



2022 Annual Report

Company Name: Zarian Group
(Zarian Co., Ltd, Zarian Limited, Zarian Fabrikation GmbH)
Date: 12 January 2023
Reporting Period: 01 January -31 December 2022
Contact: Mr. Chollatis Suwannapiem (Chollatis@zarian.com)

Introduction:

Zarian Group 2022 annual report detailing our responsible business policies in accordance with the Responsible Jewelry Council standard of practice, the scope of this report covers all Code of Practice 2019 as the achieved member shall meet all the standard guidelines and transform all practices into measurable action.

Under the “Supply Chain Policy”, Zarian group stated the commitment for transparent and responsible supply chain management. We have avoided using materials produced through Conflict Affected and High Risk Areas. In addition, in order to fundamentally prevent the use of these conflict materials we have a process of due-diligence before entering into transaction with all gold, silver, PGM, diamonds, coloured gemstones suppliers, and do not trade with suppliers who are not complying with our Supply Chain Policy. This includes taking steps to identify and, where applicable, mitigate negative social and environmental impacts with a particular focus on addressing issues related to human rights, child labor, and forced labor.

Zarian group has appointed Mr. Chollatis Suwannapiem, the Factory Director, to be in charge of ensuring the practice following the applicable requirements and conforming with COP, monitoring and following up all compliant issues (if any) that has impact on our business industry.

Zarian group adopted, established, implemented, and exercised Code of Practice 2019 and OECD, the results are stated as below:

Legal Compliance:

Systems in place that maintain awareness of, and ensure compliance with, applicable law have been monitored within our company. Legal area under COP provisions was already included such as bribery and facilitation payments, money laundering, human rights, working hours, remuneration, health safety and product disclosure.

All legal documents have been updated and no particular issue has been found.



Policy and Implementation:

Policies that committed to responsible business practices were endorsed by management, were actively communicated to employees, and were made publicly available.

The business practices in achieving the policy and improvements were annually reviewed by management.

Reporting:

Business practice relevant to the COP was communicated publicly and directly with stakeholders.

Annual report for year 2021 was already published on the company website.

Financial accounts:

Our financial accounts of all business transactions in accordance with the Thai Accounting Standards were maintained and no fraud has been found.

The 2022 financial report will be completely audited by Certified Public Accountant (CPA) around end of March.

Business Partners:

Responsible business practices were promoted among our significant business partners with our best endeavors and abilities.

Policies, systems, and procedures relevant to the COP were complied among our employees and counterparties.

Human Rights:

Human Rights was respected by considering all potential and actual impacts in our operations and business relationships.

Human Rights Due Diligence efforts and remedy activities in accordance with COP 3 (Reporting) was communicated annually with our stakeholders.

Due Diligence:

Due Diligence was exercised over our gold, silver, platinum group metals (PGM), diamonds and coloured gemstones supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the 'OECD Guidance').



The OECD Guidance Supplement on Gold as applicable and OECD Guidance while complying with COP 29 (Kimberley Process Certification Scheme and World Diamond Council System of Warranties) were still maintained to our operations and supply chains.

More than 30 supplier's due diligence practices were applied and no counterparties have been found in and high-risk countries lists (CAHRAs and Geneva Academy Rule of Law in Armed Conflicts) and we still keep monitoring in the future.

Community Development:

Although Thailand has less serious cases from Covid pandemic, we decided not to do much in community activities. We only join blood donation activity from Red Cross every three months.

Bribery and Facilitation Payments:

Bribery in all business practices and transactions carried out were prohibited.

No stakeholders have been found in this issue.

Money Laundering and Finance of Terrorism:

Anti-Money Laundering & Know Your Counterparty (KYC) Policy has been maintained for business partners.

More than 80 Questionnaires from Customers and Suppliers have been audited and no counterparties have been found in government sponsored watch list or sanctions list and we will keep monitoring our KYC and Due Diligence.

Security:

New expert security company has been introduced as well as more security equipment and process has been installed.

Risk assessment to evaluate security risk has been done without any issues found.

Appropriated Insurance has been done and covered all the risks.

Labour Rights and Working Conditions:

Employee records and working hours were well maintained following Thai labor law.

All current working condition is complied with applicable Thai laws and no issue has been found.

Salary payment has been done two times or one time per month depending to each employee requirement with slip given. All payment was done via bank transferring.



Violence, harassment, child labour, and force labour issues have not been found.

The youngest employees in year 2022 is nineteen years.

Freedom of association and collective bargaining of employee right are always respected. A Welfare Committee election will be on February 2023.

Health, Safety and Environment:

Safe and healthy working conditions for all employees in accordance with applicable Thai law has been provided.

Health, Safety and Environment plan including fire equipment and alarms has been done and maintained by our safety officer in professional level.

Safe water, sanitary facilities for eating, air quality, noise/ heat/ illumination measurement and waste water have been annual safety inspected by professional outsource.

Employee annual health checking for year 2022 was already done on December 2022.

Full time nurse has been employed to make sure that the company has adequate on-site first-aid provisions and has appropriate procedures for transportation to local medical facilities in the case of a medical emergency and assist workers with work-related injuries to physically access medical treatment. AED machines will be provided within March 2023. No serious issue has been found in previous year.

The Safety Occupational Health and Working Environment Committee has always been supported as top management participate in every meeting.

Appropriate personal protective equipment (PPE) has been provided with well training.

Environment issue was still concerned by the management. More green part was added and a solar roof was completely install since October 2022.

No issue has been found in last period.

Gold, Silver, PGM, diamond, and coloured gemstone product disclosure:

Physical characteristics of the materials listed was already checked and mentioned in the invoices in compliance with Thai BOI regulation, Customs practice, and International standard.

All diamonds were tested by OGI Diatruue-CS. No Lab-Grown Diamonds or Cubic Zirconia (CZ) has been found.



Kimberley Process Certification Scheme (KPCS) and World Diamond Council System of Warranties (SoW)

The World Diamond Council System of Warranties (SoW) has been maintained in our purchasing and selling procedure.

Trade association resolutions and government restrictions prohibiting the trade in conflict diamonds was already informed to our staff and stakeholders.

In conclusion, Although Zarian Group has been achieved and complied with the standard of Responsible Jewelry Council, COP 2019, the company still commits to performing duties under ethics and business ethics in all forms as well as driving the organization towards sustainability.

Prince Haik Georg Eghiazarian
Chairman