



ETHICS POLICY

Ethics Policy

Company Name: Varsha Stones International Pvt. Ltd.

Policy Version: 1.0

Effective Date: 01/01/2025

Next Review: Annual

Approved by: Board of Directors / ESG Committee

1. Purpose and Statement of Commitment

Varsha Stones International Pvt. Ltd. is committed to conducting business with the highest standards of integrity, transparency, and ethical behaviour. This policy outlines our approach to **preventing corruption, bribery, fraud, conflict of interest, and money laundering** across all aspects of our operations.

We believe that strong governance and ethical practices are the foundation of long-term success, reputation, and stakeholder trust. This policy is aligned with international frameworks such as:

- The **UN Convention against Corruption**
- The **OECD Anti-Bribery Convention**
- The **Financial Action Task Force (FATF) guidelines**
- Applicable **national anti-corruption and anti-money laundering laws**

2. Scope

This policy applies to:

- All employees, directors, interns, and contractors
- Third-party vendors, suppliers, and consultants
- Joint venture partners and agents acting on behalf of the company
- All global operations, subsidiaries, and group companies

3. Governance and Responsibilities

Role	Responsibilities
Board of Directors / ESG Committee	Policy approval, oversight, annual review
Chief Compliance Officer (CCO)	Policy implementation, training, investigations
Line Managers	Awareness and enforcement within their teams
Internal Audit Team	Periodic checks and reporting of control weaknesses
Whistleblower Committee	Review and address anonymous complaints

4. Policy Elements

a. Anti-Corruption and Anti-Bribery

- Strict prohibition on offering, giving, soliciting, or receiving any bribe or improper payment.
- No facilitation payments or kickbacks allowed, regardless of local customs.
- Employees must report any request for a bribe or suspicious interaction.

b. Conflict of Interest

- Employees must avoid situations where their personal interests could conflict with company interests.
- Disclosure of financial interests in suppliers, family relationships in hiring, or personal gain in vendor selection.
- Annual conflict of interest declarations required from leadership teams.

c. Fraud Prevention

- Fraud includes misrepresentation of facts, misuse of assets, financial misreporting, and manipulation of accounts.
- A zero-tolerance stance is applied across all business units.
- All suspicious transactions or behaviour must be reported to the Compliance Team.

d. Anti-Money Laundering

- Perform due diligence and Know Your Customer (KYC) procedures on all clients and suppliers.
- Flag and report suspicious financial transactions in line with the Prevention of Money Laundering Act (PMLA).
- Maintain proper documentation and audit trails.

5. Quantitative Targets (FY2025–2030)

Objective	Target	Deadline
Anti-Corruption Training	100% employee training completion annually	Ongoing

Conflict of Interest Declarations	100% of key management by FY2025	Annual
Whistleblower Awareness	90% awareness score in employee surveys	FY2026
Internal Audit Coverage	All departments audited for fraud risks at least once in 2 years	FY2027
Third-party Vetting	100% of high-risk vendors KYC-compliant	FY2026

6. Procedures and Controls

- **Training:** Mandatory annual training for employees, with special modules for procurement, finance, and sales.
- **Third-Party Vetting:** Due diligence of all suppliers and partners.
- **Audit & Investigations:** Random and risk-based audits; all findings reported to the Audit Committee.
- **Whistleblower Mechanism:** Anonymous, confidential reporting platform for all stakeholders.

7. Monitoring and Review

- Policy reviewed annually by the ESG Committee.
- Internal audits conducted semi-annually.
- Metrics monitored monthly through compliance dashboards.
- Root cause analysis of all policy breaches with corrective actions.

8. Violations and Disciplinary Actions

- Breach of this policy may result in disciplinary action, including termination, legal action, and blacklisting of third parties.
- Company reserves the right to report violations to appropriate legal authorities.

9. Integration with BRSR and Eco Vadis Frameworks

Framework	Aligned Principles
BRSR	Principle 1 (Integrity), Principle 2 (Ethics & Transparency), Principle 8 (Regulatory Compliance)

10. Communication

- Policy is shared with all employees upon induction and made available on internal portals.
- Included in all vendor contracts and discussed during onboarding of partners.
- Reinforced through awareness drives and ethics campaigns every quarter.