

**DUE DILIGENCE REPORT FOR THE 2025 FINANCIAL YEAR
WITH REFERENCE TO THE RJC COP AND COC STANDARDS**

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List of abbreviations

CAHRA	Conflict-affected and high-risk area
CoC	Chain of Custody
CoP	Code of Practices
DMS	Document Management System
OECD	Organisation for Economic Co-operation and Development
PGM	Platinum Group Metals
QS	Quality Assurance
RJC	Responsible Jewellery Council

1 DUE DILIGENCE REPORT FOR THE 2025 FINANCIAL YEAR

As a certified member of the Responsible Jewellery Council (RJC), Schofer is committed to upholding the highest moral and ethical standards in all its actions and decisions toward its customers, suppliers, and employees. This also naturally includes a socially and environmentally responsible approach, as we recognize our particular responsibility toward future generations.

The CoP (Code of Practices) and CoC (Chain of Custody) standards stand for responsibility and transparency in the global supply chain for gold, platinum group metals, silver, diamonds, and coloured gemstones. These certifications provide our customers and suppliers with the necessary assurance regarding how their products and materials have been sourced, how they are traceable, and how they have been processed within the supply chain. An integral part of the commitments undertaken through certification under these standards is the preparation and publication of an annual due diligence report in line with OECD Due Diligence.

2 ORGANIZATION'S MANAGEMENT SYSTEM

2.1 SUPPLY CHAIN POLICY

The supply chain policy of Schofer Germany GmbH & Co. KG is publicly accessible and can be viewed at any time on the company website at <https://schofer.com/ueber-uns/zertifizierungen/>.

2.2 MANAGEMENT STRUCTURE AND RESPONSIBILITIES

The requirements of the standards have been implemented into the existing management system and expanded where necessary. The responsible persons have been appointed, and the due diligence process has been described, documented, and integrated into the continuous improvement and review process of the quality management system. Schofer was successfully re-certified in January 2025 in accordance with the RJC CoP and CoC standards; the surveillance audit is scheduled for September/October 2026.

2.3 INTERNAL CONTROL SYSTEM

Like all processes within the organization, the internal control system of Schofer Germany GmbH & Co. KG is subject to a continuous improvement process. It is reviewed annually and adjusted where necessary. This includes, among other things, the following actions:

- Identification and review of business partners
- Identification of red flags in the supply chain
- Internal and external training for employees and business partners
- Supplier audits

2.4 SYSTEMS FOR RECORDING AND DETERMINING THE ORIGIN OF MATERIALS

The organization has a comprehensive ERP system that enables and archives the provision of all information on any type of transaction at any time. The ERP system is subject to continuous improvement and expansion. The digitalization of analogue processes has been further advanced for the benefit of the environment and the working environment. For example, the DMS now also includes incoming CoC transfer documents and material certificates from suppliers and testing bodies.

3 IDENTIFICATION AND ASSESSMENT OF RISKS ALONG THE SUPPLY CHAIN

The review of supply chains for potential risks is carried out in accordance with OECD Due Diligence. This means monitoring and reviewing business partners and their materials for possible direct or indirect support of undesired beneficiaries and potential negative impacts on already vulnerable or at-risk parties. Accordingly, these are also reviewed with regard to CAHRAs.

Should risks or even violations of OECD Due Diligence be identified, measures must be taken to mitigate or avoid such risks. Depending on the assessment and classification of each risk or violation, appropriate measures are taken, which in extreme cases may result in the temporary suspension or complete termination of a business relationship.

The Due Diligence Code of Conduct of Schofer Germany GmbH & Co. KG has been communicated to business partners and is binding for them. It can be accessed at any time on the company website. New business partners are subject to an internally defined and implemented KYC review.

No red flags were identified during the reporting period, and therefore no corresponding risk mitigation or risk avoidance measures were necessary.

4 CONTINUOUS IMPROVEMENT

Schofer Germany GmbH has had a comprehensive quality management system in place since 2016 in accordance with DIN EN ISO 9001, ensuring that all processes and procedures within the organization are subject to a continuous improvement process. In September 2025, our quality management system underwent a surveillance audit, which it successfully passed. The RJC CoP and CoC re-certification was also completed without any non-conformities.

4.1 Audit Reports

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

5 CoP 7: DUE DILIGENCE

5.1 GUIDELINES AND CONTROL SYSTEMS

Schofer Germany has issued the following policies and declared them binding:

- Supply Chain Policy of Schofer Germany GmbH & Co. KG
This also covers the handling of gold, silver, and PGMs.
- Policy on handling conflict-affected materials
- Policy on ethical and social responsibility
- Policy on risk assessment and evaluation of all business partners
- Procedure for establishing business relationships with new customers
- Procedure for establishing business relationships with new suppliers

The content of these policies has been communicated to the relevant business partners and employees of Schofer Germany GmbH & Co. KG. All employees of Schofer Germany GmbH & Co. KG receive regular training and information on updates and changes. Every employee has free access to these documents; some of them have been published on our company website in English and German and are freely accessible.

Through the website, any external complainant may also contact Schofer Germany GmbH & Co. KG at any time, including anonymously.

5.2 IDENTIFICATION AND ASSESSMENT OF RISKS IN THE SUPPLY CHAIN

In order to review the due diligence of our suppliers, we assess the available data as follows:

- Screening against country- and person-related sanctions lists
- Annual supplier assessment, during which a request is submitted to Creditreform. This system is recognized by BaFin and ensures compliance with EU Regulations 2580/2001 and 881/2002 on combating terrorism.

Due diligence is based on the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.” The supply chain extends from the mining site to the end consumer, i.e., from extraction through transport, transshipment, trade, processing, smelting, refining, alloying, and manufacturing, through to the sale of the finished product.

Schofer Germany GmbH & Co. KG subjected all precious metal suppliers to due diligence checks in 2022. The following information was reviewed:

- Credit report via Creditreform
- Identification of beneficial owners
- Compliance check
- Screening against country- and person-related sanctions lists
- Review of conflict-affected and high-risk areas

We were able to assess all precious metal suppliers as presenting “no risk.”

The review of our other suppliers is a continuous process that is progressing steadily. To date, all suppliers reviewed have been assessed as presenting “no risk.”

No risk was identified in the ongoing reviews of our new customers or new suppliers either. All existing customers and long-term suppliers are subject to an annual KYC review through various processes. Country- and person-related sanctions lists are checked on a daily basis. No risks were identified during these reviews either.