

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from
Conflict-Affected and High-Risk Areas

We have chosen our supplier that has achieved certification against the RJC' Chain of Custody (COC) standard for precious metals as well as Certification against the 2019 Code of Practices (COP) at its trading and refining facility in Hong Kong. The COC Certification provides a mechanism for its members to demonstrate how they are implementing the OECD Due Diligence Guidance for Responsible Supply Chains.

The diamonds we supplied have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations Resolutions. These diamonds are conflict free based on personal knowledge and/or written guarantees provided by the supplier of these diamonds. All diamonds used are natural and not synthetic or laboratory grown.

We at East Arts Jewelry will only work with RJC Certified suppliers both in diamonds and gemstones buying. A procedure in place to ensure they are all natural with no synthetic. According to OECD guideline, it is also worth noting that we at East Arts doesn't source our materials from sanctioned countries.

We would immediately red-flag companies that doesn't comply with the OECD guideline. Once this happens we will no longer continue to do business with them.

Endorsed by:
26-7-21

For and on behalf of
EAST ARTS JEWELRY MANUFACTORY LIMITED
東藝首飾廠有限公司

.....
Authorized Signature(s)

Equal Opportunity and Combating Discrimination

Our Commitment

We work towards the elimination of discrimination on the grounds of sex, marital status, pregnancy, disability, family status and race.

We also aim to eliminate sexual harassment, and harassment and vilification on the grounds of disability and race. We promote equality of opportunities between men and women, between persons with and without a disability and irrespective of family status and race.

Laws and regulations to follow

In Hong Kong there are four discrimination law ordinances:

1. Sex Discrimination Ordinance (Cap.480)
2. Disability Discrimination Ordinance (Cap. 487)
3. Family Status Discrimination Ordinance (Cap. 527)
4. Race Discrimination Ordinance (Cap. 602)

We must ensure all our activities, systems, controls and environments in all aspects follow the requirements of laws and regulations and prohibit all unlawful acts within our organization.

Endorsed by:

26-7-21

For and on behalf of
EAST ARTS JEWELRY MANUFACTORY LIMITED
東藝首飾廠有限公司

.....
Authorized Signature(s)

Anti-Money Laundering Compliance

East Arts Jewelry Manufactory Limited aims to establish a fully compliant anti-money laundering program addressing each of the required elements under the law. The program has to satisfy all of our anti-money laundering obligations, and is periodically reviewed to insure it is operating as designed.

e. Definition

Anti-money laundering measures are defined in the Law as those enacted to prevent any financial activity for the purpose of concealing or disguising the source and nature of criminal proceeds from narcotics, organized crime, terrorism, smuggling, corruption, bribery, fraud, undermining of financial management, etc.

f. Policies, procedures and internal controls

- Based on dealer's assessment of the money laundering and terrorist financing risk associated with its business
- Employment of credit insurance companies to provide appraisal on potential customers before relationships established.
- Walk in clients not welcomed. We meet our clients through proper channels like international jewelry exhibitions and visits by appointment.
- Operate Client Screening: (i) against lists of sanctioned persons, entities or countries issued by applicable government/competent authorities, and (ii) for Politically Exposed Persons (PEPs), initially at on-boarding and subsequently during a continuing relationship (through ongoing batch screening, or at periodic review)
- Client money and assets: (i) ensure the client money and assets are kept separate and identifiable (e.g. segregated bank account to hold client money if appropriate), (ii) all client money and assets must be informed to and held by senior management
- Report to senior management for suspicious activities including cash transactions
- To conduct a review/study of clients' source of wealth and source of funds
- To obtain information and identify the clients in details –
 - i. contact information
 - ii. company summary
 - iii. business activities in details
 - iv. information about directors/ shareholders/ beneficial owner (natural person)

- v. details of shareholding
- vi. significant controller
- vii. source of individual income

(The information is required to comply with the Anti-Money Laundering Laws of the relevant jurisdiction, and to eliminate the risk that the legal operation of client is affected in the future.)

g. Training

- Ongoing training of appropriate persons (e.g. sales and marketing, finance and accounting staffs) concerning their responsibilities under the program.
- The training should be clearly understood by your employees, and the compliance officer should be available to answer all questions posed by employees.
- Periodically the employees will be retrained on the program as may be necessary to ensure that they understand and can fully implement the program incl. suspected clients or transactions.

