

ETHICAL POLICY - BUSINESS PRINCIPLES DOCUMENT

POLICY NO: ASCL/EP/01 DATED: 15.12.2025

Money Laundering, Terrorism Financing, and Other Financial Offences / AML-CFT

- **ASIAN STAR COMPANY LIMITED (ASCL)** recognizes that entities in the gems and jewellery sector must analyze their potential vulnerabilities to money laundering and implement specific measures to protect against misuse by criminals.
- Strict compliance is ensured at all times with all applicable national and, where appropriate, international laws and regulations relating to money laundering, terrorism financing, bribery, facilitation payments, corruption, smuggling, embezzlement, fraud, racketeering, transfer pricing, and tax evasion.
- ASCL acts in accordance with national laws concerning auditing of its financial accounts and maintaining internal controls as required under applicable regulations.
- The Compliance Officer ensures implementation of critical measures such as Know Your Customer (KYC) and Know Your Supplier (KYS) procedures, identification of suspicious transactions, reporting to management, and maintenance of records as required under applicable laws and regulations.

Kimberley Process and System of Warranties

- ASCL is fully committed to complying with all requirements specified in the Kimberley Process Certification Scheme (KPCS) and the World Diamond Council (WDC) System of Warranties Declaration.
- The definition of *Conflict Diamonds* as agreed under the Kimberley Process has been adopted, and declarations are obtained from suppliers and provided to customers.
- ASCL ensures Kimberley Process compliance in all rough diamond transactions. Compliance is verified through internal audits and by financial auditors, and compliance certificates are issued accordingly.
- For polished diamonds, Warranties In and Warranties Out are verified by the compliance team and audited by financial auditors, who issue compliance certificates.

Anti-Bribery and Facilitation Payment Policy

- The Group ensures complete prohibition of bribery and facilitation payments across the organization and all its entities.
- The Company will not offer, accept, or tolerate any payment, gift in kind, hospitality, expense, or promise that may compromise fair competition or ethical conduct.

Disclosure of Treated Diamonds, Synthetics and Simulants

The following principles apply to all transactions involving treated diamonds, synthetics, and simulants:

- Full disclosure: Complete and transparent disclosure of all available information about a diamond and all material processes it has undergone prior to sale, irrespective of whether such information is specifically requested and regardless of its impact on the value of the diamond.
- No misuse of terminology, misrepresentation, or attempts to disguise the nature of a product will be made in the selling, advertising, or distribution of treated diamonds, synthetics, or simulants.
- The term “diamond” will not be used in relation to treated diamonds, diamond simulants, or synthetic diamonds in company names, trademarks, or product descriptions where it may cause confusion.
- Necessary declarations in accordance with CIBJO, WFDB, and KPCS requirements are provided on all invoices.

Supply Chain Management / Best Endeavours

- The management of ASCL is committed to taking appropriate action and using its best endeavours to ensure that business partners and associated manufacturing units comply with the same ethical and compliance standards.
- Best Practices guidelines are circulated annually to all trade suppliers and customers.

Conflict Minerals Policy Statement (Diamonds & Gemstones)

ASCL Group is committed to being a responsible corporate citizen and strongly opposes human rights abuses. As part of this commitment, ASCL seeks to source products, components, and materials from companies that share its values regarding human rights, ethical conduct, and environmental responsibility.



ASCL strives to ensure that its diamond supply does not originate from Conflict-Affected and High-Risk Areas (CAHRAs) and, wherever practically possible, that the origin of diamonds is known.

What are Conflict Diamonds?

Conflict diamonds, also known as Blood Diamonds, are diamonds mined in areas controlled by rebel forces. These diamonds are sold to finance armed conflict, criminal activity, or terrorism.

Identified CAHRA Diamond Producing Nations

ASCL refers to OFAC sanctions lists, EU sanctions lists, and applicable national laws to ensure ethical sourcing and prevent supply from CAHRA regions.

ASCL shall ensure that none of its supplies originate from such sources. The Group communicates its sourcing policy to all stakeholders and ensures effective implementation.

Conflict Minerals Policy Statement (Gold)

- ASCL Group is committed to responsible corporate citizenship and opposes human rights abuses.
- The Group seeks to source products and materials only from suppliers that share its commitment to human rights, ethical conduct, and environmental responsibility.
- ASCL discourages sourcing of conflict minerals originating from the Democratic Republic of the Congo (DRC) or adjoining countries.
- Revenue from the mining and transport of such minerals is believed to finance groups responsible for human rights violations.

Conflict-Affected and High-Risk Areas (CAHRAs) for Minerals

- The four most commonly mined conflict minerals (known as 3TGs) are cassiterite (tin), wolframite (tungsten), coltan (tantalum), and gold ore, primarily extracted from eastern Congo and traded through various intermediaries before being purchased.
- These minerals are used in the manufacture of various products including consumer electronics such as mobile phones, laptops, and MP3 players.
- ASCL strongly recommends that suppliers of gold and 3TGs avoid sourcing minerals or metals originating from such regions.
- ASCL supports industry-wide initiatives to identify, reduce, and eliminate the use of conflict minerals originating from the DRC, CAHRAs, and adjoining countries.



