FRANK TRAUTZ

Schmuck & Tradition seit 1928

Supply Chain Guideline

FH Trautz GmbH's policy on the formation of supply chains in the areas of gold, silver, platinum group metals, as well as natural diamonds and lab-grown diamonds (LGDs) takes into account the RJC standards (COP 2024 and LGMS 2025).

The following are dealt with individually

As a company that processes precious metals, FH Trautz GmbH is aware of its responsibility towards the company, society and the environment. As an important part of the supply chain for gold, silver and platinum group metals (PGMs), FH Trautz GmbH fulfils its duty of care. It supports the international efforts such as those of the Organisation for Economic Cooperation and Development (OECD), to prevent the financing of terrorist activities, military conflicts, corruption, money laundering and human rights abuses in connection with precious metal, diamond and lab-grown material transactions.

To achieve this, it is necessary, among other things, to trace incoming precious metal-bearing material, natural diamonds and lab-grown diamonds, in order to prevent the purchase of material from conflict and high-risk areas. Conflict and high-risk areas are characterised by armed conflict, the widespread occurrence of violence widespread occurrence of violence or other hazards that may cause harm to people.

High-risk areas include, for example, politically unstable regions, characterised by oppression or weak institutions, lack of security or the collapse of civil infrastructure and the widespread occurrence of violence. Human rights violations and violations of national and international law often also increase in these regions. Accordingly, "conflict minerals" as defined by the Dodd-Frank Act (USA) are also included, i.e. for example material originating from the Democratic Republic of Congo (DRC) and neighbouring states.

The contribution of FH Trautz GmbH to these efforts is

- Membership of the Responsible Jewellery Council (RJC)
- Implementation of the principles stated in the RJC's standard for the implementation of responsible business practices and conflict-free supply chains.
- Strict implementation of the "Know Your Counterparty" principle in all transactions with precious metals, natural diamonds and lab-grown diamonds (LGDs).
- Risk-based monitoring and documentation of transactions
- No acceptance of primary gold / silver / PGM (mining material)
- No cash transactions in connection with precious metals transactions
- Internal and external communication of this policy
- Training of employees on this topic
- Strict physical separation, seamless traceability of growing facilities (reactors), and full, transparent disclosure of lab-grown diamonds (LGDs) in accordance with LGMS 2025.

Compliance with fundamental ethical guidelines

- We base our economic and social actions on generally accepted ethical and humanitarian principles.

- This requires the unconditional observance of fundamental human rights and the unconditional respect for cultures or customs with regard to our employees. This requires unconditional compliance with fundamental human rights and unconditional respect for cultures or customs with regard to our employees, but also towards all those affected by the activities of the precious metals industry. We are committed to the promotion of human rights. Discrimination e.g. on the basis of race, gender, ethnic or social origin, religion, age, disabilities or sexual orientation will not be tolerated under any circumstances.
- FH Trautz GmbH is committed to protecting its employees from physical, psychological, sexual or verbal abuse, psychological, sexual or verbal harassment and to punish such incidents. The right to freedom of expression is protected. Prevention of crimes in connection with the extraction, transport or trade of precious metals (gold, silver and PGM) and material containing precious metals.

FH Trautz GmbH absolutely rejects the involvement of any partner in any of the below and will not tolerate, benefit from, contribute to or facilitate any such involvement:
- Torture, inhuman, cruel or degrading treatment.
- Any form of forced labour
- All forms of child labour
- Serious human rights violations and abuses
- War crimes or other serious violations of international law
- Crimes against humanity or genocide
- No support, either directly or indirectly, of non-state armed groups in relation to in connection with the extraction, transport, trade or handling of gold, silver, PGM or materials containing precious metals

<u>Proper financial transactions, tax compliance and prevention of corruption</u>
- VAT fraud
Precious metals, due to their high value, constantly provide a target point for sales tax fraud when delivery of recycling material to precious metal refineries. FH Trautz GmbH undertakes in a special way to observe the current laws on value added tax and to support the and to support the authorities in the fight against VAT fraud.
- Prevention of money laundering
FH Trautz GmbH takes appropriate due diligence measures in order to prevent money laundering activities in connection with precious metal transactions in advance. This also applies where there is a money laundering risk is identified at any point in the supply chain in connection with the extraction the mining, trading, handling, transporting, importing or exporting of precious metal or precious metals or materials containing precious metals. The authorities are supported in their efforts to prevent money laundering.
- Corruption
FH Trautz GmbH takes appropriate measures to prevent bribery, the acceptance of advantages or blackmail. Accordingly, no bribes are offered, promised, granted or demanded. Under no circumstances will FH Trautz GmbH tolerate a violation of the above-mentioned ethical guidelines. Any business relationship with business partners that is not in accordance with these standards will be identified and immediately suspended or discontinued, even in the case of an in the event of an identified potential risk.
- Public or private security forces
FH Trautz GmbH affirms that the role of public or private security forces is to provide for the safety of workers, facilities, equipment and property in accordance with the rule of law, including the laws guaranteeing human rights. We will not provide any direct or indirect support to public or private security forces that commit the abuses described or act unlawfully.

FH Trautz GmbH has anchored these due diligence requirements in its internal procedures. This policy is reviewed annually on the basis of Annex ll of the OECD Due Diligence Guidance for

Responsible SupplyChains with regard to up-to-dateness and appropriateness and adapted as necessary.

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Frank Trautz

Management FH Trautz GmbH

