Annual Report 2026

Introduction

Gems Quality Co., Ltd. is a natural polished diamond and coloured gemstone trading company established in Bangkok, Thailand. We serve our natural polished coloured stones according to customer requirements. Our company has been a commercial member of the Responsible Jewellery Council (RJC) since October 2023.

This is our 2026 annual report detailing our responsible business policies in accordance with the RJC Code of Practices (COP). This report covers the period from 1 July 2025 to 30 June 2026.

The 2024 Code of Practices became effective on 1 January 2025, and from 1 January 2026 the RJC no longer conducts certification audits against the 2019 COP. This report is therefore aligned to the RJC Code of Practices 2024 (45 provisions), and we confirm our commitment to meeting all applicable standard guidelines and transforming these into measurable action ahead of our certification audit.

Under our policy commitments, Gems Quality Co., Ltd. maintains a transparent and responsible supply chain, avoiding conflict minerals produced through inhumane processes or connected to fraud. We conduct due diligence before transacting with suppliers of polished coloured stones and do not trade with suppliers who fail to comply with the RJC Code of Practices.

Mr. Victor Galvao, Director, remains appointed to oversee conformance with COP requirements, monitor practices and follow up on any compliance issues affecting our business.

Gems Quality Co., Ltd. has adopted, implemented and exercises the RJC Code of Practices 2024 with full commitment to the actions and results stated below.

Legal Compliance (COP 1)

Our company maintains a system to monitor legal developments and identify risk. This covers bribery and facilitation payments, money laundering, working hours, remuneration, health and safety, and product disclosure. All legal documents are complete and truthful, and we engage law and legal consultants to conduct our legal compliance reviews and updates.

Policy and Management Systems (COP 2)

We maintain established policies covering responsible supply chain, anti-bribery & corruption, anti-money laundering and counter-terrorist financing (KYC policy), human rights due diligence, labour rights, occupational health and safety, and environmental management. Policies are published at https://gems-quality.com.

Consistent with the consolidated COP 2 requirements under the 2024 standard, our management system now integrates a single company-wide complaints and grievance mechanism covering human rights (COP 6) and stakeholder engagement (COP 33) concerns, rather than separate arrangements. Senior management, led by our director, conducts an annual review of all policies and their implementation to identify any deviation from RJC COP requirements.

Reporting (COP 3)

We communicate this annual report publicly and directly with stakeholders each year on business practices relevant to the COP. We encourage all stakeholders to join the RJC or to support our implementation of the COP, including OECD guidance and our supply chain policy. We communicate these policies to our suppliers and customers and encourage them to adopt equivalent practices.

Financial Accounts (COP 4)

We maintain financial accounts of all business transactions in accordance with relevant regulations. External auditing is conducted on a preventive and protective basis. Audited financial statements and tax returns for the reporting period were filed on time.

All transactions are transparent, and no fraud has been found.

Business Partners (COP 5)

We use our best endeavours, commensurate with our ability to influence, to promote responsible business practices among our significant business partners, including suppliers and customers. We encourage suppliers to apply due diligence to identify and minimise supply chain risk, recognising that business continuity depends on their cooperation with our due diligence criteria.

As part of implementing the COP, we encourage all business partners to share general information and accept our policies by completing our Know Your Counterparty (KYC) questionnaire and participating in due diligence with us.

All business partners fully participated in the due diligence process.

Human Rights (COP 6)

We respect human rights by considering all potential and actual impacts arising from our operations and business relationships, and we encourage business partners to commit to and implement the UN Guiding Principles on Business and Human Rights (UNGPs) as appropriate to their business — covering economic, environmental, labour, decent work, human rights, society and product responsibility dimensions.

During the reporting period, we conducted human rights due diligence, both internal and external, with all business partners in line with the UNGP-aligned expectations introduced under COP 2024 **and did not identify any adverse human rights impacts in our supply chain. We welcome feedback from stakeholders and society on any concerns, for direct investigation with us.**

Due Diligence for Responsible Sourcing, including from Conflict-Affected and High-Risk Areas (COP 7)

We exercise due diligence over our supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, applying the OECD's 5-step risk-assessment framework across our upstream, midstream and downstream supply chain. We confirm our stones are conflict-free through this process.

Step 1: Establish a strong management system
We maintain a Responsible Supply Chain Policy aligned with OECD Due Diligence Guidance Annex II and communicate it directly with suppliers and stakeholders. Mr. Victor Galvao, Director, is the senior manager responsible for implementing and conducting due diligence. We build internal awareness through staff training. Grievances are reported to Mr. Victor Galvao, Director, by email or phone.

