

**DUE DILIGENCE REPORT FOR THE FINANCAL YEAR 2021
WITH REGARD TO RJC COP AND COC**

TABLE OF CONTENTS

List of abbreviations	2
1. DUE DILIGENCE REPORT FOR THE FINANCAL YEAR 2021	3
2. COMPANY MANAGEMENT SYSTEMS	3
2.1. Supply chain policy	3
2.2. Management structure and responsibilities	3
2.3. Internal control system	3
2.4. Systems for recording and tracing the origin of the material	3
3. IDENTIFICATION AND ASSESSMENT OF RISKS ALONG THE SUPPLY CHAIN	4
4. CONTINUOUS IMPROVEMENT	4
4.1. Audit reports	4

List of abbreviations

CAHRA	Conflict-affected and high-risk area
COC	Chain of Custody
COP	Code of Practices
OECD	Organisation for Economic Co-operation and Development
PGM	Platinum Group Metals
RJC	Responsible Jewellery Council

1. DUE DILIGENCE REPORT FOR THE FINANCAL YEAR 2021

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. This also includes a social and environmentally friendly orientation, as we see ourselves having a particular responsibility towards future generations.

The CoP (Code of Practices) and CoC (Chain of Custody) standards stand for responsibility and transparency in the global supply chain of gold, platinum group metals, silver, diamonds and coloured gemstones. These certifications provide our customers and suppliers with the assurance they need about how their products and materials have been sourced, traced and processed in the supply chain.

An integral part of the commitments made with the certifications under these standards is the preparation and publication of a due diligence report in line with the OECD Due Diligence.

2. COMPANY MANAGEMENT SYSTEMS

2.1. Supply Chain Policy

The supply chain policy of Schofer Germany GmbH & Co. KG is publicly available and can be accessed at any time on the company website at <https://schofer.com/en/about-us/certifications/>

2.2. Management structure and responsibilities

The requirements of the standards have been implemented in the existing management system and, where necessary, they have been extended and expanded. The responsible persons are named and the due diligence process is described, recorded and integrated into the continuous improvement and review process of the quality management system.

2.3. Internal control system

The internal control system of Schofer Germany GmbH & Co.KG, like all processes of the organisation, is subject to a continuous improvement process. It is reviewed annually and adjusted if necessary. This includes the following actions:

- Identification and verification of business partners
- Identification of red flags in the supply chain
- Internal and external training of employees and business partners

2.4. Systems for recording and tracing the origin of the materias

The organisation has an ERP system that records all transactions and can provide information on these transactions at any time.

3. IDENTIFICATION AND ASSESSMENT OF RISKS ALONG THE SUPPLY CHAIN

The review of supply chains for any risks is carried out in accordance with the OECD due diligence. This means monitoring and reviewing business partners and their materials for possible direct or indirect support of unwanted profiteers and possible negative impacts on already weak parties. Accordingly, these are also subject to review with regard to CAHRAs.

If risks or even violations of the OECD due diligence are identified, measures must be taken to contain or avoid the risks. Depending on the assessment and classification of each risk or violation, measures are taken to manage them, which in extreme cases may even result in the temporary suspension or even the complete termination of a business relationship.

The Supply Chain Policy - Code of Conduct of Schofer Germany GmbH & Co. KG has been communicated to the business partners and is mandatory for them. It can be accessed on the company website at any time. New business partners are subject to a review which is internally implemented and recorded. No red flags were identified during the reporting period.

4. CONTINUOUS IMPROVEMENT

Schofer Germany GmbH & Co. KG already implemented an all-encompassing quality management system according to DIN EN ISO 9001 in 2016. Meaning that according to which all processes of the organisation are subject to a continuous improvement process. In the meantime, the QM system has been upgraded to the 2015 version.

4.1. AUDIT REPORTS

The audit reports of Schofer Germany GmbH & Co. KG on the standards of the RJC, as well as their scope of validity, are available on their website.