FRANK TRAUTZ

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DUE DILIGENCE REPORT FOR THE FINANCIAL YEAR 2026
(IN RELATION TO RJC COP & LGMS)

With its COP (Code of Practices 2024) and LGMS (Lab-Grown Material Standard 2025) standards, the Responsible Jewellery Council stands for sustainable, responsible, ethical business practices and transparent supply chains in the global supply chain of gold, platinum group metals, silver, natural diamonds, coloured gemstones, and lab-grown diamonds (LGDs). The operators and traders involved in the initiative are committed to preventing corruption, money laundering, conflict and terrorist financing, as well as any material mixing or fraudulent disclosure. They ensure healthy and safe working conditions, conserve natural resources, and uphold human rights.

The standards for companies in the precious metals and diamonds supply chain include, among others, public reporting on due diligence in accordance with the OECD Due Diligence Guidance („Due Diligence Guidance to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas“).

CORPORATE MANAGEMENT SYSTEMS

Supply chain policy

Aware of its responsibility, FRANK TRAUTZ fulfils its duty of care and implements it through various measures. These include:

- No sourcing of material from conflict and high-risk areas.
- Full compliance with the Kimberley Process Certification Scheme (KPCS) and World Diamond Council System of Warranties (WDC SoW) for all natural diamonds.
- Strict physical separation, full origin documentation of growing reactors, and transparent disclosure for all lab-grown diamonds (LGDs).
- Our economic and social activities are based on generally accepted ethical and humanitarian principles.

Management structure and responsibilities

The establishment of internal management structures for a system of due diligence, controls, and transparency within the supply chain (including tracking/identification of other parties involved) has been done, as well as the definition of related responsibilities. The due diligence process has been described in corresponding company documents, and Frank Trautz has been designated as the responsible RJC/LGMS Compliance Officer.

Internal control system

This system is reviewed annually and adjusted as necessary. The core elements are:

- Identification of the supplier and the origin of all materials (including precious metals, natural diamonds, and LGDs) through access to international data and our enhanced KYC procedure.
- Strict implementation of physical material controls at processing and storage levels to prevent any risk of mixing.

Identification and assessment of risks along the supply chain

The review of risks along the supply chain is carried out in accordance with the OECD Due Diligence Guidance, as amended from time to time, and through queries of the EU Cahras List. Materials and suppliers are monitored to ensure that they do not contribute directly or indirectly to conflicts, human rights abuses, or violations of national and international law. For LGD suppliers, specific risk assessments regarding the energy sources of growing facilities (reactors) and labor practices in cutting/polishing facilities are performed.

- If risks/violations are identified, measures must be taken to avoid or mitigate the risk. Depending on the assessment, business relationships can be suspended or terminated.

  Compliance with the FRANK TRAUTZ supply chain policy is binding for our business partners. It is communicated by means of a direct letter and via our website.

- The verification of business partners was carried out according to the introduced and LGMS-enhanced KYC procedure „Know Your Counterparty“.

- Semi-finished products containing fine gold/silver are only procured from refiners which are certified according to the RMI / LBMA / RJC-COP/-CoC standard.

  No warning signs („red flags“) were identified during the reviews in the reporting period; accordingly, no risk mitigation or prevention measures were necessary.

Pforzheim, 21.10.2026

Frank Trautz
Management FRANK TRAUTZ