Suppliers to ASCL are expected to establish their own conflict minerals policies, due diligence frameworks, and management systems to prevent conflict minerals from entering products sold to ASCL. If a supplier fails to implement reasonable compliance measures, ASCL reserves the right to take appropriate actions, including discontinuing the business relationship.

Employment

- Compliance is ensured at all times with applicable national and international labour and employment laws and regulations.
- Wages and benefits for a standard working week will meet at least national minimum standards and be sufficient to meet the basic needs of workers and provide discretionary income.
- Information regarding employment policies and working practices is communicated transparently to all employees.

Health and Safety

ASCL recognizes the importance of developing a sustainable and value-creating business and commits to the following:

- Identifying and eliminating any adverse impact of business processes on employees by systematically reviewing operations to identify health and safety risks.
- Applying appropriate standards based on prevailing laws, expert recommendations, and industry best practices.
- Establishing clearly defined work practices and emergency drills.
- Monitoring the health of employees exposed to hazardous processes through periodic medical examinations and expert review.
- Ensuring all workplaces meet safety standards, with local regulations as the minimum requirement.

Environment and Climate Change

- **Environmental Management Systems:** Environmental controls and procedures are maintained to manage resource use, emissions, and waste in line with legal requirements and **RJC COP 2024** standards.
- **Legal Compliance:** Environmental practices, including water treatment and waste disposal, comply with applicable environmental laws and permits.

- **Water Stewardship:** Water consumption is monitored and reduced through conservation measures, recycling, reuse of treated water, and rainwater harvesting where feasible. The Company aims to support water preservation initiatives.
- **Effluent Treatment and Discharge:** Wastewater is segregated, treated, and discharged only after meeting regulatory standards.
- **Resource Efficiency:** Efficient use of natural resources is promoted through water-efficient systems, preventive maintenance, and environmentally responsible technologies.
- **Climate and Energy Management – GHG Measurement:** Greenhouse gas emissions from Scope 1 and Scope 2 sources are periodically measured and monitored. The Group maintains a carbon footprint assessment for each financial year, which may be shared with stakeholders upon request.
- **Sustainability Objectives:** Management is working toward achieving Near-Zero emissions by 2032.
- **Climate Action:** Emission reduction targets and energy-efficiency initiatives are identified based on GHG assessments.
- **Pollution Prevention:** Controls are implemented to prevent contamination of land through safe handling, storage, and disposal of chemicals and residues.
- **Waste Management:** Solid, liquid, and hazardous waste are managed and disposed of through authorized methods in accordance with legal and RJC COP requirements.

Non-Discrimination and Disciplinary Practices

- The Company strongly discourages discrimination in hiring, compensation, promotion, or training based on race, caste, nationality, religion, age, disability, gender, marital status, sexual orientation, HIV status, migrant status, political affiliation, or any legally protected status.
- Employees with serious medical conditions will not be treated differently, provided they remain capable of performing their duties.
- Employees are encouraged to raise concerns if they believe any company operation violates laws, regulations, or internal policies.
- Employees reporting issues in good faith will be treated fairly and respectfully.

Child Labour

- ASCL strictly prohibits the employment of child labour in any facility.
- In accordance with company policy, neither child labour nor adolescent labour will be employed unlawfully.
- The Company will implement procedures to verify age documentation for all new recruits.

Forced Labour

ASCL is fully committed to ensuring that forced or involuntary labour is not practiced in any form.

Relevant definitions include:

1. **Universal Declaration of Human Rights:** “No one shall be held in slavery or servitude.”
2. **ILO Convention 29:** Forced labour is defined as work extracted under threat of penalty and not offered voluntarily.

Any reported incidents will be treated as serious violations of this policy.

Human Rights

- All employees will be treated with equality, dignity, and respect.
- ASCL will not interfere with employees’ rights to observe religious or cultural practices.
- Any form of sexually coercive, threatening, abusive, or exploitative behaviour is strictly prohibited.
- Physical, sexual, racial, religious, psychological, or verbal harassment or intimidation will not be tolerated.
- ASCL’s Human Rights Policy aligns with the UN Guiding Principles on Business and Human Rights (UNGPs).

Environmental Protection

ASCL is committed to effective environmental management and focuses on:

- Compliance with environmental laws and regulations.
- Assessing the environmental impact of operations and implementing mitigation measures.
- Monitoring environmental performance through audits and reporting to senior management.

Product Security

ASCL ensures the safety of products throughout the supply chain through the following measures:

- Blanket insurance coverage at every stage of product processing.
- Secure storage using safes and controlled access systems.
- Security personnel and CCTV monitoring at all manufacturing, sales, and retail facilities.

Synthetic Diamonds

ASCL is committed to preventing the undisclosed mixing of synthetic diamonds.

Measures include:

- Access to reliable detection systems.
- Procurement only from trusted suppliers.
- Strong factory controls and security procedures to prevent switching of diamonds.
- Reporting any undisclosed synthetics to suppliers and relevant stakeholders.
- Maintaining records of contamination incidents and implementing corrective measures.
- Classification of contamination risks into High, Medium, and Low categories.
- Implementation of appropriate testing mechanisms within the organization.
- Obtaining declarations from the supply chain and providing assurances to customers through invoice declarations in accordance with WFDB requirements.

