Raselli Franco spa
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REA 147400 – Marchio 2294 AL
Cap. sociale i.v. € 5.050.505,00

Policies - ENG

Revised version 09/10/2023

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01. Policies

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Raselli Franco S.p.a. founded by Franco Raselli, was established in 1969. Following further developments, it becomes an international group with physical presence in 7 countries.

The decisions regarding the production processes are designed to guarantee and protect the quality of the product and to defend the confidentiality of new developments of our customers. The fully automated management and tracking system of the supply chain allows a clear and always updated planning of deliveries. The production process is fully integrated, it starts from the ideas of our customers which are also helped by our design department. Side to this a CAD/CAM team as well as hand made products takes care of the first steps of every creation. The production process that starts from waxing and goes through casting, assemble, polishing, laser engraving, rhodium till a finished product is fully tracked and strictly subject to various QC. Alongside technology, we continue to work by hand, using the experience in handcrafted jewelry and the manual skills that are passed from generation to generation of our workers.

Raselli Franco spa headquarter is in Italy with a global presence, you can find us in Paris, New York, Hong Kong, Guangzhou, Montreal and Taipei.

Please visit us at www.gruppoerrepi.com for any further detail.

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We introduce our code of conduct that we apply to all our collaborators, such as our employees, suppliers and customers. We work hard by adhering to all ethical and moral principles that the RJC requires, and we expect all of our associates to do the same.

1. Child labor

a. Not employ people under the age of 16, the age for completing compulsory education.
b. Maintain adequate human resource systems and practices to verify that there are not workers under the minimum age.
c. Ensure that young workers are employed under well defined circumstances, such as training programs.
d. Young workers have to be registered with authority and they have to receive applicable health checks.
e. Young workers are not exposed to hazardous work conditions.
f. Young workers are not allowed to work overtime.
g. Internships are allowed if it's part of:
    1. a course of training where the school is primarily responsible.
    2. Programs are approved by the competent authority.
    3. Program of guidance designated to facilitate the choice of an occupation or of a line of training.
h. Company will pay directly the young worker, not through an agent or school.

2. Sexual harassment and gender based violence

a. Not use corporal punishments, threats of violence.
b. Ensure workers a work environment free from harassment.
c. No discrimination exists on the grounds of race, religion, political opinion, membership, age, nation of origin, sexual orientation, gender, marital status, disability, ethnic origin or any other basis.
d. All medical examinations are job related and consistent with business necessity.
e. Employment is not based on a person's medical status unless such status conflicts with the inherent requirements of the job.
f. Equal opportunities for workers of all genders across all aspects of personal and professional development and career advancement.
g. Workers of all gender receive equal pay for work of equal value.
h. Not discrimination for pregnancy workers.

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RESPONSIBLE JEWELLERY COUNCIL
CERTIFIED MEMBER
0000 4672
CHAIN OF CUSTODY
CERTIFIED NUMBER
C0000 4673

3. Forced labor

a. All workers are free to leave their employment without threat or coercion.
b. Not use any practice to coerce the continued employment of any workers.
c. Explain the terms of employment contract.
d. Employees shall not be required to turn over their original identity papers to their employer.

4. Hours of work

a. Complying with Italian law intend to ensure employees do not work excessive hours.
b. Regular and overtime hours are recorded in a reliable timekeeping system.
c. Workers must be allowed one day off in seven.
d. Workers are informed at least 42 hours prior for any working hours changes.
e. Normal working week must not exceed 40 hours.
f. Ensure to workers that overtime hours not exceed daily, weekly, and monthly legal limits.
g. Ensure that employees who refuse to work overtime are not punished or penalized in any way.

5. Health and Safety

a. A risks rating document is drawn up for evaluate each internal risk.
b. Provide a safe and healthy work environment and fully comply with all applicable safety laws.
c. Assess the workplace for hazards periodically and implement, if necessary, appropriate programs control in order to minimize risks.
d. Periodically train workers about Health and Safety.
e. Provide to employees an adequate working space without risk to health and safety, so a work space clean, dry and in a good state of repair.
f. Provide adequate lighting.
g. Provide adequate system for an appropriate ventilation.
h. Identify and control machinery risk.
i. Control periodically in order to eliminate the risk of injury from unsafe machinery.
j. Control in order to prevent ergonomic problems.
k. Workers who make repetitive activities take breaks or changes in activity.

- Provide 4 different emergency paths for each floor.
- Maintain exits for free and unobstructed egress.
- Arranged and mark exit paths.
- Mark doorways that could be mistaken for exits.
- Adequate emergency lighting at all exits along route of escape.
- Fire alarm system can be heard and seen by each worker.
- Maintain all alarm systems in good working order.
- Adequate number of fire extinguishers which are testing periodically in order to assure that are efficient if needed.