Step 2: Risk identification and assessment
We identify risks across factors including human rights, fraud, corruption, money laundering, labour rights, and sourcing from Conflict-Affected and High-Risk Areas (CAHRAs), drawing on our KYC questionnaire submitted to all suppliers and customers, the Anti-Money Laundering Office website, www.cahraslist.net, and the EU Conflict Minerals Regulation (2017/821). We request suppliers and customers to update their KYC questionnaire annually and to identify the country of origin of polished stones.

As per our risk assessment of all suppliers, no risk or red-flag suppliers were identified in our supply chain during the reporting period. We continue to make this report available to suppliers and customers to support their own supply chain due diligence.

Step 3: Mitigate risks
No risks were identified in our supply chain during the reporting period. Should any risk be identified in future, our Managing Director will initiate and follow up a risk mitigation plan and review its implementation.

Step 4: Third-party audit
As an RJC member, we will undergo an RJC COP 2024 certification audit to independently verify our conformance.

Step 5: Reporting
This report is prepared in accordance with the OECD Due Diligence Guidance for responsible sourcing from Conflict-Affected and High-Risk Areas, and forms part of our annual public reporting under COP 3 and COP 7.

Know Your Counterparty (COP 12)

We maintain a robust KYC system covering all suppliers and customers, reviewed annually, and conduct due diligence checks via the Anti-Money Laundering Office as part of our process.

We have reviewed the enhanced KYC requirement introduced under COP 12.2, which applies to members handling RJC-scope material on consignment or extracting scope material on behalf of a third party. Gems Quality Co., Ltd. does not hold material on consignment and does not extract or process material on behalf of any third party; our trading arrangements involve outright purchase and sale of gemstones with our own counterparties. COP 12.2 is therefore confirmed as not applicable to our business.

Claims (COP 14)

COP 14 has been expanded under the 2024 standard to cover not only provenance claims but also claims relating to RJC membership, RJC certification, and product, marketing or sustainability claims. As part of our commitment to transparency, we formally verify and document the origin, history and ethical journey of our gemstones, and we are a member of the ICA Lab (International Coloured Gemstone Association), sending random inventory samples for independent origin verification.

Our use of the RJC certified member logo, and any reference to our RJC membership/certification status, is limited to three channels: the signature block of our company email correspondence, and our company website (https://gems-quality.com). We do not use the RJC logo or make claims about our RJC membership/certification status on invoices, marketing brochures, or any other promotional material. This limited and controlled use is reviewed by our Director to ensure it accurately always reflects our current membership/certification status, consistent with the revised COP 14 requirements on claims.

Community Development (COP 26)

As part of our commitment to community, we made donations to (1) Caro's World animal charity, and (2) a rural school in upcountry, Thailand. We will continue to seek opportunities for community engagement going forward.

Anti-Bribery, Anti-Corruption and Facilitation Payments (COP 8)

We maintain an Anti-Bribery Policy and Procedures prohibiting bribery in all its forms and protecting employees who act as whistleblowers. Our organisational structure is designed to prevent bribery and facilitation payments and reduce related risk.

We take grievances seriously, and no incidents have been found.

Anti-Money Laundering, Counter-Terrorist Financing and Know Your Counterparty (COP 9)

We maintain an Anti-Money Laundering and Counter-Terrorist Financing policy and KYC procedure for all suppliers. Our Managing Director is responsible for implementing this policy, with internal training provided to all staff. We operate a robust system to issue our KYC questionnaire to all business partners and review it annually, supplemented by checks via the Anti-Money Laundering Office.

Through our due diligence during the reporting period, all suppliers and customers are classified as low risk.

Security (COP 15)

We assess security risks and maintain a risk assessment policy and procedure to protect employees, contractors and visitors from product theft and damage, on our premises and during shipment. Our office is fitted with CCTV, internal door locks, a security alarm system and stock insurance. No incidents were recorded during the reporting period.

Labour Rights and Working Conditions (COP 20–24)

Employment terms covering wages, working hours and other conditions are communicated to employees in writing before employment begins. Our hiring policy follows Thai and international labour standards, prohibiting child labour, forced labour, discrimination, harassment and retaliation, and supporting freedom of association and collective bargaining.

