

## **SUPPLY CHAIN POLICY - CODE OF CONDUCT**

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## DUE DILIGENCE - CODE OF CONDUCT

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## List of Abbreviations

<b>RJC</b>	Responsible Jewellery Council
<b>KYC</b>	Know your Counterparty
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OEM</b>	Original Equipment Manufacturer
<b>COP</b>	Code of Practices
<b>CMRT</b>	Conflict Minerals Reporting Template
<b>RMI</b>	Responsible Minerals Initiative
<b>PGM</b>	Platinum Group Metals

## 1. OUR APPROACH

Schofer Germany - The Chain Company - GmbH & Co. KG is a manufacturer of precious metal and non-precious metal Jewellery Chains, as well as the appertaining components.

Since its foundation in 1904, SCHOFER has developed into an innovative and professional quality provider of complex solutions in the entire product spectrum of jewellery manufacturing - frequently operating as an OEM.

As a certified member of the Responsible Jewellery Council (RJC), Schofer is committed to meeting the highest moral and ethical standards in all its actions and decisions towards its customers, suppliers and employees. Naturally, this also includes a social and environmentally friendly approach, as we feel we have a special responsibility towards future generations. Based on this understanding, we also comply with the Code of Practices (CoP) and plan to be certified to the Chain of Custody (CoC) standard in the near future.

Since the processing of precious metals, especially gold, PGMs and silver, requires special sensitivity and care in terms of forming business relationships, right at the beginning of every contact, we perform a check in line with the principles of the KYC guidelines. In addition, the organization is committed to complying with international guidelines as listed below:

- US Dodd-Frank Act
- OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas including the annex relating to gold and other precious metals
- CMRT (Conflict Minerals Reporting Template)/ RMI (Responsible Minerals Initiative)

We also undertake to use our influence to prevent abuses by others. If, during or after one of our supply chain reviews, we determine that a supplier or an upstream party, at any point in the supply chain, is in violation of these guidelines or any other point in our code of conduct or supply chain policy, we will suspend or terminate our relationship with that supplier.

The same applies if during one of our periodic reviews we identify a sufficient risk that we cannot maintain a relationship of any kind.

Supply chain auditing is an integral and documented part of our ISO 9001 certified quality management system and is practiced, improved and adapted to the prevailing needs every day.

## **2. RJC and OECD**

Membership in the RJC implies a comprehensive disassociation from and rejection of any actions that could directly or indirectly promote or finance armed conflict, intensify violence or promote the abuse of human rights.

As a responsible processor of gold, PGMs and silver, SCHOFER resolutely refuses to acquire, process or otherwise dispose of conflict goods of any kind or form that originate from conflict or high-risk areas, if there is even the slightest suspicion of a violation of the OECD guidelines. We are bound by the OECD Due Diligence Guidelines, in addition to other guidelines such as the Kimberly Process, for Responsible Supply Chains for Minerals from Conflict and High-Risk Areas, in particular the Gold, Silver and PGMs Annex, as set out here below.

### **2.1. OECD Annex II, Point 1 - Regarding Serious Abuses in the Extraction, Transport or Trade of Minerals, Gold and other Precious Metals**

We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:

- any forms of torture, cruel, inhuman and degrading treatment;
- any forms of forced or compulsory labour;
- any of child labour (as defined in Convention 182 of the International Labour Organization)
- other gross human rights violations and abuses such as widespread sexual violence
- war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

#### **2.1.1. OECD Annex II, Point 2 - With Regard to the Management of Risks Arising from Serious Deficiencies**

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in point 1.

### **2.2. OECD Annex II, Item 3 - Regarding Direct or Indirect Support to Non-State Armed Groups**

We will not provide, tolerate, accept or finance any direct or indirect support to non-state armed groups - regardless of the way, (this applies in particular to the areas of dismantling, transport, trade, handling or export of minerals, gold and other precious metals). This is also valid for the parties and their business partners cooperating with said non-state armed groups who:

- illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain, and/or
- illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded, and/or
- illegally tax or extort intermediaries, export companies or international traders.

### **2.2.1. OECD Annex II, Point 4 – Regarding Direct or Indirect Support to Non-State Armed Groups**

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in point 3.

### **2.3. OECD Annex II, Points 5-10 - Regarding Direct or Indirect Support to Public or Private Security Forces**

We affirm that the role of public or private security forces is to provide security to workers, facilities, equipment and property in accordance with the rule of law, including law that guarantees human rights.

We will not provide direct or indirect support to public or private security forces that commit abuses described in point 4 of OECD or that act illegally as described in point 6.

### **2.4. OECD Annex II, Point 11 - Regarding Bribery and Fraudulent Misrepresentation of the Origin of Minerals and Precious Metals**

We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of gold, silver and PGMs, to misrepresent taxes, fees and royalties paid to governments for the purposes of gold, silver and PGMs extraction, trade, handling, transport and export.

### **2.4.1. OECD, Annex II, Points 12-14 - Regarding Money Laundering, Non-Payment of Taxes, Duties and Royalties to Governments**

We will support and contribute to efforts to eliminate money laundering where we identify a reasonable risk resulting from, or connected to, the extraction, trade, handling, transport or export of gold, silver and PGMs.

## **3. SOCIAL RESPONSIBILITY**

### **3.1. Exclusion of Forced Labour**

- Schofer Germany - THE CHAIN COMPANY GmbH & Co. KG dissociates itself from any form of forced labour.
- The employee may terminate the employment relationship at any time.
- After termination, no coercion shall be exercised to continue the employment relationship.
- The employee can ask questions about his/her employment contract at any time in the personnel department.