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- People designated trained to fire prevention.
- Ensure workers are not exposed to physical, chemical or biological hazards.
- Ensure an adequate number of trained first aid responders with a certification in first aid.
- Ensure first aid materials in an special box.
- About risk of chemical exposure to eyes, workers have at them disposal eye wash boxes.
- Only trained and authorized workers may conduct repairs to electrical equipment.
- Electrical distribution areas must be guarded against accidental damage.
- Access to electrical distribution rooms must be restricted to authorized workers.
- Electrical control devices are labelled to identify the equipment controlled.
- Electrical wiring and cables are in good conditions.
- Periodic inspection and testing are scheduled about electrical safety.
- Workers are trained in electrical safety rules.
- Suitability of PPE presently available and select new or additional equipment that provide protection from hazards.
- PPE are used where appropriate and does not itself.
- Eye and face protection are granted to people who manage hazardous tools.
- Safety shoes are required to be worn when carrying materials such as heavy tools.
- Suitable gloves must be worn when hazards from chemicals, biologicals or harmful temperature extremes.
- PPE are maintained in clean and good working condition.
- Workers required to wear PPE received initial and ongoing training, and they have to demonstrate an understanding of the training.
- Workers must no pay for PPE.
- Periodic inspection and testing are scheduled about respiratory hazards.
- Ensure respirators and filters are cleaned and disinfected as often as necessary.
- Filters are changed based upon a determined schedule.
- All food made available to workers shall be prepared, stored and served in a safe and sanitary manner.
- Areas of food preparation meet hygiene and sanitary standards.

6. Right to join a trade union and representative organizations

a. Workers are free to decide to join association and collective bargaining.
b. Prohibit deduct union membership fees from legal wages without the consent of the worker.
c. Shall allow union representatives reasonable access to their members under conditions established by Italian law.
d. Prohibit use violence in order to intimidate or to prevent any activities that constitute a lawful exercise of the right of association.
e. Not impose any sanction on workers organizing or having participated in a strike.
f. Honor terms of ant signed collective bargaining agreement for the duration of the agreement.

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7. Wages

a. Provide to each worker a level of compensation for a regular workweek that is sufficient to meet the basic needs.
b. Comply with Italian law in the payment of wages and overtime work hours and provision of benefits including holidays, leaves and statutory severance.
c. Ensure, for overtime work hours, compensation of at least 25% more for each worker base wage.
d. Provide to workers a wage statement with the following information:
    1. Pay period and wage payment dates.
    2. Regular and overtime hours worked.
    3. Wage rates for hours of work.
    4. Additional compensation such as individual bonus.
e. Not delay payments to workers under any circumstance beyond 30 days.
f. Not use deductions from legal wages as a form of discipline.
g. Ensure workers giving birth are entitled to unpaid maternity leave and be entitled to return to their employment.

8. Bribery and money laundering

a. Not engage corrupt practices, including bribery, extortion, embezzlement, fraud, money laundering or any business related to terrorist activity.
b. Not violate Foreign Corrupt Practices Act (FCPA).
c. Procedures in compliance with applicable anti-corruption and bribery laws.
d. Not provide anything of value to any official or employee of government agency.

9. Grievance mechanisms

a. Use of suggestion boxes.
b. Designated people to whom workers could report grievances such as responsible for workers' safety.
c. Human resources department is completely at workers disposal for any grievances.
d. Telegram is an internal app used by the company to send communications and also used from workers for eventually questions of grievances.

10. Environment and Chemical use

a. A risks rating document is drawn up for evaluate each internal risk for chemical use.
b. Periodically measures in order to minimize environmental impact.
c. Keep current with all required environmental permits.
d. Management system to identify chemicals or hazardous materials.
e. Ensure Safety data sheets are obtained from chemical manufacturers.

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f. Hazardous chemical containers are labeled.
g. Ensure chemical and waste storage areas are designated and maintained to prevent leaks.
h. Minimization of environmental impacts throughout the supply chain.

11. Security, data protection and conflict of interests

a. Ensure safety and security for all workers and visitors.
b. Visitors must receive express authorization to access the various units. Their identity cards are recorded in a system in order to monitor access to the company.
c. Establish measures to prevent product or intellectual property theft, unauthorized access to or loss of workers or customer personal information.
d. In carrying out the duties it is necessary to adopt suitable custody, control measures and any precautions that allow to minimize the risk of destruction or loss, even accidental, of the data.
e. The data processed must be considered as confidential and must not be communicated to anyone who has not been previously authorized by the Data Controller to be able to know them. Our suppliers, customers and workers sign a declaration for data protection (GDPR).
f. Accurate security system equipped of cameras and double entrance door.
g. Suppliers, customers and workers must concentrate on the interests of Raselli Franco spa and not damage its work by favoring the interests of third parties.

