

## Annual Report 2023

### Introduction:

Cien Co., Ltd. is a natural polished diamond trading company which established in Bangkok, Thailand. We are served our natural polished diamonds as customer requirement. Our company has joined Responsible Jewellery Council as a commercial member since October 2021.

This is 2023 annual report detailing our responsible business policies in accordance with the Responsible Jewelry Council Code of Practices (RJC COPs). This report has reported in the period of 1 October 2023 to 31 August 2024. 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 enactment of our policy, we stated the commitment for transparent and responsible supply chain management. Cien Co., Ltd. established the principle of avoiding the use of conflict minerals produced through an inhuman process or involved in accounting fraud. In addition, in order to fundamentally prevent the uses of conflict minerals we have a process of due diligence before entering into transaction with polished diamond suppliers, and do not trade with suppliers who are not complying with Kimberley Process Certification Scheme and World Diamond Council (WDC) System of Warranty.

The company have appointed Mr. Narongkod Kompasakorn Managing Director to oversee 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.

Cien Co., Ltd. adopted, established, implemented and exercises Code of Practice 2019 with full commitment with the action and results stated below.

### Legal Compliance:

Our company has a system in place to monitor legal development and identify risk within our company. Legal area under COP provisions is covered within our system, such as bribery and facilitation payments, money laundering, working hours, remuneration, health safety and product disclosure.

All legal documents are completed and truthful. We also use law and legal consultant to conduct our legal compliance review and update.

### Policy and Implementation:

We have established our policies including responsible supply chain, anti-bribery & corruption, Anti money laundering and financial terrorism as KYC policy, human rights due diligence, labour rights, occupational health and safety and environmental policy. We share our policies in our Google drive as link below.

[https://drive.google.com/file/d/1Zpp-QuHifmk\\_IIQNoZt40sHI1KQ2FJa2/view?usp=drive\\_link](https://drive.google.com/file/d/1Zpp-QuHifmk_IIQNoZt40sHI1KQ2FJa2/view?usp=drive_link)

Or you can download our policies by scanned our QR code below.



All policies and our implementation are compliance with Responsible Jewellery Council Code of Practices (RJC COPs). We had conducted our internal management review annually to see any deviate from the RJC COPs requirement.

#### Reporting:

We communicate this annual report publicly and directly with stakeholders on annually on the business practice relevant to the COP.

We encouraged all stakeholders to join the Responsible Jewellery Council or support our implementation of RJC COPs include the OECD guidance and our supply chain policy. We communicate to our suppliers and our customers of these policy and encourage them to practices these policies accordingly.

#### Financial Accounts:

We maintain financial accounts of all business transactions in accordance with relevant regulations. External auditing is conducted on the preventive and protection basis. The audited financial statements for the year 2023 and tax returns was filed on time. All transaction is transparent, and no fraud has been found.

#### Business Partners:

We use our best endeavors, commensurate with our ability to influence and promote responsible business practices among our significant business partners e.g. suppliers and customers. We encourage our suppliers to employ a due diligence process to identify and minimize the supply chain risk with fully understanding that the business continuity is based on their cooperation on doing the due diligence on our concerning criteria.

As this is the first year of implementation RJC COPs, we would like to encourage and appreciate all our business partners to share your general information and accept our policies via fill up the Know Your Counterparty (KYC) questionnaire and conducted the due diligence with us.

All business partners were fully participated in due diligence process.

#### Human Rights:

We respect human rights by considering all potential and actual impacts in their operation and business relationships and encourage the business partners to commit to and implement, the UN Guiding Principles on business and Human Rights as appropriate to their business, by practicing in following above concerned human rights policies and procedures under RJC standard and all aspects of economic/ environment/ labor practices and decent work/ human rights/ society/ product responsibility.

In 2023, we conducted the human rights due diligence from internal and external with all business partners and not found any adverse human rights abuses in our supply chain.

We would like to encourage to all stakeholders and society to share your concern and feedback to us for further investigation directly to us.

