

# Lali Jewelry Inc Annual Sustainability Report Statement 2023

Following our membership to the Responsible Jewellery Council (RJC), we began a process of embedding sustainable and responsible business practices into our day-to-day operations. As a member of the Responsible Jewellery Council (RJC), we are committed to implementation of the [Code of Practices \(COP\) standard](#) and as such we have developed a range of policies and procedures to ensure our ongoing compliance with its requirements.

We are also committed to developing and nurturing strong relationships with suppliers and other business partners to promote responsible business practices throughout our supply chain. This includes taking steps to identify and, where applicable, mitigate negative impacts in our supply chain with a particular focus on addressing issues related to human rights, child labour and forced labour.

To achieve this, we conduct due diligence on all of our jewellery suppliers in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). To align with these frameworks, we have taken the following steps:

- o Adopted a supply chain policy statement in alignment with the OECD Guidance and a human rights policy statement which is available on our website.
- o Developed internal control systems and processes for collecting and recording information on the origin of jewellery materials supplied to us and, where available, information relating to due diligence carried out by suppliers.
- o Developed processes for assessing our suppliers on the topics of human rights and labour practices;
- o Reached out to all of our suppliers to communicate our expectations and to gather information; and
- o Developed a system for identifying adverse human rights impacts and Conflict-Affected and High-Risk Areas (CAHRAs) in our supply chain.

To understand the potential and/or actual human rights risks that might be present in our upstream supply chain, we asked all of our suppliers to complete a survey questionnaire. This questionnaire asked suppliers to answer a range of questions covering human rights, labour practices as well as the traceability of precious metals, diamonds and coloured gemstones.

We are in the process of evaluating responses to the survey and engaging with our suppliers to finalise the results of this exercise, however we did not identify any serious human rights risks in our operations or supply chain. While we identified one potentially high-risk country in our coloured gemstone supply chain, we are following up with this supplier to clarify that all stones originating from this country were produced by responsibly managed mining operations.

We will continue to work with our supply chain throughout 2023 to build on these efforts which will include, where applicable, steps to improve material traceability and to appropriately manage identified risks in alignment with our policies and the requirements of the RJC Code of Practices standard.

**May 2023**