12. Human rights

a. Ensure human rights are protected and prioritized in all aspects of its operation.
b. Suppliers, customers and workers must follow the principles of United Nations Universal Declaration of Human Rights.
c. Child labor is not tolerated.
d. Not use corporal punishments, threats of violence.
e. Workers must have a work environment free from harassment.
f. No discrimination exists on the grounds of race, religion, political opinion, membership, age, nation of origin, sexual orientation, gender, marital status, disability, ethnic origin or any other basis.
g. All workers are free to leave their employment without threat or coercion.
h. Complying with Italian law intend to ensure employees do not work excessive hours.
i. Provide a safe and healthy work environment and fully comply with all applicable safety laws.
j. Workers are free to decide to join association and collective bargaining.
k. Provide to each worker a level of compensation for a regular workweek that is sufficient to meet the basic needs.
l. Comply with Italian law in the payment of wages and overtime work hours and provision of benefits including holidays, leaves and statutory severance.
m. Not engage corrupt practices, including bribery, extortion, embezzlement, fraud, money laundering or any business related to terrorist activity.
n. Ensure safety and security for all workers and visitors.

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13. Diamond warranties and Colored gemstones

a. We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:
    1. torture, cruel, inhuman and degrading treatment.
    2. forced or compulsory labour.
    3. the worst forms of child labour.
    4. human rights violations and abuses.
    5. war crimes, violations of international humanitarian law, crimes against humanity or genocide.

b. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are committing abuses described in 4 or are sourcing from, or linked to, any party committing these abuses.

c. Regarding direct or indirect support to non-state armed groups we only sell or purchase diamonds/coloured gemstones that are fully compliant with the Kimberley Process Certification Scheme and, as such, will not tolerate direct or indirect support to non-state armed groups, including, but not limited to, procuring diamonds/coloured gemstones from, making payments to, or otherwise helping or equipping non-state armed groups or their affiliates who illegally:
    1. control mine sites, transportation routes, points where diamonds/coloured gemstones are traded and upstream actors in the supply chain.
    2. tax or extort money or diamonds/coloured gemstones at mine sites, along transportation routes or at points where diamonds/coloured gemstones are traded, or from intermediaries, export companies or international traders.

d. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are sourcing from, or are linked to, any party providing direct or indirect support to non-state armed groups.

e. Regarding public or private security forces we affirm that the role of public or private security forces is to provide security to workers, facilities, equipment and property in accordance with the rule of law, including law that guarantees human rights. We will not provide direct or indirect support to public or private security forces that commit abuses or that act illegally.

f. Regarding bribery and fraudulent misrepresentation of the origin of diamonds/coloured gemstones we will not offer, promise, give or demand bribes, and will resist the solicitation of bribes, to conceal or disguise the origin of diamonds/coloured gemstones, or to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of diamonds.

g. Regarding money laundering we will support and contribute to efforts to eliminate money laundering where we identify a reasonable risk resulting from, or connected to, the extraction, trade, handling, transport or export of diamonds/coloured gemstones.

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14. Conflict minerals (Gold, Platinum, Silver, Palladium)

a. We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:
    1. torture, cruel, inhuman and degrading treatment.
    2. forced or compulsory labour.
    3. the worst forms of child labour.
    4. human rights violations and abuses.
    5. war crimes, violations of international humanitarian law, crimes against humanity or genocide.

b. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are committing abuses described in 4 or are sourcing from, or linked to, any party committing these abuses.

c. Regarding direct or indirect support to non-state armed groups we will not tolerate direct or indirect support to non-state armed groups, including, but not limited to, procuring minerals from, making payments to, or otherwise helping or equipping non-state armed groups or their affiliates who illegally:
    1. control mine sites, transportation routes, points where minerals are traded and upstream actors in the supply chain.
    2. tax or extort money or minerals at mine sites, along transportation routes or at points where minerals are traded, or from intermediaries, export companies or international traders.

d. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are sourcing from, or are linked to, any party providing direct or indirect support to non-state armed groups.

e. Regarding public or private security forces we affirm that the role of public or private security forces is to provide security to workers, facilities, equipment and property in accordance with the rule of law, including law that guarantees human rights. We will not provide direct or indirect support to public or private security forces that commit abuses or that act illegally.

f. Regarding bribery and fraudulent misrepresentation of the origin of minerals we will not offer, promise, give or demand bribes, and will resist the solicitation of bribes, to conceal or disguise the origin of minerals, or to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of diamonds.

g. Regarding money laundering we will support and contribute to efforts to eliminate money laundering where we identify a reasonable risk resulting from, or connected to, the extraction, trade, handling, transport or export of minerals.

Our Due Diligence is aligned with the OECD Due Diligence Guidance and no risks have been identified in our supply chain.

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02. Human rights policy

Revised version 09/10/2023

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-"*Human Rights are the inalienable rights of man, that is the rights that must be recognized to every person for the sole fact of belonging to the human race, regardless of origins, affiliations or places where the person is*."-

Human rights are one of the primary values for Raselli Franco spa.

Our key points are the following:

- Not employ people under the age of 16, the age for completing compulsory education.
- Ensure that young workers are employed under well-defined circumstances, such as training programs.
- Young workers have to be registered with authority and they have to receive applicable health checks.
- Young workers are not exposed to hazardous work conditions, and they are not allowed to work overtime.
- Internships are allowed if it's part of:
  1. a course of training where the school is primarily responsible.
  2. Programs are approved by the competent authority.
  3. Program of guidance designated to facilitate the choice of an occupation or of a line of training.
- Company will directly pay the young worker, not through an agent or school.
- All workers are free to leave their employment without threat or coercion.
- Not use any practice to coerce the continued employment of any workers.
- Explain the terms of employment contract.
- Employees shall not be required to turn over their original identity papers to their employer.
- Workers are free to decide to join association and collective bargaining.
- Prohibit deduct union membership fees from legal wages without the consent of the worker.
- Prohibit use violence in order to intimidate to prevent any activities that constitute a lawful exercise of the right of association.
- Not impose any sanction on workers organizing or having participated in a strike.