### Due Diligence for Responsible Sourcing from Conflict Affected and High-Risk Areas:

We exercise due diligence over our supply chain in accordance with the OECD Due Diligence Guidance for responsible supply chains of minerals from Conflicted-Affected and High-Risk Area, by implement our 5-steps risk assessment which was following OECD due diligence Guidance for 5 step frameworks, with all our upstream, midstream and downstream supply chain. We confirmed our diamonds are conflicted free via this due diligence process.

#### Step 1: Establish the strong Management System

We established the Responsible Supply Chain Policy align with the OECD due diligence guidance annex II and communicated directly with our suppliers and stakeholders. Mr. Narongkod Kompasakorn . Managing Director is the senior management who implement and conduct the due diligence. We exercise due diligence with internal awareness by training our relevant staff. In case of any grievance found in our supply chain, please inform to Mr. Narongkod Kompasakorn , Managing Director via email, phone call.

#### Step 2: Risk identification and assessment

We identify risks in our supply chain in many factors include human rights, fraud, corruption, money laundering, labour rights, and sourcing from Conflict Affected and High-Risk Areas (CAHRAs) from various of information e.g. Know Your Counterparty questionnaire which submitted to all suppliers and customer, Anti Money Laundering Office website, [www.cahraslist.net](http://www.cahraslist.net), invoice and etc.

We set out the risk criteria as per OECD due diligence guidance, Anti Money Laundering Office website, and [www.cahraslist.net](http://www.cahraslist.net).

We request to suppliers and customers to update their KYC questionnaire every year as part of our due diligence process and request our supplier to identify their origin country of polished diamond. Mostly our polished diamonds are sourced from local and international market. All suppliers are traders who apply World Diamond Council Statement of Warranty (WDC SoW) in all their sale invoice.

As per our risk assessment from all suppliers, there is no risk identified or Red-flag suppliers in our supply chain. We would like to ensure that all suppliers and customers will use our report as part of supply chain due diligence.

#### Step 3: Mitigate Risks

In 2023 until reporting day, there is no risks found in our supply chain. In case of any risk found in the future, our managing director will request and follow up the risk mitigation plan and implementation review again.

#### Step 4: Third Party audit

As we are a member of Responsible Jewellery Council (RJC), we will conduct the RJC COP audit to review our implementation.

#### Step 5: Reporting

This report is established as per OECD due diligence guidance for responsible sourcing from Conflict Affected and High-Risk Areas (CAHRAs).

#### Anti-Bribery, Anti-corruption and Facilitation payment

We established Anti-Bribery Policy and Procedures that prohibit bribery in all aspects and protect employee who acts as the whistle blower. The company implemented our organization management in such way to prevent the bribery and facilitation payment and to diminish the risk. We exercise our grievance seriously, and no incidence is found.

#### Anti-Money Laundering & Finance of Terrorism and Know Your Counterparty

We established the Anti-Money Laundering and Financial of terrorism policy as Know Your Counterparty (KYC) policy and procedure for all our suppliers. Our Managing Director is appointed to be responsible for implementing KYC policy and procedure. Internal training was provided to all staffs. We set out and implement a robust system to send out our Know Your Counterparty (KYC) questionnaire to all business partners and review it annually. We also conduct the due diligence via Anti Money Laundering Office as one part of our due diligence.

Through our due diligence in 2023 on all suppliers, all our suppliers and customers are classified as low risk.

#### Security:

We assess security risks and establish risk assessment policy and procedure to protect employees, contractors and visitors against product theft and damage within the premises and during shipment. For risk mitigation implementation, our office has installed CCTV, internal door lock and security alarm system as part of security system. There is not any incident found during 2023.

#### Provenance Claims:

As our internal review, we have not made any the Provenance Claim for our products.

#### Labor Rights and Working Conditions:

We ensure that employment terms with regards of wages, working hours and other employment conditions are communicated to employees in writing before employment starts. The company establish the hiring policy and procedure according to Thai and International Labor Standard, in regarding of no child labor, no forced labor, no discrimination, no harassment and no retaliation and encourage the freedom of association and collective bargaining in the workplace.

