

## Year 2022 Annual RJC Code of Practice Report

Reported on 1<sup>st</sup> August 2023

### 1. Introduction

Regal Jewelry Manufacture Co., Ltd (RJM) is a designer and manufacture of jewelry products with a production site located at 84/4, 84/6-7 Moo. 7, Soi Phet Kasem 122, Phet Kasem Rd., Om Noi, Krathum Baen, Samut Sakhon 74130, Thailand. As a certified member, RJM commits to operate business in accordance with the RJC Code of Practices and to integrating ethical, human rights, social and environmental considerations into the day-to-day operations, business planning activities and decision-making processes.

### 2. Legal Compliance

On a monthly basis, RJM conducts monthly updates on applicable laws such as Labor Law, PDPA Law, Customs Law, Money Laundering Law, Occupational Health, Safety, and Environment Law to maintain awareness of legal compliance. Annually, RJM conducts evaluation of legal compliance and follow up with corrective action plans for any identified non-conformities to ensure the compliance with applicable laws.

### 3. Policy And Implementation

The Company's Executive Management endorsed several policies of responsible business practice and have these polices trained and actively communicated to employees. These policies have been put into practice and be regularly reviewed and served as clear expectations of its employees and suppliers, is made publicly available at its official webpage.

### 4. Reporting

RJM communicates publicly and directly with stakeholders at least annually on their business practices relevant to the COP and include contact information for readers to submit queries or ask for more information, enabling the disclosure of additional information based on the level of confidentiality and the situation.

### 5. Financial Accounts

The financial statement of the Company complies with both IAS and IFRS Standard and be independently audited by both certified public accountant in Thailand and KPMG on quarterly and annually basis and the audited financial statement is publicly available for stakeholders reference.

### 6. Business Partners

All employees and visitors of RJM shall be required to comply with the member's policies, systems and procedures relevant to the COP. RJM engages with significant business partners and raise awareness about responsible business practices through :

- a) giving RJM business partners a copy of RJM's policy commitment to responsible business practices
- b) appending RJM policy to company contracts, where relevant; and
- c) offering training as and where appropriate

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### 7. Human Rights

RJM has a human rights policy commitment endorsed at the highest level of their organization to respect human rights and practice it within its operations, business relationships, and procedures.

Annually, RJM conducts human rights due diligence to identify, prevent, mitigate and account for adverse human rights impacts that are connected to its business and provide or support legitimate processes to enable the remedy of any adverse human rights impacts that it has caused, contributed to or been linked with.

This will include taking into account of the results of all applicable external social compliance audits.

Finally, all identified non compliances in the year have been successfully remediated within the corrective action deadline.

### 8. Due diligence For Responsible Sourcing From Conflict-Affected And High-Risk Areas

In order to ensure RJM’s commitment to a “non-conflict affected” and OECD 5 steps aligned supply chain, RJM has integrated Supply Chain Due Diligence Program to analyze and assess its supply chain of precious metal, colored gemstones, diamonds, or jewelry products containing these materials.

<b><u>Summary Of Supply Chain Due Diligence Result</u></b>	
Grievances through the Grievance Mechanism:	0
Grievances through other sources:	0
Deviations from the internal systems of control:	0
Completed investigations from the deviations:	0
Prompted a high-risk supplier to conduct an on-the-ground assessment of their supply chain:	0
Risk Mitigation - Number of discontinued suppliers:	0
Risk Mitigation – Number of suppliers not considered due to unknown origin:	0
Risk Mitigation - Temporarily suspended trade:	0
Risk Mitigation - Continuing trade throughout risk mitigation efforts:	0

### 9. Bribery And Facilitation Payments

RJM Prohibits bribery in all business practices and transactions carried out by themselves and by agents acting on their behalf, and has set, trained, and actively communicated the criteria and approval procedures for employees to follow when offering and/or accepting gifts to or from third parties.

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RJM records relevant gifts to and from third parties in a gift register with amount, and has a specific whistleblowing or other mechanism for employees or stakeholders to raise concerns and investigation of any incidences of suspected bribery within their organization.

There is also system in place to identify, manage, and monitor bribery risk and to protect employees from any penalty or adverse consequences for identifying in good faith concerns related to suspected bribery, refusing to participate in bribery.