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- Honor terms of ant signed collective bargaining agreement for the duration of the agreement.
- Not use corporal punishments, threats of violence.
- No discrimination exists on the grounds of race, religion, political opinion, membership, age, nation of origin, sexual orientation, gender, marital status, disability, ethnic origin, or any other basis.
- Complying with Italian law intend to ensure employees do not work excessive hours.
- Provide a safe and healthy work environment, fully comply with all applicable safety laws and free from harassment.
- Provide to each worker a level of compensation for a regular workweek that is sufficient to meet the basic needs.
- Comply with Italian law in the payment of wages and overtime work hours and provision of benefits including holidays, leaves and statutory severance.
- Not engage corrupt practices, including bribery, extortion, embezzlement, fraud, money laundering or any business related to terrorist activity.
- Ensure safety and security for all workers and visitors.

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03. Gender equality policy

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The International Labor Organization (ILO) defines discrimination as any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation. Women suffer the most from discrimination, in terms of job availability, payment, benefits, working conditions, and promotions to high-level positions.

Gender integration is the process of assessing the implications for women and men of any planned action, including legislation, policies or programs, in all areas and at all levels. It is a strategy for making women's, as well as men's concerns and experiences; Gender integration goes hand in hand with the promotion and protection of women's human rights and the elimination of discrimination against women. The ultimate goal is to achieve gender equality.

The objectives of this policy are:

- ♀♂ No discrimination exists on the grounds of race, religion, political opinion, membership, age, nation of origin, sexual orientation, gender, marital status, disability, ethnic origin or any other basis.
- ♀♂ Advance women's equal participation with men as decision-makers in shaping the sustainable development of their societies. Due to this matter, the legal representative of Raselli Franco spa is a woman, and also the main partner for Ma j manufacture de joaillerie is a woman, Fanny D'Amato.
- ♀♂ Support women and girls in the realization of their full human rights. Promoting gender equality, which refers to the equal rights, responsibilities and opportunities of women and men and girls and boys.
- ♀♂ Reduce gender inequalities in access to and control over the resources and benefits of development. Equal opportunities for workers of all genders across all aspects of personal and professional career advancement.
- ♀♂ Ensure workers a work environment free from harassment.
- ♀♂ All medical examinations are job related and consistent with business necessity.
- ♀♂ Employment is not based on a person's medical status unless such status conflicts with the inherent requirements of the job.
- ♀♂ Workers of all gender receive equal pay for work of equal value.
- ♀♂ Not discrimination for pregnancy workers.
- ♀♂ In the period of maternity, workers maintain their jobs and part or all of the salary, according to the stages of motherhood. The first period, compulsory maternity, lasting for 5 months the 100% of the salary is guaranteed. In the second period, optional maternity, lasting till the child is 11 months old, the 30% of the salary is guaranteed.
- ♀♂ Equal and transparent recruitment practices.
- ♀♂ Proportions of men and women staff members with part-time contracts.
- ♀♂ About 50% of the employees are female.

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04. Sustainability policy

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At Raselli Franco s.p.a. we are aware of the importance of conducting our business responsibly, and in respect of the people and the planet.

We focus our sustainability efforts on the following ten key areas:

I. **Policy and Management:** We commit to apply clear policies and suitable systems for managing our business responsibly.
II. **Business Ethics and Integrity:** We commit to conduct business ethically, to comply with the law, and to forbid bribery and prevent all forms of corruption and other illegal activities.
III. **Responsible Supply Chain**: We commit to better understand the sources of the materials and products we buy from mine to market and to support responsible production wherever possible.
IV. **Human Rights and Equality:** We commit to uphold the fundamental human rights of each individual and encourage inclusion and equality in our business and throughout the gemstone and jewellery community.
V. **Labour Rights and Fair Working Conditions:** We commit to respect the rights of our workers and to treat them as family.
VI. **Health and Safety at Work:** We commit to provide safe working conditions for our workers.
VII. **Environmental Protection:** We commit to produce and design with respect for natural resources, ecosystems, and wildlife, and we take action to minimise our impact on the environment.
VIII. **Community Development:** We commit to support the sustainable advancement of the communities that contribute to and depend on the gemstone and jewellery value chain in any way possible.
IX. **Responsible Mining:** We commit to encourage and facilitate responsible mining practices in order to reduce the impact of operations on communities and nature.
X. **Product Transparency:** We commit to communicate transparently about the provenance of our products and on the characteristics that make them unique.

