

SUPPLY CHAIN & DUE DILIGENCE PROCESS

The following due diligence process should be followed by the purchase department. The process shall be supervised by the Director – Mr. Deepak Gupta

1. Before Entering any business relation with suppliers, the company shall complete due diligence by obtaining
 - a. Confidential reports from independent agencies, such as D&B, Mira Inform, Reputed International Agencies etc.,
 - b. Thorough google search shall be conducted so as to see if any adverse remarks about the prospective supplier are there.
 - c. Personal queries from known people in the said area & personal interviews over phone
 - d. The company shall also obtain relevant KYC documents & latest financial reports of the supplier's organization such as legal identity number, tax returns, memorandum & article of association etc.,
 - e. KYC Documents of the main Promoters / Directors shall also be called for.
 - f. Location of the supplier shall be checked as to find if the said supplier is not in the Conflict-Affected and high-risk Areas by checking the site – www.cahralist.net/cahras
 - g. It should be ensured that the supplier or its country is not including in anti-money or terrorist activity by checking the site OFAC list -<https://sanctionssearch.ofac.treas.gov/>.
 - h. The goods are not originating from a country that has limited known reserves by checking and visiting the site - <https://tradingeconomics.com/country-list/gold-reserves>.
 - i. Memorandum of understanding should be executed duly signed by the authorized person of the supplier incorporative amongst others the following.
 - i. Child labour (less than the 18 years of age), Forced labour are not being engaged.
 - ii. Anti-money laundering guidelines are being duly followed & the organization does not accept or pay bribe for any work.
 - iii. Adherence to the OECD (Organization for Economic Co-operation & Development) guidelines latest edition (2011 Edition) & its Supplement on Gold in toto while duly obeying domestic laws.
 - iv. not securing any exemptions not contemplated in the statutory or regulatory frame work related to human rights, environmental, health, safety, labour, taxation & financial incentives etc.,
 - v. Applying good corporate governances drawn from the OECD principles of corporate governance.
 - j. The supplier should be assessed with Risk and Risk assessment checklist & assigned risk rating.
 - k. Updating of KYC Documents of the organization & confidential report from the independent agencies shall be followed every year.

Signed/endorsed:
Date of effect: 01.05.2022



KUNDAN CARE PRODUCTS LTD

