REPORTING REQUIREMENTS

FOR COPs
3, 6, 7 & 27

RASELLI FRANCO S.P.A.

COP 3: REPORTING

Contact Information

COMPANY NAME:	**RASELLI FRANCO S.P.A.**
DATE:	**10/09/2025**
REPORTING PERIOD:	**2024**
CONTACT:	**audit@gruppoerrepi.com**

ISSUES

Raselli Franco S.p.A. will be providing details on Human Rights, social responsibility, promotion of responsible business practices with business partners, reduction of wastes and environmental protection identified during its due diligence activities.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Through its due diligence activities Raselli Franco S.p.A. have identified the following SDGs as relevant to its business:

- SDG 3 Good Health and Well-being
- SDG 5 Gender Equality
- SDG 7 Affordable and clean energy
- SDG 12 Responsible consumption and production
- SDG 13 Climate change

The company have implemented these SDGs through the following methods:

- Set measurable targets
- Integrated SDGs into our business strategy
- Adopted sustainable practices

To achieve these SDGs we have implemented the following activities:

- SDG 3: the company provide PPE and occupational health exam for our workers, as requested by Italian legislation
- SDG 5: Raselli Franco S.p.A. promote the equal participation of women and men as decision-makers in the sustainable development of their societies. For this reason, the legal representative of Raselli Franco S.p.A. is a woman, as is the owner of the main partner Ma-J manufacturing de joaillerie. It also guarantees that workers of all genders receive equal pay for work of equal value; does not discriminate against pregnant workers, in fact, during maternity leave, workers retain their jobs and part or all of their salary, depending on the stage of maternity. During the first period, compulsory maternity leave, lasting 5 months, 100% of pay is guaranteed. During the second period, optional maternity leave, until the child is 11 months old, 30% of pay is guaranteed; fair and transparent recruitment practices are in place.
- SDG 7-12-13: In order to ensure that emissions from production do not have a negative impact on the environment, Raselli Franco S.p.A. demonstrates a strong commitment to environmental sustainability through the monitoring and control of emissions, noise, vibrations, and wastewater. The company promotes energy efficiency by using renewable sources and invests in sustainable packaging and plastic reduction initiatives, aiming to minimize its overall environmental footprint.

ACTIONS

Raselli Franco S.p.A. has its Internal Policies relating to human rights, child labour, forced labour, and other social, ethical and environmental practices.

These policies can be found on its website www.gruppoerrepi.com

As a company, Raselli Franco S.p.A. have already taken action regarding human rights, child labour, forced labour, and other social and environmental practices, doing so through human rights due diligence, communication with employees and suppliers.

COP 6 & 7: HUMAN RIGHTS & DUE DILIGENCE

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COMPANY MANAGEMENT SYSTEMS

Raselli Franco S.p.A. has internal policies available on its website and shared with its supply chain, outlining the company's commitment to respecting human rights throughout its supply chain and conducting due diligence on the following minerals: gold, silver, platinum group metals, diamonds, emeralds, rubies, and sapphires originating from conflict-affected and high-risk areas.

Raselli Franco S.p.A. endorses these policies to suppliers and stakeholders by distributing them via email. These policies are also accessible to internal stakeholders during the hiring process and externally via the company website.

To support supply chain due diligence, Raselli Franco S.p.A. has implemented several internal measures, including a Know Your Counterparty (KYC) form and a supplier assessment form.

The company has established a system of control and transparency within its supply chain, which includes identifying suppliers and tracing the origin of its materials.

To ensure proper supplier identification, Raselli Franco S.p.A. relies on RJC-certified suppliers, who are subject to our due diligence process through the KYC form.

For precious metals, we rely exclusively on RJC-certified suppliers who can certify that the metals sold originate from conflict-free areas. Similarly, for diamonds, we work with RJC-certified suppliers who are required to complete a form declaring the origin and manufacturing country of the stones.

As for colored gemstones, they are purchased from suppliers who can provide information about their origin upon request.

The due diligence process is overseen by the company's owners.

The company relies on suppliers with whom it has established long-standing relationships. Expectations regarding human rights and supply chain due diligence are communicated by sharing all relevant policies with suppliers on an annual basis, and by encouraging them to uphold the same values.

In addition, the company plans to organize supplier assessments based on their compliance with RJC standards.

The grievance mechanism for internal stakeholders represents an important and fundamental tool for the company, for several reasons. Firstly, it enables continuous improvement by addressing issues raised by employees and implementing appropriate corrective or preventive actions. Secondly, it enhances employee satisfaction and strengthens internal consensus, serving as a way to monitor and improve the overall quality of the working environment. It also contributes to promoting an image of a company that values feedback and is attentive to the needs of its employees.

To facilitate the submission of complaints or suggestions, the company has adopted multiple communication channels, including anonymous reporting boxes, emails to managers, and verbal reports.