Raselli Franco s.p.a. requires, management and employees to be familiar with their responsibilities. Violations of this Policy and/or related policies and procedures will be regarded as cause for disciplinary action.
Raselli Franco s.p.a. expects all business partners to uphold the same commitments.

This Policy will be reviewed and, where necessary, updated on a regular basis, to ensure it remains relevant and to account for potential changes in our business.

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05. Anti–Money Laundering (AML) policy

Revised version 09/10/2023

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INTRODUCTION

Raselli Franco s.p.a. is committed to conducting business with integrity and in compliance with all applicable laws and regulations.

The purpose of this Anti–Money Laundering (AML) Policy is to declare our commitment to taking action to prevent and manage potential risks of being involuntarily implicated in money laundering, terrorism financing, and other similar criminal activities.

Aware of the fact that money laundering and terrorism financing are a particular concern in the gemstones and jewellery industry, Raselli Franco s.p.a. implements an AML system, reflected in our KYC Procedure, which provides a framework for our fight against money laundering and terrorism financing within our business and along our value chain.

It is the policy of Raselli Franco s.p.a. to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable requirements under the DIRETTIVA (UE) 2015/849 DEL PARLAMENTO EUROPEO E DEL CONSIGLIO and its implementing regulations.

We conduct Know Your Counterparty (KYC) checks on all of our business partners, and we maintain records of all our transactions to avoid working with businesses or individuals who are involved in the illicit movement of money.

Raselli Franco s.p.a. requires executives, management and employees to be familiar with their legal responsibilities and adhere to this Policy and related procedures. Violations of anti–money laundering and terrorism financing laws can lead to severe legal penalties.

This policy will be reviewed and updated on a regular basis to account for both changes in regulations and changes in our business.

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1. Scope and Objectives

In our Anti–Money Laundering (AML) Policy, we recognize the importance of preventing money laundering and terrorism financing and we commit to high standards of business integrity. The purpose of this procedure is to provide a framework for the implementation of our AML Policy.

This procedure establishes the standards that executives, managers and employees should observe to make sure that the business is able to prevent, mitigate, and manage risks of being associated with money laundering, terrorism financing and other criminal activities.

This procedure establishes:

- The roles, responsibilities and duties of relevant functions and departments.
- The operating procedures for managing the risk of money laundering and terrorism financing.
- The control system to ensure compliance with internal procedures and all regulatory obligations.

2. Definitions

Beneficial Owner: A beneficial owner in respect of a business means the natural person who directly or indirectly ultimately owns or controls the corporate entity.

Counterparty: The other party that participates in a financial transaction. It could be an individual, a business, a government, or another type of organization.

Money Laundering: The illegal process of concealing the origins of money that is generated by criminal activity by passing it through a complex sequence of bank transfers or commercial transactions.

Politically Exposed Person (PEP): A person who holds a senior public or elected position and, for this reason, is perceived to be more likely to be exposed to the risk of money laundering and other crimes related to illegal transactions, such as corruption and bribery.

Suspicious transaction: A suspicious transaction is a transaction that is inconsistent with the client's legitimate business or the client's usual transaction history known from the monitoring of client activity.

Terrorism Financing: The provision of financial support to individual terrorists or non-state armed groups.

3. Responsibilities and Governance

- Andrea Raselli

Raselli Franco s.p.a. has designated Andrea Raselli, with full responsibility for the business's AML program. He has a working knowledge of the anti–money laundering and counter terrorism laws and regulations of Italy, and is qualified by experience, knowledge and training.

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The duties of the aml officer include:

- Monitoring the business's compliance with AML laws and regulations;
- Overseeing the correct implementation of this procedure;
- Communicating with and training employees on the AML policy and procedure;
- Ensuring that the business keeps and maintains all required AML and KYC records;
- Ensuring that Suspicious Activity Reports (SAR) are filed.

The officer is vested with full responsibility and authority to enforce Raselli Franco s.p.a.'s AML system. Other departments that can be involved in AML activities, and over which the AML officer has authority, are financial department and accounting department.
Andrea Raselli is the CEO of Raselli Franco s.p.a., so he is ultimately responsible for overseeing the correct implementation of the AML Policy and system.

4. Approach and Disclaimers

We will not do business with the following individuals or entities:

- Individuals included in any official list of sanctions;
- Individuals with indications of possible involvement in criminal activities, based on available information about them;
- Businesses for which the legitimacy of activity or sources of funds cannot be reasonably verified;
- Individuals refusing to provide the required information or documentation for KYC; or
- Entities whose shareholder/control structure cannot be determined.

We reserve the right to suspend any client's operation which can be regarded as illegal or may be related to money laundering in the opinion of the AML officer.

5. Procedure Steps

We undertake KYC checks on each prospective customer and business partner before entering into a business relationship through:

- The identification and verification of the counterparty's information;
- A due diligence process to determine the counterparty's risks;
- A monitoring system to detect anomalous or suspicious behaviour.

The process of the implementation of KYC is described below.