We ensure employees are treated with dignity and respect, free from harassment or violence, or threats of these, towards themselves, their family or colleagues.

A grievance policy and procedure is in place. No grievances or violations were found during the reporting period.

Diversity, Equity & Inclusion (COP 23)

COP 23 is a new provision introduced under the 2024 Code of Practices, requiring members to demonstrate commitment to diversity, equity and inclusion (DEI) in the workplace.

Gems Quality Co., Ltd. is committed to a fair and inclusive workplace. Our commitment to diversity, equity and inclusion is set out in our company policy, consistent with our existing hiring policy under COP 20-24: we do not discriminate on the basis of gender, age, religion, nationality, disability or any other status protected by Thai law, and all employees are offered equal opportunity in recruitment, remuneration and advancement based on merit.

This DEI commitment is communicated to all employees through internal training, ensuring staff are aware of the policy and their rights and responsibilities under it.

Health, Safety and Environment (COP 25)

We provide safe and healthy working conditions in accordance with Thai law and international standards, and train staff on potential hazards relevant to their roles. All employees receive medical check-ups in line with COP requirements. Given the nature of our work as a small trading office, we have identified low risk and low impact to safety and environmental issues.

During the reporting period, there were no reported accidents or incidents related to health and safety, nor any serious environmental impacts.

We actively monitor our consumption of water, electricity and hazardous materials. While usage remains minimal, we continue to look for opportunities to reduce our environmental footprint.

We also engage an external agency to measure workplace environmental conditions, including lighting, odour and noise levels, to help ensure a safe and healthy working environment for our staff.

Wastes & Emissions (COP 27)

COP 27 has been revised under the 2024 standard to require a risk-based approach to managing waste and emissions. All members are now required to identify and report their Scope 1 and Scope 2 greenhouse gas (GHG) emissions; members with mining or mineral processing operations must also report Scope 3 emissions.

As a trading office, Gems Quality Co., Ltd. is not a mining or mineral-processing operation, so Scope 3 reporting is not expected to apply to our business. We have identified our applicable emissions sources as follows:

Scope 1 (direct emissions): fuel consumption from one company car and one company motorcycle used for business purposes.

Scope 2 (indirect emissions): purchased electricity for our office premises. We maintain monthly records of our electricity consumption, which remains minimal given the small scale of our office operations.

Product Disclosure (COP 29)

Our core business is trading natural polished gemstones, and we are committed to transparency and integrity with our customers.

1. Verifying Natural Gemstones

We guarantee that all gemstones delivered to customers are natural and not mixed with synthetic or laboratory-grown stones, affirmed by a statement of natural origin on every invoice.

2. Comprehensive Product Information

We provide detailed descriptions of quality and quantity to support informed purchasing decisions and can arrange independent analysis and certification by a trusted laboratory upon request.

3. Ethical Sourcing and Verification

Our commitment to ethical sourcing is supported by rigorous verification processes and regular third-party audits, ensuring gemstones are sourced responsibly.

4. Internal Quality Control

We inspect and test all gemstones in every shipment to ensure quality and origin meet our standards before reaching customers.

5. Continuous Improvement

We continually enhance our disclosure practices and adopt best practices in responsible business conduct.

Grading, Analysis & Appraisal (COP 31)

Where we engage third-party laboratories (such as the ICA Lab) for grading, analysis or appraisal, we rely on their documented management systems, scientific methodology and quality control/assurance processes, consistent with the clarified expectations introduced under COP 31 in the 2024 standard.

Conclusion

From July 2025 to June 2026, Gems Quality Co., Ltd. has continued to make progress in sustainability as a member of the Responsible Jewellery Council. This progress reflects the unwavering support and collaboration of our business partners, to whom we extend our deepest gratitude.

With the 2024 Code of Practices now the only standard against which certification audits are conducted from 1 January 2026 onward, we have aligned this report — and our underlying management systems — to the 2024 COP's 45 provisions, including new requirements on due diligence (COP 7.2), enhanced KYC (COP 12.2), broadened claims (COP 14), diversity, equity & inclusion (COP 23), and GHG emissions reporting (COP 27).

We remain on track to pursue our RJC COP 2024 certification audit, which will mark a pivotal milestone in our sustainability journey. Our focus continues to be on strengthening supply chain integrity, ensuring transparent and ethical sourcing, and promoting responsible business practices across all our stakeholder relationships.

Approved by:
Mr. Victor Maximilien Galvao
Director
Date: 1 July 2026

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