibility.

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

CAHRAS list is monitored on register basis.

What Are "Conflict Diamonds"?

"Conflict Diamonds," are stones that are produced in areas controlled by rebel forces that are opposed to internationally recognized governments. The rebels sell these diamonds, and the money is used to purchase arms or to fund their military actions.

MAXMARK shall ensure that none of its supplies are coming from conflicted regions

CHARAS list is monitored on regular basis.

2.7 Gold & Platinum Group Of Metal Sourcing Policy (As per DRC)

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

We at MaxMark, Inc. shall ensure that all our gold Jewellery suppliers are in compliance with gold sourcing guidelines (Dodd- Frank rules, DRC & other applicable legislation).

Further, we are committed to ensure that sourcing of gold and precious metal products and articles thereof, are under the highest Social, Human right and Environmental standard cautions of trade.

2.8 Supply Chain Management / Best Endeavours

The management of MaxMark, Inc. is committed to take appropriate action to use best endeavours to ensure that the suppliers and contractors are committed for compliance to International Social Standards such as RJC & OECD Requirement.

2.9 Employment

- a. Compliance is always required, with applicable national and, where appropriate, international laws / regulations with respect to employment and labor.
- b. The MaxMark, Inc. shall not require Staff to work for more than the national limit of hours in a week on a regular basis.

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- c. The MaxMark, Inc. shall ensure that Salary and benefits for a standard working week shall meet at least national minimum standards.

2.10 Health and Safety

MaxMark, Inc. 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.
- The review will lead to formulation of clearly described work practices and drills.
- workplaces will be constructed to meet safety standards with local regulations as the minimum standards that will be applicable

2.11 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 MaxMark, Inc. Any such reported incidents will be viewed as a serious violation of this Business Principles.
- c. We shall at no time condone the use of corporal punishment or other forms of mental or physical coercion.
- d. We encourage all personnel to voice concerns promptly, if they have a genuine reason to believe that a policy, MAXMARK operation or practice is or will likely be in violation of any law, regulation or internal rule or policy, including this Business Principles.

2.12 Child Labour

- a. No form of child labour should be employed at any of the facilities of the MaxMark, Inc. Unless local laws stipulate a higher age, the minimum age for employment that will be applicable is fifteen

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(As per ILO Convention No. 138).

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

2.13 Forced Labour

- a. The management of MaxMark, Inc. 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 they said person has not offered himself voluntarily’

2.14 Human Rights

- ❖ All employees in the MaxMark, Inc. facilities will be treated with equality, respect and dignity.
- ❖ MaxMark, Inc. 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 MaxMark, Inc. strongly discourages any form of sexually coercive, threatening, abusive or exploitative behavior.

2.15 Environment Protection

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

- Compliance with all applicable environmental laws and regulations
- 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

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eliminate such impact.

2.16 Product Security

MaxMark, Inc. is committed to provide safety of product throughout its supply chain by following precaution as mentioned below

- Each stage of product processing it is covered through blanket insurance
- Suitable safeguarding and storage is ensured at all stage with the help of safes
- We are taking at most care to ensure safety of visitors, Customers and interested parties, suitable arrangements such as CCTV, Multi-level entry doors and other electronic intelligence.
- All the concern persons are trained on relevant safety and security procedures to be followed at all times.

Public Grievances against social & Ethical compliance of the MAXMARK

If you come across any instance of non-compliance or specific deviation from our ethical policy, financial crime, noncompliance to any please feel free to reach us.

Further in case if you are interested to obtain the copy of our sourcing annual compliance report based on OECD guidelines. Please send an email communication to below mention email address.

Sr No.	Mode	Details
(I)	By Email	Name: Mr. Binoy Shah Email: binoy@maxmarkinc.com

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ANNUAL REPORTING

Company Name: MaxMark, Inc.