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RESPONSIBLE JEWELLERY COUNCIL
CERTIFIED MEMBER
0000 4672
CHAIN OF CUSTODY
CERTIFIED NUMBER
C0000 4673

5.1 Counterparty Identification and Verification

When a potential counterparty becomes a prospective client or a prospective business partner:

I. AML officer will request that the counterparty completes the KYC form and provides supporting documentation, including:

a) For individuals, a valid identity document;

b) For businesses, at a minimum:

i. certified articles of incorporation or any national equivalent;

ii. a government-issued business license;

iii. an identity document of a representative of the business.

II. AML officer will identify and verify:

a) For individuals, the counterparty identity on the basis of documents (which may be electronic) or information that the AML officer has reasonable grounds to believe are reliable as confirmation of the identity of the counterparty;

b) For business entities, the business information and the identity of the business's representative and beneficial owners, on the basis of documents or information that the AML officer has reasonable grounds to believe are reliable as confirmation of the identity of the counterparty.

III. AML officer will check to ensure that the counterparty is not:

a) Present on the government-issued sanction lists issued by your country government, or engaging in transactions involving the transferring, paying, exporting, withdrawing, or otherwise dealing in the property, or interests in property;

b) Because economic sanctions and embargoes are updated frequently, the officer will consult them on a regular basis and subscribe to receive any available updates when they occur;

c) Associated with media allegations or other negative press.

IV. The AML officer will also check if the individual is a Politically Exposed Person (PEP) and, if so, apply heightened scrutiny, through deeper investigation and continuous monitoring

V. If the AML officer determines that the counterparty is featured in relevant sanction lists, he will rejects the individual or entity as a potential business partner and notify within 10 days.

VI. If the AML officer determines that the identification and verification process is successful, he proceeds with the additional KYC steps described below.

5.2 Counterparty due diligence to assess risk

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VII. The AML officer conducts due diligence to verify that the potential counterparty can be trusted as a potential business partner. To this end, he collects the following information:

a) The activities that the counterparty is or has been involved with;
b) The location where the counterparty carries out the activities;
c) The expected volume of transactions and payment methods;
d) The counterparty's customers and business relationships;
e) The counterparty's anti–money laundering policies and procedures.

VIII. Where the counterparty is a business, the AML officer analyses the ownership structure to determine which entities or persons directly or indirectly own the business. The AML officer identifies the ultimate beneficial owner(s).

5.3 Monitoring

IX. The AML officer monitors the activity of the counterparties to identify and prevent suspicious transactions.

6. Record Keeping

XI. We maintain records of all data and documents obtained for the implementation of the AML system and KYC process for as long as the relationship endures with the counterparty and for at least five years after the relationship ends or for as long as is required by national legislation, whichever is longer.

7. Training

We train all employees to make sure they are aware of Raselli Franco s.p.a. AML policy and system. Training is provided to all senior staff and to employees working in all departments.

8. Communication and Revision

The AML Policy and Procedure are available on our internal system. The procedure shall be reviewed earlier if there is change in legislation, international standards or business operations.

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06. Sustainability report

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Nowadays, we frequently find ourselves talking about environmental sustainability, the correct exploitation of resources and the reduction of polluting emissions. Responsible interaction with the environment is essential to continue producing goods and services and at the same time safeguard the planet, making it available for future generations. Everything revolves around the concept of sustainability and its different declinations.

The term “sustainability” derives from the Latin “sustinere” (to hold, to hold; sub, below). In environmental and economic sciences, the term sustainability refers to the condition of development capable of ensuring the satisfaction of the needs of the present generation, without compromising the possibility of future generations to realize their own.

Environmental, social, and economic sustainability

In the environmental field, the concept of sustainability indicates the process of change in which the exploitation of resources, the investment plan, the orientation of technological development and institutional changes are all in harmony and enhance the current and future potential in order to make meeting the needs and aspirations of man.

To make the planet more sustainable from an environmental point of view, it is necessary to put into practice a series of strategies, such as providing for more green areas and optimizing traffic within urban spaces, the use of a type of industrial production that has an environmental linked to increasingly lower CO2 emissions, the use of green technologies and renewable energy sources, as well as the adoption of individual lifestyles that favour the correct use of available resources, minimize waste and provide for correct disposal and recycling of consumed products.

The guiding principle of sustainability is sustainable development, which concerns, in an interconnected manner, the environmental, economic, and social spheres. These three dimensions of sustainability contribute together to the definition of well-being and progress.

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EMISSIONS

In recent years, attention has significantly increased on CO2 emissions, the carbon dioxide responsible, among other things, for the increase in the earth's temperature. To this end, in 2020 the company replaced obsolete boilers with condensing ones to reduce emissions. The new system based on condensation technology optimizes the use of energy generated by gas combustion. This allows a cost reduction of up to 30% compared to the old technology of a traditional boiler, which means a reduction in Co2 from 8.70% to 9.20%.
In order to reduce Co2 emissions, during the design phase of the new building for the company's expansion, a new kitchen was designed with an induction hob system, thus eliminating gas burners.

To ensure that emissions due to production do not have a negative environmental impact, the company conducts analyses of the five emission points every two years. Noise and vibrations towards the outside analyses are also carried out, while to protect the working environment, noise and vibration analyses are also carried out within the company premises. Periodic analyses also monitor wastewater discharges, to avoid polluting sewer discharges.