As part of its commitment to transparency and responsible business practices, the company has also established an external grievance mechanism. This mechanism allows stakeholders—such as suppliers, partners, and community members—to raise concerns or complaints related to company operations or supply chain practices.

The process is designed to be simple and accessible: stakeholders can contact the designated point of contact via email or phone, ensuring that concerns are addressed promptly and with the appropriate level of attention.

During the reporting period, no complaints were received from the supply chain. While this is a positive sign, the company remains fully open and prepared to address any concerns that may arise.

Responsibility for receiving, reviewing, and managing grievances lies with the company's ownership, ensuring that all issues are handled with the highest level of accountability and care.

IDENTIFIED & ASSESSED RISKS

The company assesses both its own and its suppliers' due diligence practices, particularly those related to human rights, through dedicated assessment forms and direct communication with suppliers' management.

In the specific case analysed, no significant risks were identified within the supply chain. The suppliers currently involved operate in accordance with the company's ethical and operational standards and have been assessed as low-risk in terms of compliance, traceability, and supply continuity.

However, in line with the company's Risk Management Plan, a set of response strategies has been established to address any potential critical issues that may arise:

- Immediate suspension or discontinuation of purchases from the suppliers involved, with implementation of mitigation measures where feasible;
- Continuation or temporary suspension of collaboration, accompanied by measurable mitigation actions;
- Permanent termination of the business relationship if corrective measures prove ineffective.

The company's approach is proactive and adaptable, with continuous supplier monitoring and regular updates to the risk matrix, to ensure ongoing compliance with RJC standards and internal company policies.

STRATEGY

The company's risk assessment findings are received through the mailbox designated for such communications, which is managed by the administration office.

To respond to the risks identified within its supply chain, Raselli Franco S.p.A. designed and implemented a structured risk management plan based on the OECD Due Diligence Guidance and RJC standards.
The development of the risk management plan involved the following steps:

- Mapping the supply chain with a focus on high-risk areas and suppliers.
- Performing supplier risk assessments through Know Your Customer (KYC) procedures and self-assessment questionnaires.
- Classifying risks based on country of origin, type of material (e.g., gold, diamonds), and supplier performance.

The risk management plan includes the following elements for each identified risk:

- Risk: Sourcing from high-risk areas (conflict-affected or sanctioned regions)
    - *Objective*: Ensure no material originates from conflict-affected or sanctioned regions.
    - *Actions Taken*: Require suppliers to provide documentation proving origin and transit routes; include contractual clauses prohibiting sourcing from SDNBP-listed entities.
    - *Timescale*: Ongoing, with annual supplier reviews and spot checks.
- Risk: Lack of traceability or incomplete documentation
    - *Objective*: Achieve full traceability and transparency in the supply chain.
    - *Actions Taken*: Mandatory use of the Diamond Origin Table and the Gold CoC documentation; request mine of origin and lot IDs.

Monitoring is conducted through regular internal audits, document reviews, and third-party verifications when necessary. The plan is reviewed and updated annually or in response to any significant changes in the supply chain. All relevant data and documentation are retained for a minimum of 10 years.

Each year, Raselli Franco S.p.A. communicates its policies on human rights risk management and supply chain due diligence to its suppliers. These policies are regularly reviewed and updated to reflect the latest regulatory developments, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and the Responsible Jewellery Council's Code of Practices.

Suppliers are required to formally acknowledge and sign these policies as a demonstration of their full commitment to compliance.

The policies and related training cover the following topics:

- Human rights
- Child labour
- Gender-based violence
- Forced labour
- Health and safety
- Bribery and money laundering
- Sustainability and environmental protection
- Diamond warranties and coloured gemstones
- Conflict minerals

Raselli Franco S.p.A. also provides training on its due diligence practices to all employees during the onboarding process. This training includes the same topics listed above.

During the previous report, no grievances were raised regarding human rights risks or the company's supply chain due diligence.

COP 27: NATURAL RESOURCES

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BUSINESS PRACTICES & MATERIAL ISSUES

In 2024, the company began monitoring its energy and water usage through the collection and analysis of utility bills and consumption data. Additionally, an evaluation of the company's carbon footprint was initiated to better understand and manage its environmental impact. Based on this data collection that consumption is 9615 m^3 of water and 1162.976 m^3 of electricity.

The same data regarding the supply chain has not been taken into account.

ACTIONS & OUTCOMES

Raselli Franco S.p.A. is fully aware of the importance of conducting its business responsibly, with respect for people and the planet. The company is committed to better understanding the sources of the materials and products it purchases, from the mine to the market, and to supporting responsible production wherever possible. It also upholds the fundamental human rights of every individual and actively encourages inclusion and equality within its operations and throughout the gemstone and jewellery community.