h. Independent testing to monitor and maintain an adequate program

- Periodic testing to be carried out for appraisal of the success in implementing the anti-money laundering program, and the results of the independent testing should be put into writing, including any recommendations for improvement.
- Independent testing should determine whether the training occurred and whether the training was adequate.
- The testing should be a fair and unbiased appraisal.
- Obtain independent legal advices on monitoring and maintaining an adequate program

- i. Compliance with U.S. economic and trade sanctions administered by the Treasury Department's Office of Foreign Assets Control

Keep alert the list of sanctioned countries with which to avoid any connection, cooperation and business relationship. Management and staffs have to be well informed of the requirements and changes (if any).

Endorsed by:
26-7-21

For and on behalf of
EAST ARTS JEWELRY MANUFACTORY LIMITED
東藝首飾廠有限公司

.....
Authorized Signature(s)

Anti-Bribery and Corruption Guide

East Arts Jewelry Manufactory Limited (“East Arts”) is a private company established in Hong Kong Special Administration Region (“Hong Kong”) of China. The guide is designed as reference for the purpose of corruption prevention and compliance with law. It highlights the principal anti-bribery and corruption statutory regulations and summarizes the practices and procedures of East Arts.

a. Hong Kong’s anti-bribery and corruption regime:

- Comprises a combination of statutory and common law offences;
- The Prevention of Bribery Ordinance of Hong Kong (Cap.201) (“PBO”) creates a number of public and private sector bribery offences;
- Criminalises offering, soliciting and receiving bribes;
- Also criminalises possession of disproportionate wealth by current or former public servants;
- Applies in both public and private sectors, and can have extra-territorial impact;
- Is enforced by a specialized and independent anti-corruption agency
- The Independent Commission Against Corruption is the principal agency responsible for investigation corruption and enforcing the PBO in Hong Kong.

b. PBO extension to private sector

Extending to the private sector, the PBO makes it an offence to offer an agent, or for an agent to solicit or accept, any advantage as an inducement or reward to perform or abstain from performing any act in relation to their principal’s affairs or business without the principal’s permission. An “agent” is broadly defined to include a public servant and any person employed by or acting for another.

c. Extra-territorial impacts

The offences under the PBO may have extraterritorial effect. That is, they may capture conduct undertaken outside of Hong Kong. For example, the offence relating to bribery of agents applies even if the agent in question is a foreign public official, and where the advantage is received in related to their public duties in a place outside Hong Kong. The necessary nexus is that the advantage is received in or offered from Hong Kong.

d. Policies, procedures, and internal controls

- East Arts and its employees/agents have to observe and are governed by Hong Kong laws and legislation and follow with the requirements of PBO without exceptions and defenses.
- Ensure communication with customers, suppliers and other business partners that no advantage to be accepted by East Arts' employees/agents as an inducement or reward to perform or abstain from performing any act in relation to East Arts' affairs or business without East Arts' permission. "Advantage" includes money, gifts, commissions, offices, contracts, services, favors and discharge of liability in whole or in part.
- To establish a good procurement system comprising of elements : value for money, accountability, transparency, open and fair competition, avoidance of conflict of interest, segregation of duties and compliance with law. For example, purchase/replenishment of office supplies, computer and office equipment, and employment of services providers must go through prescribed procedures that requiring at least 3 quotations from different suppliers for selection by management and reasoning for the suggested supplier.
- Employment of credit insurance companies to provide appraisal on potential customers before relationships established. Third party comments will be considered and compared with internal assessment on customers.
- Walk in clients not welcomed. We met our clients through proper channels including international jewelry exhibitions and visits by appointment.
- Segregation of duties by divorcing the responsibility of staff members for incompatible activities to assist in detecting errors and deterring improper activities.
- Acceptance of advantage and entertainment for any reason is discouraged and any acceptance of advantages has to be reported to senior management.

Endorsed by:
26-7-21

For and on behalf of
EAST ARTS JEWELRY MANUFACTORY LIMITED
東藝首飾廠有限公司

.....
Authorized Signature(s)