POWER

Another particularly important topic is electricity.
Raselli Franco spa's commitment to this issue has roots in 2012 when a photovoltaic system was installed which allows it to save 30% of the electricity consumed. The unconsumed energy production, produced during closed periods such as, for example, summer holidays or weekends, is sold and then put back into the grid, in order to avoid waste.
In 2023/2024 the company plans to install a new photovoltaic system to cover the roof of the new building. The plant will be smaller in size than the existing one but will still allow for a reduction in energy consumption.

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In addition to the photovoltaic system, in 2016 the company installed a device that allows it to reduce consumption by 10%. The installed system is called “ICO-F” and is part of the complete range of Voltage Optimizers. A new generation system characterized by innovative technology capable of guaranteeing a reduction in energy waste generated by overvoltage present in electrical networks. The machines of the ICO-F line also allow the elimination of voltage peaks within the systems, with a consequent extension of the life of the components present on the system itself.

RECYCLING

The Raselli company 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.
The plastic cups for hot drinks have been replaced with cups given to employees engraved with the name of the individual worker, while the water drink bottles have been replaced by a water dispenser which purifies the running water through special filters. To this end, the employees were provided with a water bottle, also personalized.
The commitment continues in the supply of recyclable packaging such as, for example, with PE film to replace the classic PVC ones, which are much more polluting.

STATE-OF-THE-ART MACHINERY

The company pays particular attention to the purchase of innovative machinery to enhance the production departments while respecting the environment, especially equipment that has reduced consumption and emissions.
Before each purchase, a department study is carried out with competent personnel and the various companies from which to request quotes are selected. Among the main requests for information there are always details of consumption and emissions, in order to evaluate the purchase of machinery, not only for their production characteristics, but also for the environmental factor.

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One of the most important investments made in recent years consists in the purchase of numerical control machines for the production of goldsmith objects. Although these machines do not have a reduced electricity consumption, they guarantee a minimum percentage of non-harmful oil particulate emissions; therefore, from the point of view of emissions into the atmosphere, this machinery allows copious quantities of production to be carried out with minimal losses into the atmosphere.

GREEN AREAS

During the design of the structure under construction, as an extension of the existing building, it was decided to use a part of the roof on the -1 floor as a roof garden, to give the co.in.or area. an important lung. A 9m x 5m vertical garden wall will also be created to enhance the greenery of the area.

During the last months of 2023, the Raselli Franco spa company began a process, together with all the companies that are part of the Errepi Group, in order to draw up a report on Co2 consumption and the actions taken to guarantee its reduction.

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07. Management of complaints and reports

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Raselli Franco spa has defined this complaint procedure with the intention of giving voice to any concerns regarding circumstances in the supply chain.

Andrea Raselli is responsible for implementing and examining this procedure.

Interested parties can communicate concerns via email or telephone to:

[redacted]

[redacted]

Upon receipt of a complaint, we intend to intervene to:

- obtain a precise report of the report.
- explain our reporting procedure.
- determine how the complainant would like the complaint to be handled/resolved.
- assess the admissibility of the report and, where applicable, decide who should handle it internally; If it is not possible to deal with your complaint internally, we may escalate it to another entity or institution, such as the supplier or relevant industry organisation.
- Where issues can be managed internally, obtain further information, if possible and appropriate.
- identify any interventions we need to implement, including listening to all parties involved, and monitor the situation.
- communicate any decisions or outcomes to the author of the report.
- keep the documentation of the reports received and the consequent internal procedure.