To ensure that emissions from production do not negatively impact the environment, Raselli Franco S.p.A. continuously updates its technologies related to electricity and water usage, including during the construction of its new facility. As part of this construction and the overall modernization of the factory, plans include the installation of advanced wastewater treatment systems, along with new technologies to improve air recirculation and purification—both for the air reintroduced into workspaces and that released into the external environment.
For this reason, the company conducts analyses of five emission points every two years. External noise and vibration levels are also monitored, along with internal measurements to safeguard the working environment. Additionally, periodic analyses of wastewater discharge are carried out to prevent pollution of the sewer system.

Regarding electricity consumption, Raselli Franco S.p.A.'s commitment dates back to 2012, when a photovoltaic system was installed, allowing for a 30% reduction in electricity consumption. The excess energy produced during shutdown periods, such as summer holidays or weekends, is sold back to the grid to avoid waste.
In 2024, the company installed a new photovoltaic system covering the roof of the new building. Although this system is smaller than the previous one, it still enables a reduction in energy consumption.
In addition to the photovoltaic system, in 2016 the company installed a device that reduces consumption by 10%. The installed system, called "ICO-F," is part of a comprehensive range of voltage optimizers. This next-generation technology is characterized by its innovative ability to reduce energy waste caused by voltage surges present in electrical networks. The ICO-F machines also eliminate voltage spikes within the systems, resulting in an extended lifespan of the components present in the installation.

Raselli Franco S.p.A. also pays particular attention to the “plastic-free” campaign; to this end, it has eliminated plastic from the drink dispensers located in various areas of the building. Plastic cups for hot drinks have been replaced with cups engraved with the individual employee’s name. Water bottles have been replaced by a water dispenser that purifies running water through special filters. Employees have been provided with personalized water bottles to support this initiative.
The commitment continues in the supply of recyclable packaging, such as the use of PE film to replace traditional PVC films, which are much more polluting.

All this information, along with the company’s ongoing developments in this area, is detailed in the sustainability report. Raselli Franco S.p.A. also plans to publish a full sustainability report starting in 2026.

Relevant policies and further details can be found on the company’s website

Raselli Franco S.p.A relies on the support of an external consulting firm that assists in the collection and analysis of data related to water and energy consumption, as well as the use of other relevant natural resources.

This collaboration enables the company to monitor its environmental impact more accurately and identify opportunities for improvement. The consulting firm also provides strategic guidance in designing and planning initiatives aimed at optimizing resource efficiency and reducing the overall environmental footprint.

Raselli Franco S.p.A. are committed to continuous improvement with regards to clean energy and natural resources.
In the future, the company intends to increase the use of electricity sourced entirely from 100% renewable energy by partnering with a new energy supplier.

COP 7: DUE DILIGENCE

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STEP 1: ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

Raselli Franco S.p.A. has adopted the following supply chain policies concerning gold, diamonds, emeralds, rubies, and sapphires sourced from conflict-affected and high-risk areas:

- Diamond sourcing policy
  The objective is to track the provenance of sourced diamonds as thoroughly as possible, ensuring that none originate from an SDNBP ("Specially Designated National and Blocked Person.") sources.
  The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury publishes a list of SDNBPs, which includes individuals and companies owned or controlled by, or acting on behalf of, targeted countries. It also lists individuals, groups, and entities—such as terrorists and narcotics traffickers—designated under programs that are not country-specific. Their assets are blocked, and U.S. persons are generally prohibited from engaging with them.
  The protocol will be adapted for use with all suppliers. Non-compliance will result in the termination of any business relationships with third parties unable to provide the required information and guarantees. This protocol is intended solely for use among Industry Participants and is not designed for consumer-facing communication or inclusion in advertising or promotional materials.
  Raselli Franco S.p.A. s responsible for collecting Know Your Customer (KYC) information on suppliers, along with all related documentation pertinent to each transaction. KYC certification obtained through the Responsible Jewellery Council (RJC) or RJC Chain of Custody (CoC) will be considered relevant and in compliance with the Group's sourcing policy.
  All documents supporting transactions, whether in paper or electronic form, must be retained and completed in a clear and consistent manner to maintain a reliable audit trail. The Group of Companies reserves the right to request third-party audits of suppliers.

  Data, declarations from suppliers, and related invoices will be retained for a period of 10 years. Electronic data will be stored indefinitely.
- production process derived from the CoC RJC standard
  In the specific case of production involving CoC gold, personnel are required to monitor the supply chain from the creation of the order envelope through to the final invoicing stage.
  Employees involved in the CoC supply chain are trained and periodically updated to ensure they are fully informed about all procedures to be followed, in order to prevent any non-compliance.

These policies are communicated annually to the supply chain through emails requesting acknowledgment and are accessible on the company's website

STEP 2: IDENTIFY AND ASSESS RISK IN THE SUPPLY CHAIN

Raselli Franco S.p.A. communicates its due diligence activities to stakeholders by publishing its annually updated policies on its website and sharing them via email.