Date: May 27th, 2024

Reporting Period: Calendar year 2023

Step1:Establishstrongcompanymanagementsystems

1.A. Adopt and clearly communicate to suppliers and the public, accompany policy for the supply chain of minerals originating from conflict -affected and high-risk areas

- We have published the policy at group level for easy accesses to stake holder.
- OECD and Best Practice Annual communication has been sent to all the active customers and supplier
- Awareness presentation on Ethical sourcing based on OECD guideline has been circulated
- Detailed policy and procedure at entity level has been established based on risk of CAHRA's is done.

1.B Structure internal management systems to support supply chain due diligence.

- Additional responsibility has been assigned to Compliance officer to look over the compliance of Ethical sourcing policy
- 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.
- List of Suppliers has been maintained along with status of their social and ethical compliance
- Ongoing monitoring of each supply and

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	<p>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.</p>
<p>1.C Establish a system of controls and transparency over the minerals supply chain.</p>	<ul style="list-style-type: none"> • Supplier upstream information collection process started to obtain CAHRA's information and Ethical sourcing compliance at supplier level.
<p>1.D Strengthen company engagement with suppliers.</p>	<ul style="list-style-type: none"> • As mentioned above supplier questionnaire has been circulated and we are in the process of following up with them to obtain the filed information from them. • Further we are also obtaining the vital information about suppliers from social platforms and social compliance registration such as BPP, RJC programs etc. • We have received the filled questionnaire from various suppliers and 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)
<p>1.E Establish A Company-Level, Or Industry Wide, Grievance Mechanism as An Early Warning Risk-Awareness System.</p>	<ul style="list-style-type: none"> • We have established the grievance handling policy and procedure at organization level and contact details of compliance head has been provided in our Ethical policy, which has been published on our Web site

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Step2: Identify and Assess Risk in The Supply Chain

Identify And Assess Risks in The Supply Chain and Assess Risks of Adverse Impacts.

- We have established the detailed policy and procedure for identification of risk at entity level.
- We have categorized supply chain in to 3 major segments that its Primary suppliers, Secondary supplier and Open market suppliers.
- 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 supplier as mentioned in point 1.B & 1.C.
- No potential or high-risk suppliers has been reported during the review period

Step3: Design and Implement a Strategy to Respond to Identified Risks

Report Findings of The Supply Chain Risk Assessment to The Designated Senior Management of The Company.

- Ongoing monitoring of each supply is done by compliance officer to confirm its free from Conflict, were required
- No red flag has been raised during last 12 months and majorities of supplies are from related parties or long associate suppliers.
- Compliance officer shall report all un-answered flags to management, whenever applicable.
- In worst situation where information is half or not satisfactory management shall starts

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	<p>engagement practice and discussion and dialogue with suppliers is carried out to ensure full information in further business</p>
Devise And Adopt a Risk Management Plan.	<ul style="list-style-type: none">• We have formulated the risk management plans at entity level considering individual entities position in supply chain and position of supplier in supply chain.• Entity compliance officer carries out monitoring of each and every business transaction and were required Red Flags are being raised and further steps are followed as mention above.• Brief of companies Risk Management Practices are mentioned in communication of Business policy on our website.
Implement The Risk Management Plan and Monitor Performance of Risk Mitigation Efforts.	<ul style="list-style-type: none">• Entity level and group level monitoring of Red Flags and its effective closure is monitored.• Compliance officer provides period status reports of OECD compliance to the management.
Internal Training	<ul style="list-style-type: none">• Once in year training to all the concern employee involved in buying and selling and compliance monitoring team

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Communications

- Business principle has been published on the website covering all the COP wise policy including Ethical Precious Metal sourcing policy of the group.
- Over and above Annual communication on Business policy and Awareness on various best practices and expectation from business partners is communicated

OPTIONAL INFORMATION ON Step 4: Carry Out Independent Third-Party Audit

RJC COP Audit

- Our recertification for RJC COP 2019 has been scheduled in the month of June 2024 and once the third-party audit completed, status will be updated.

Grievances And Remediation

- No grievance of whatsoever has been reported till date.

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ANNUAL REPORTING OF COMPLIANCE TO ALL APPLICABLE COPS UNDER COP-2019 (Requirement under cop 3.1)