We ensure that employees are treated with dignity and respect and are no subjected to harassment or violence, or threatened with these towards themselves, their family, or colleagues. The company have grievance policy and procedure implemented. There are no grievance or violation found.

#### Health, Safety and Environment:

We provide safe and healthy working conditions for all employees in accordance with Thai law and International Standard.

We also trained the staff of any potential dangers regarding their role in the company. In addition, all employees receive medical check-up in accordance with COP requirement.

We assess the company's safety and environment risk in the workplace and in the close communities.

We also conducted the training to all workers which include safety, and environmental training.

As our office is small trading office, there are low risks and low impacts to safety and environmental related issues. In 2023, we did not find any accident and incident on health and safety and serious impact to environment.

Environmental: We monitored all water, electricity and gasoline which used in our office however there is a small amount of those resources used. We will keep continue our monitoring and implement any projects that can reduce impact to environmental.

#### Product disclosure

As we trade only natural polished diamonds, we disclosed all diamonds which delivery to all customers are natural diamonds and not mixed with synthetic diamonds or Laboratory grown diamonds. We confirmed our diamond are natural which we put our statement in the invoice

We are dedicated to upholding the highest standards of transparency and integrity in our product disclosure practices. We provide comprehensive product information, including detailed descriptions of quality, quantity enabling our customers to make informed purchasing decisions. We also able to send our polished diamonds for conducting analysis and certification by trusted laboratory.

Our commitment to ethical sourcing is unwavering, supported by rigorous verification processes and regular third-party audits. We ensure that all diamonds are sourced responsibly, adhering to the highest ethical standards. Clear labeling and comprehensive customer education initiatives further empower our clients, helping them understand and trust the information provided.

We established our internal procedure to inspect and test our diamonds every shipment.

Additionally, we continually strive to enhance our disclosure practices. We implement ongoing improvements and adopt best practices to reflect our dedication to responsible business conduct, ensuring that our customers receive accurate and transparent information about their purchases.

#### Kimberley Process Certification Scheme and World Diamond Council Statement of Warranty

We are steadfast in our commitment to the Kimberley Process Certification Scheme (KPCS) and the World Diamond Council (WDC) System of Warranties (SoW). Our rigorous compliance ensures that all our polished diamonds are conflict-free, promoting ethical practices within the industry.

We meticulously trace the origin of our diamonds through a robust supply chain management system, adhering to the highest standards of transparency and accountability.

Our certification and documentation procedures are thorough, with each diamond accompanied by a valid Kimberley Process certificate, affirming its conflict-free status. Internal controls, including

employee training and stringent policies, are in place to uphold these standards consistently. We actively collaborate with industry partners, government bodies, and NGOs to support and enhance the KPCS and WDC SoW initiatives.

Our future commitments include continuous improvement of our due diligence processes, ensuring our ongoing support for the eradication of conflict diamonds and fostering a more ethical diamond industry.

We also put the World Diamond Council (WDC) statement of Warranty (SoW) to comply with WDC guidelines *'The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding national laws. The seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines.'*

Conclusion:

From 2023 to July 2024, our company has made significant strides in sustainability as a member of the Responsible Jewellery Council (RJC). This progress would not have been possible without the unwavering support and collaboration of our esteemed business partners, to whom we extend our deepest gratitude. Their commitment to ethical practices and shared values has been instrumental in driving our sustainability initiatives forward.

Looking ahead to 2024 and 2025, we are poised to achieve our RJC Code of Practices (COP) certification, marking a pivotal milestone in our sustainability journey. This upcoming year represents a crucial period for our company as we seek to enhance our collaboration with suppliers, customers, and employees. We are dedicated to identifying and leveraging opportunities that will foster sustainable development across all aspects of our operations.

Our efforts will focus on strengthening our supply chain integrity, ensuring transparent and ethical sourcing, and promoting responsible business practices. By engaging with our stakeholders and fostering a culture of continuous improvement, we aim to set new standards in sustainability within the diamond industry. Together, we will work towards a future where our company thrives in harmony with the environment and society, exemplifying the true spirit of responsible business conduct.

Date: 1 August 2024  
Approved by

