

GARAUDE
PARIS

ANNUAL REPORT 2023

SIEGE SOCIAL : 4, RUE DROUOT - 75009 PARIS - TEL 33 (1) 40 22 00 08

welcome@garaude.com - SARL AU CAPITAL DE 7 623 €UROS - R.C. PARIS B 403 045 750

SIRET 403 045 750 000 11 - TVA N° FR 58 403 045 750



Introduction

Garaude company

After more than 40 years of trading in the highest quality natural and untreated stone, we believe that our values are an integral part of Garaude's success.

We were first RJC-certified in February 2021, and began the re-certification process in 2023.

Today, on xx/xx/2024, we have been RJC-certified once again.

In September 2023, the Garaude Group's first Board of Directors met in Bangkok to discuss the past year and the year ahead.

The CEO, François Garaude, the managers of the 3 entities and a few key people from the group gathered for a 2-day meeting.

We raised several issues such as our sales strategy (mine to market and traceability) and the review of our management system in line with the RJC's COP and COC.

Due diligence:

To ensure that our supply chain corresponds to our new development strategy and is as ethical as possible in line with our code of conduct and local practices, we have systematically sent our KYC and Code of Conduct (updated in 2022) to all our new suppliers and customers.

Compared with 2022, 2 suppliers were RJC-certified in 2023, and 1 of our largest suppliers was audited by a major LVMH group company and is an RJC member.

We are finding that our supply chain is becoming increasingly "clean", with partners who are in line with our values and follow the ethical practices required by the RJC.

Supplier risk analysis:

We have implemented a "Red flags action plan" risk analysis policy.

We analyze KYC and documents received from our suppliers and update our database.

We stay aware of the latest news, and if a rumor makes itself known, we find out who the source is.

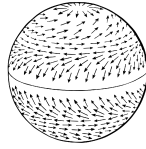
We put our business activities on hold during our investigations.

If our code of conduct and the values we uphold are not respected by our suppliers, then we will cease all relations.

Client risk analysis:

Even if we have a "no cash policy", it happens that occasionally (during international fairs mostly) people want to pay in cash.

Following the French law, we can't accept more than 15000€ in cash.



G A R A U D E
PARIS

According to RJC specification, we must identify and keep records of cash payment over 10000€/US\$.

So, we create a process to identify the companies who wants to pay more than 10000€/US\$ to check if the name of the customer or the company does not appear on any government list regarding money laundering, fraud, illegal and terrorist organization.

Internal and external communication:

As explained under "Due diligence", we systematically send KYC and COC to new suppliers. There was no procedure for communicating with stakeholders.

We have therefore created this procedure to describe how communication should take place and what elements should be communicated :

- Internal communication: sending to Garaude COC employees, internal regulations and any other information they need to be aware of.
- External communication: systematic dispatch of KYC/COC and newsletter each time our COC is updated, dispatch of annual reports, updating of our website.

Grievance management :

Our grievance procedure was updated as for our COC sent to our entire database in the form of a newsletter in November 2023.

At our Board of Directors meeting, we reviewed the year 2023, and no alert has been identified on o.krifa@garaude.com.

Human rights :

We exercise our duty of care with regard to human rights, both internally and in relation to the stakeholders with whom we are involved. As for the previous point, no alert has been identified.

Internal regulations:

Since 2021, we have set up a set of internal rules known to all employees and communicated to all new people joining the Garaude team.

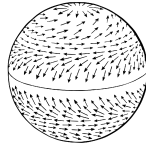
We updated them in 2023 with important points from our COC: anti-money laundering and gift management. It has been sent to everyone.

As Garaude is represented by its employees, it is important that they also commit themselves and understand the importance of these processes and the sanctions incurred if they are not respected.

Transparency and traceability:

Since 2019, we have begun a turning point in our business strategy, particularly on the purchasing side: buying rough stones directly from mining groups.

Since 2022, we have made every effort to offer only traceable stones, thus cleaning up our supply chain.



GARAUDE
PARIS

In full transparency, we inform our customers of the identity of our major suppliers, who have themselves been audited by these customers, in order to guarantee the origin of the stones and, above all, their traceability.

We have made many changes to our management software to enable us to provide our customers with all the key information about our stones:

- Mines, invoices and rough purchase dates
- Videos of the reception of the rough, delivered by armored transporter (directly from the miner's premises)
- The stages in the transformation of our stones: from rough to cut stone (photos, weights, dimensions)

Since the beginning of 2023, we have been issuing our own Gem Traceability certificate, which guarantees the traceability of our stones and includes all the elements listed above.



GEM TRACEABILITY

November 9, 2023	# 30657
Gem Type	Emerald
Origin	Colombia
Mining Company	Fura
Auction Date	28th June 2023
Schedule	7
Buying Invoice Nr CSA/0709/2023	
ROUGH	
Weight	18.343 ct
Measurements	21.44 x 10.13 x 8.88
PREFORM	
Shape	octogonal
Weight	8.746 ct
Measurements	16.56 x 9.45 x 6.69
CUT	
Shape	octogonal
Weight	6.431 ct
Measurements	14.27 x 9.43 x 6.33



Conclusions :

Our Mine to Market strategy is in place according our COC and we have succeeded in being as transparent as possible and guaranteeing the traceability of our stones.

A lot of work has gone into updating our procedures and communicating with stakeholders.

No major non-conformities were identified.

Paris, xx/xx/xxxx

François Garaude