



2021 Annual reporting requirements for COP 7 Due Diligence within the RJC Code of Practices 2019

Company Name: Zarian Group
(Zarian Co.,Ltd, Zarian Limited, Zarian Fabrikation GmbH)
Date: 10 January 2022
Reporting Period: 01 January -31 December 2021
Contact: Mr. Chollatis Suwannapiem (Chollatis@zarian.com)

Step 1: Establish strong company management systems

Zarian Group has the following RJC, KYC, and Counterparties Due-Diligence Policy in place with regard to our supply chain on the following minerals (gold, silver, Platinum Group Metals (PGM), diamonds, coloured gemstones) originating from conflict-affected and high-risk areas. These policies are communicated to our counterparties already and can be accessed via Zarian website.

To support supply chain due diligence, we have implemented the following internal measures via OECD five step framework. The senior manager responsible for overseeing supply chain due diligence is our Factory Director, Mr. Chollatis Suwannapiem.

Zarian Group has established a system of controls and transparency over our supply chain; which include, our approach for identifying suppliers via our KYC form and identifying sources of our materials (gold, silver, Platinum Group Metals (PGM), diamonds, coloured gemstones). These methods have strengthened our due diligence efforts by asking them to fulfill our questionnaire which require more details about their policies including organization member's certificate.

As a company we communicate our expectations regarding supply chain due diligence via helping our suppliers to recognize the OECD guidance and our policies and help them to practice these policies accordingly. The outcome of doing so has been positive with well understanding.

Our grievance mechanism for both internal and external stakeholders can be accessed by our factory director's email, Mr. Chollatis Suwannapiem.

Step 2: Identify and assess risk in Supply Chain

We have assessed our supplier's due diligence practices by checking the name from reliable website (FATF, United Nations Sanctions List, and Thai AMLO) and list of resource for identifying CAHRAs and Geneva Academy Rule of Law in Armed Conflicts.

Next, we have check whether the supplier has an issue in these criteria (Bribery/ Corruption, Money Laundering, Human Rights, Labour laws, Forced Labour, Child Labour,



Health& Safety). We also ask for Product disclosure and Kimberley Process as well as other certificates.

During our assessment of our supplier's due diligence practices in previous year, we did not find any risks within our supply chain.

Step 3: Design and implement a strategy to respond to identified risks

The senior manager who receives the findings our risk assessment is Ms. Panicha Zintrinoph

To respond to the risks identified within our supply chain, we will use our risk assessment form to evaluate their risk as low risk, medium risk, high risk. Our risk management plan consists of the following:

- Concern as *Low Risk* if counterparty has no issue in KYC process (can be identified and not be in any sanction list) and no issue in due diligence (such as CAHRAs, bribery and corruption, Money Laundering, Human Rights, etc.)
- Concern as *Medium Risk* if counterparty has no issue in KYC process but have some minor issue such as not have the policy
- Concern as *High Risk* or *Red Flag* if counterparty cannot be identified in KYC process or has a list in CAHRAs list

To implement our risk management plan we will keep continue business with low risk counterparty and will keep monitor closely with medium risk counterparty but we will stop the business if we found high risk or red flag counterparty. We continue to monitor the plan and track the effectiveness of these risk mitigation measures by asking medium risk counterparty every year. In addition to this, we evaluated improvement of this risk after six months through High Risk counterparty if they still want to do the business with us.

Zarian Group provided the training regarding our due diligence activities to our employees and business party on every year; this training included information on update RJC COP and new policies implement. We have also provided training regarding our due diligence activities to all of our employees; this training included information on update KYC form and update risk assessment procedure.

Zarian Group communicate to our stakeholders regarding our due diligence activities. This communication is in the form of email and public on the website.

No grievances have been raised regarding human rights risks or our supply chain due diligence.

Zarian Group has joined the RJC in 2017 and has since achieved the second auditing on every three years (2/3) certifications.

ZARIAN GROUP

Member of Responsible Jewellery Council



In support of our continuous improvement journey, our latest third-party RJC audit took place within our organisation against the RJC COP 2019 on 25 January 2021.

Prince Haik Georg Eghiazarian
Chairman