### **3.2. Ban on Child Labour**

- Schofer Germany - THE CHAIN COMPANY GmbH & Co. KG distances itself from any form of child labour.
- In all questions of labour law, Schofer Germany - THE CHAIN COMPANY GmbH & Co. KG adheres to the applicable law in Germany.
- No employment under the age of 16.

- Young people to be employed under special supervision by a qualified employee.
- Adolescents may not perform piecework, assembly line or hazardous work.
- Young people are not allowed to work overtime.

### **3.3. Remuneration**

- In all questions of labour law, Schofer Germany - THE CHAIN COMPANY GmbH & Co. KG adheres to the applicable law in Germany.
- When paying our trainees, we adhere to the specifications of the collective agreement of the BV Schmuck+Uhren.
- Salaries are transferred punctually to the bank account specified by the employee.

### **3.4. Working Time**

- In all matters of labour law, Schofer Germany - THE CHAIN COMPANY GmbH & Co. KG adheres to the applicable law in Germany.

### **3.5. Liberty of Association**

- Employees are free to elect employee representatives.

### **3.6. Sexual Harassment, Gender-based Violence, Prohibition of Discrimination**

- Schofer Germany - THE CHAIN COMPANY GmbH & Co. KG does not tolerate discrimination of any kind, regardless of whether it is based on origin, religion, skin colour, ethnicity, gender or sexual orientation.
- At Schofer Germany all genders, female, male or diverse, are welcome and treated equally.

### **3.7. Health Protection, Safety at the Workplace**

- In all matters of occupational health and safety, Schofer Germany - THE CHAIN COMPANY GmbH & Co. KG complies with the applicable law in Germany.
- Each employee is provided with the protective clothing and equipment necessary for their work by the employer.
- A healthy and safe working environment is provided and all applicable safety regulations are complied with.
- Workplaces have access to daylight in addition to an adequate light source.
- All workplaces have an adequate and sufficient supply of fresh air.
- Employees are provided with an appropriate workplace which is in a sound condition, clean and safe.
- Workplaces are regularly inspected for potential hazards and, if necessary, measures are taken to minimize the risk.
- Regular health and safety training is provided to the employees.
- All machinery is regularly inspected and maintained for safety by a specialist company. Damaged or potentially dangerous machinery is immediately and promptly shut down and removed from service.
- The employees receive the appropriate safety training before they start working on a machine. Until this has been done, employees are not allowed to work on the machine in question.

- At regular intervals, all employees must undergo safety instruction in which the escape and rescue routes are shown and trained.
- It is ensured that every employee is able to hear the fire alarm and recognize the escape and rescue route at any time and in any place.
- Escape and rescue plans are posted at every necessary location in the building and can be viewed at any time without restrictions.
- The escape and rescue routes are signposted and visible at all times, even in the event of a power failure.
- All escape and fire doors are checked and maintained at regular intervals by specialist companies.
- Every staff member has access to a first aid plan at all times.
- Employees are designated as first aiders and they are trained at regular intervals.
- First aid kits are available in every department, including first aid for chemical burns to the eye.
- A defibrillator is available, is unrestrictedly accessible at all times and its location is marked on every escape and rescue plan.
- Work on the electrical system may only be carried out by specially trained personnel.
- Switch cabinets are marked as such and secured against access by unauthorized persons.
- Cables carrying electricity are laid and secured by specialized companies.

### 3.8. Data Protection and Conflicts of Interest

The protection of personal data is a top priority for Schofer Germany - THE CHAIN COMPANY GmbH & Co. KG. We handle your personal data confidentially and in accordance with the statutory data protection directives as well as this Data Protection Declaration.

For more detailed information, please visit the website: <https://www.schofer.com/index.php/en/kontakt-en/datenschutz-en>

## 4. ECOLOGICAL RESPONSIBILITY

### 4.1. Treatment and Discharge of Industrial Waste Water

- We treat our waste water according to the specifications of the environmental agency.

### 4.2. Dealing with Air Emissions

As already mentioned at the beginning, the preservation of our environment and its uniqueness is particularly close to our hearts. We are convinced that it is our duty to consider this in advance in all our actions and to allow it to incorporate it into our decisions. We have therefore implemented climate-neutral manufacturing of our products and for the first time in 2020 were certified as a climate-neutral company.



#### **4.3. Handling Waste and Hazardous Substances**

- We practice the principle of waste separation that prevails in Germany. We outsource the disposal of hazardous waste and dangerous substances to designated and certified companies, which dispose of them professionally.

#### **4.4. Reducing Consumption of Raw Materials and Natural Resources**

- Wherever possible, the consumption of raw materials and natural resources is reduced. We are continuously seeking alternatives.
- Use of recycled raw materials.
- Use of recycled printing paper.
- General reduction of plastic packaging.
- We have started to switch to environmentally friendly plastic made from natural fibres.

#### **4.5. Dealing with Energy Consumption/Efficiency**

- Energy consumption is continuously monitored and checked.
- We promote and already implement E-mobility.

### **5. COMPLAINTS, DOUBTS AND CONCERNS**

We take the position we hold very seriously and are committed to complying with the policies to which we have voluntarily committed. Therefore, we encourage all our employees, suppliers, stakeholders and interested parties to promptly report any concerns and violations that arise in relation to our actions, traceability in our supply chain or the identification of risks.

To do so, you can contact our CoC officer Mrs. Lucia Pentz by email at [schofer.kyc@schofer.com](mailto:schofer.kyc@schofer.com) as well as by phone +49 7231 - 9 10 30-0.