During the year, there has been no grievance reporting on neither bribery risks nor sanctions for bribery and attempted bribery identified from employees or interested parties.

### 10. Know Your Counterparty Money Laundering And Finance Of Terrorism

RJM applies Know Your Counterparty (KYC) policy for suppliers and customers of gold, silver, PGM, diamonds, colored gemstones or jewelry products containing these materials, and that includes

- a) Verify identities and understand the business
- b) Identify high-risk counterparties
- c) Check lists for individuals suspected of money laundering, terrorism financing or politically exposed persons.
- d) Monitor and report suspicious activity.
- e) Nomination of Internal Control department to be responsible for implementing the KYC policy and procedures.
- f) Regularly review, train, and actively communicate the policy to employees and practice it into practice in the Company's operations.
- g) Members shall maintain records of all single or apparently linked cash or cash-like transactions equal to or above 10,000 euros/US dollars and where required by law, RJM reports such transactions to the relevant designated authority.

During the year, there have been no grievance reporting, suspicious activities, or high risks business partners identified.

### 11. Security

RJM has established a sophisticated SECOM alarm system covering each entrance and warehouses of the Company with well-trained security guards 24 hours onsite, ensuring the safety of employees, visitors, contractors, and product theft.

RJM assesses security risks and establish measures that protect employees, contractors, visitors and personnel employed by relevant business partners against product theft, damage or substitution of products within the premises and shipments.

RJM trains its security personnel, supervisors, and nurses the importance of respecting human rights and dignity of all people to promote their awareness in helping to identify, prevent and address violence in workplace.

During the year, there has been no grievance reporting or incident of security or workplace violence.

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### 12. Provenance Claims

RJM conducts annual training to ensure that related employees understand the claims, can explain them accurately, and how they should contribute themselves to ensure that the provenance claims are truthful and substantiated by evidence.

RJM has a complaints or grievance mechanism in its official webpage that allows interested parties to voice concerns or to get further information available to customers who ask about a provenance claim.

### 13. Labor Rights & General Employment Terms

All workers will be provided with complete and accurate terms and conditions of employment in language that they understand before being asked to sign an employment contract covering working hours, wages, leaves, and employees welfares. And no child labor, forced labor, harassment, or discrimination is allowed in both recruitment process and in work place.

Regular employment is equally provided to every employee with mandatory legal labour and social security obligations, along with their freedom of association and the rights to collective bargaining are respected to the full extent required by law.

RJM communicates its anonymous grievances complaints system and location in the orientation of new employees and Human Resource has been assigned to investigate every lodged complaints or grievance by employees.

RJM maintains appropriate employee records including wage payments and working hours of all employees for 2 years from the date of termination and the date of payments.

### 14. Health, Safety, And Environment

RJM provides safe and healthy working conditions for all employees in accordance with applicable laws and industry standards,

There has been assessment of risks about workplace hazards and controls to minimize these risks of accidents and injury to employees and a health and safety committee for employees to raise and discuss health and safety issues with management.

Training and information about health and safety are provided to employees in a form and language they can understand and appropriate personal protective equipment is provided free of charge and verify that it is current and correctly worn or used by employees.

There are 2 onsite nurses with 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 in accordance with country law and company policy.

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RJM establishes emergency procedures and evacuation plans for all reasonably foreseeable health and safety emergencies and these shall be accessible or clearly displayed, regularly tested and periodically updated.

There were 13 cases of workplace incidents during the year, which have been investigated and results was fed into reviews of relevant hazard controls to identify opportunities for improvement.

### 15. Conclusion

Through the hard work and tireless effort of every member in the organization in this very difficult 2022, RJM feels proud to have fulfilled its expectations and the requirements of RJC Code of Practice while aims to pursue a higher achievement in environment performance in 2022.

In addition to the above, RJM has also implemented processes and controls to manage the environmental impacts of its direct business operations, including implementing measures to minimize waste, increasing the recycling of paper, setting target to enhance water and energy efficiency, reforestation expedition in the Petchaburi province and mangrove planting project on a 16,000 sqm land in the province of Trat.

RJM has started measuring Corporate Carbon Footprint in 2022, which allows RJM to build short and long term plans to reduce its Scope 1, 2, and 3 carbon emissions, and in the coming years, RJM will continue to improve environmental performance by installing solar panel.