Whistle-blower Protection – Scope and Coverage

This Whistle-blower 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
- AML/CFT regulations
- Kimberley Process Certification Scheme
- Source of Wealth (SOW)
- Disclosure requirements
- Social, labour, and human rights standards

- Health, safety, and environmental 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 requirements.

Any grievance or whistleblowing can be reported through multiple channels such as phone calls to the Compliance Officer, email, personal meetings, or other communication methods. Contact details of the Compliance Officer are published for this purpose.

Grievances and Whistleblowing Policy

Grievances and Complaints Committee

The Committee handles grievances from employees, clients, customers, stakeholders, and end-users relating to business operations or conduct.

A grievance refers to a written complaint regarding perceived injustice or wrongdoing in business operations.

Objectives of the Grievance Mechanism

1. Ensure materials and services are sourced responsibly with adherence to human rights, labour, environmental, and ethical standards.
2. Promote fairness, employee satisfaction, and legal compliance.
3. Ensure business activities meet international ethical standards.
4. Ensure that business operations comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including its Supplement on Gold, as well as the DMCC Rules for Risk-Based Due Diligence in the Gold and Precious Metals Supply Chain and the standards of the Responsible Jewellery Council (RJC).
5. Maintain high operational standards in the precious metals (gold and silver) industry.

Grounds for Grievances

- Human rights violations (forced labour, child labour, torture, etc.)
- Legal or regulatory violations
- Financial manipulation or fraud

- Bribery or corruption
- Document falsification
- Support of armed groups or criminal activity
- Employee misconduct or labour violations
- Workplace health and safety concerns

Reports should include supporting evidence whenever possible.

Email for complaints: **compliance@asianstargroup.com**

Confidentiality:

The Committee shall make every reasonable effort to maintain the confidentiality of the identity of the person raising a concern or grievance. All documents, files, and information accessed during the review or investigation process shall be treated as strictly confidential and will be used solely for the purpose of investigating alleged illegal activities or non-compliance with the policies of Asian Star Company Limited.

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 **compliance@asianstargroup.com**
- **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:** The identity of the complainant will be kept confidential to the extent possible by Asian Star Company Limited.

2. Acknowledgement of Receipt

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

3. Preliminary Review and Risk Assessment

- **Responsible Party:** Grievances and Complaints Committee
- **Actions:**
 - Assess the completeness of the submission
 - Evaluate the urgency and severity of the issue
 - Determine whether the matter falls within the Committee's jurisdiction
- **Timeline:** Within 7 working days of acknowledgment

4. Initiation of Investigation

- **Responsible Party:** Assigned Investigators (from the Compliance or Legal Department)
- **Actions:**
 - Conduct an internal investigation
 - Request clarifications or additional documentation, if required
 - Interview relevant parties, where applicable
- **Timeline:** Investigation shall be initiated within 10 working days of completion of the preliminary review
- **Duration:** Investigation should normally be completed within 20 working days, unless additional time is required due to the complexity of the matter

5. Escalation (If Necessary)

If the issue cannot be resolved internally or requires escalation to higher authority or external reporting, the matter may be escalated to:

- Senior Management
- Board Compliance Sub-Committee
- External Auditor (where legally required or in cases involving high-risk breaches)
- **Timeline for Escalation Decision:** Within 5 working days after the conclusion of the investigation

6. Issuing Final Decision and Corrective Actions

- **Responsible Party:** Grievances and Complaints Committee
- **Actions:**
 - Issue a reasoned written decision
 - Recommend appropriate corrective or disciplinary actions
 - Notify the complainant, unless the complaint was submitted anonymously
 - Update internal risk management systems as necessary
- **Timeline:** Within **10 working days** of completion of the investigation

7. Follow-Up and Monitoring

- **Responsible Party:** Compliance Officer
- **Actions:**
 - Ensure implementation of corrective measures
 - Monitor the progress of resolution
 - Reassess the issue for potential recurrence risks
- **Timeline:** Periodic follow-ups at 30, 60, and 90 days after the final decision

8. Recordkeeping and Reporting

- **Responsible Party:** Compliance Department
- **Actions:**
 - Maintain secure records of all grievances and investigations
 - Provide a summary report of grievances and actions taken to senior management on a quarterly basis
 - Include anonymized data in the annual compliance reports

Issuing of Decisions

The Committee shall issue its reasoned decisions based on the findings of the Grievance and Whistleblowing mechanism. Appropriate corrective or disciplinary actions shall be taken wherever necessary.



Public Grievance Cell Contact Details

Stakeholders and all interested parties are encouraged to report any grievances or concerns relating to financial non-compliance, ethics, human rights, employment practices, or other social issues using the contact details provided below. ASCL assures prompt review, investigation, and appropriate action on all reported matters.

Compliance Officer; Mr. Pranav Kapadia

Number: +91-22-6244 4111

Email address: compliance@asianstargroup.com