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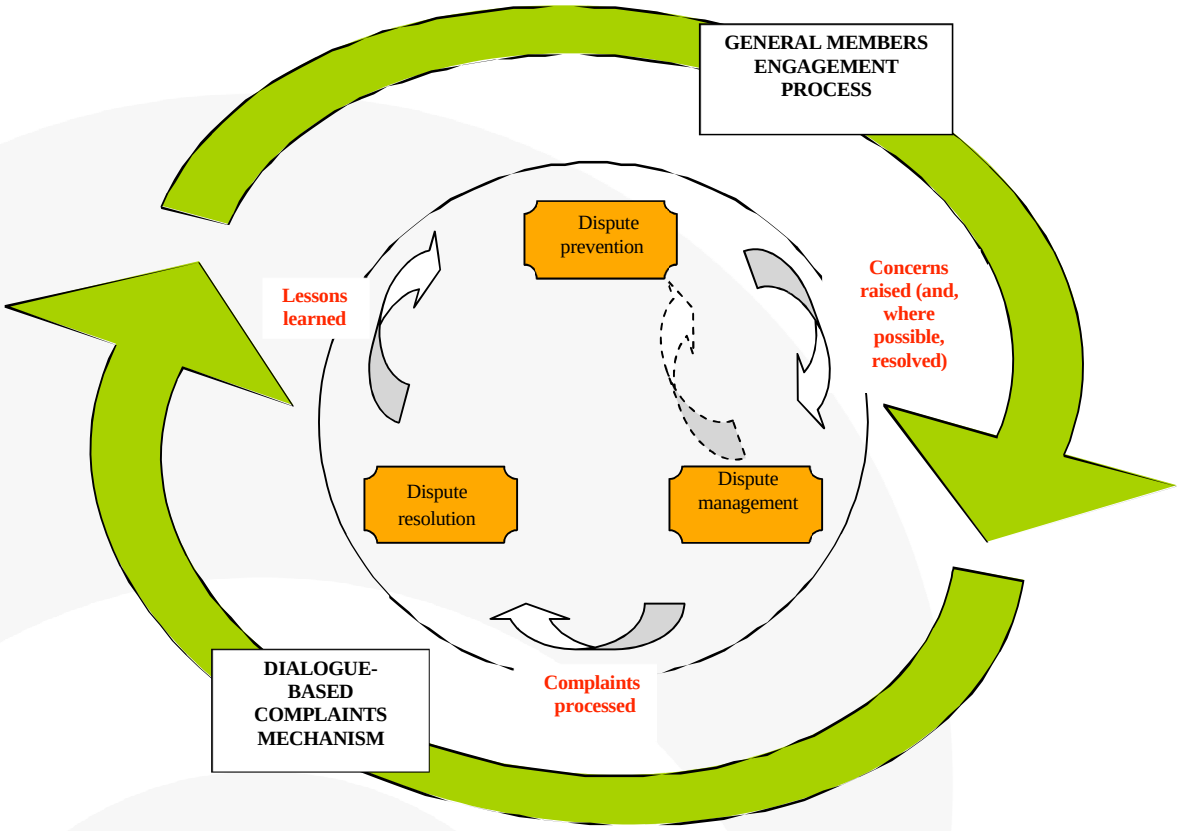

The management of complaints and suggestions is an important and fundamental action for organizations for multiple reasons: firstly, it allows the service to be improved in light of the considerations coming from the employee, preparing remedies and corrective or preventive actions; on the other hand, it allows to improve satisfaction and consensus around the organization itself, thus becoming a way to improve and monitor the quality of the working environment more generally and to spread the image of an organization attentive to needs and feedback of its employees.

A complaints and suggestions management system should include some steps, such as:

- develop formalized and shared complaint procedures, aimed at encouraging the rapid resolution of problems and making staff responsible for managing the complaint itself.

To be correct and truly useful, a procedure must have some characteristics:

- be written in simple and understandable language

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- be simple for employees to follow
- promote a quick resolution of cases
- set and monitor time limits for acceptance, response and information on initiatives undertaken to resolve the problem
- contain the indication of all the steps
- cover both management-related and policy-related complaints
- be reviewed periodically

- create an organizational structure for complaints management.

There is a need to provide quick responses and promote greater responsibility towards complaints. It must also be ensured that all complaints are handled comprehensively, and that there is general follow-up.

- create easy and available forms to fill in for the written presentation of the complaint/suggestion.
- register complaints, create a database in which all the information collected (written and oral) can be stored.
- draw up reports and analyses on complaints, ensuring verification based on the reports received, to identify "areas of disservice" and the consequent improvement process.

Reports containing this information should:
- clearly identify the volume of complaints, divided according to the different categories
- include comparisons with the promised service standards and with the results achieved in previous periods.
- include a qualitative analysis of "key themes", to illustrate quantitative data and illuminate critical areas
- propose actions for improvement

- provide response methods by precisely defining the terms and times.

The moment employees feel involved in a management process, expectations are created in them which above all concern the possibility that their opinion is truly considered and can be concretely useful. For this reason, it is necessary to give feedback to the employee who sent a report, and allow, within certain and established times, to have feedback on the complaint presented and, on the actions, taken in this regard by the administration.
The response can take place in different ways: by telephone or email, and in more complex cases through a meeting.

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- inform the employee about the service standards, cases of non-compliance and the ways in which it is possible to submit a complaint (indicating the channels and people to contact), encourage the complaint and remove barriers also through the provision of collection points very visible signals.

To help employees express their complaints and suggestions, various tools can be used, such as boxes for collecting anonymous reports, email references from managers and finally verbal reporting.
Employees will only file complaints if they feel like the organization is listening to their comments and using them. Organizations that decide to implement a complaints management system must clearly indicate that:
- Complaints are welcome.
- They will be carefully investigated - if appropriate, a response will be given - the information will be used to improve the service - the fact of having "complained" will not cause retaliation or discrimination on the part of the staff.
Furthermore, the complaints management system must consider people with difficulties, to this end, to facilitate users in submitting complaints, forms can be prepared containing the information necessary for registration.

- Take care of the employees' attitude towards the complaint: the functionality of a complaint management system, in fact, is guaranteed not only by the formal procedure, but also, to the attitude of employees, who must understand that complaint management is an integral part of both the worker care activity and the specific activity of each employee, and not an annoying intrusion, recognizing the benefits of good complaint management system and understanding the complaint as an opportunity both to "make things right" with respect to the individual and to improve the working environment.

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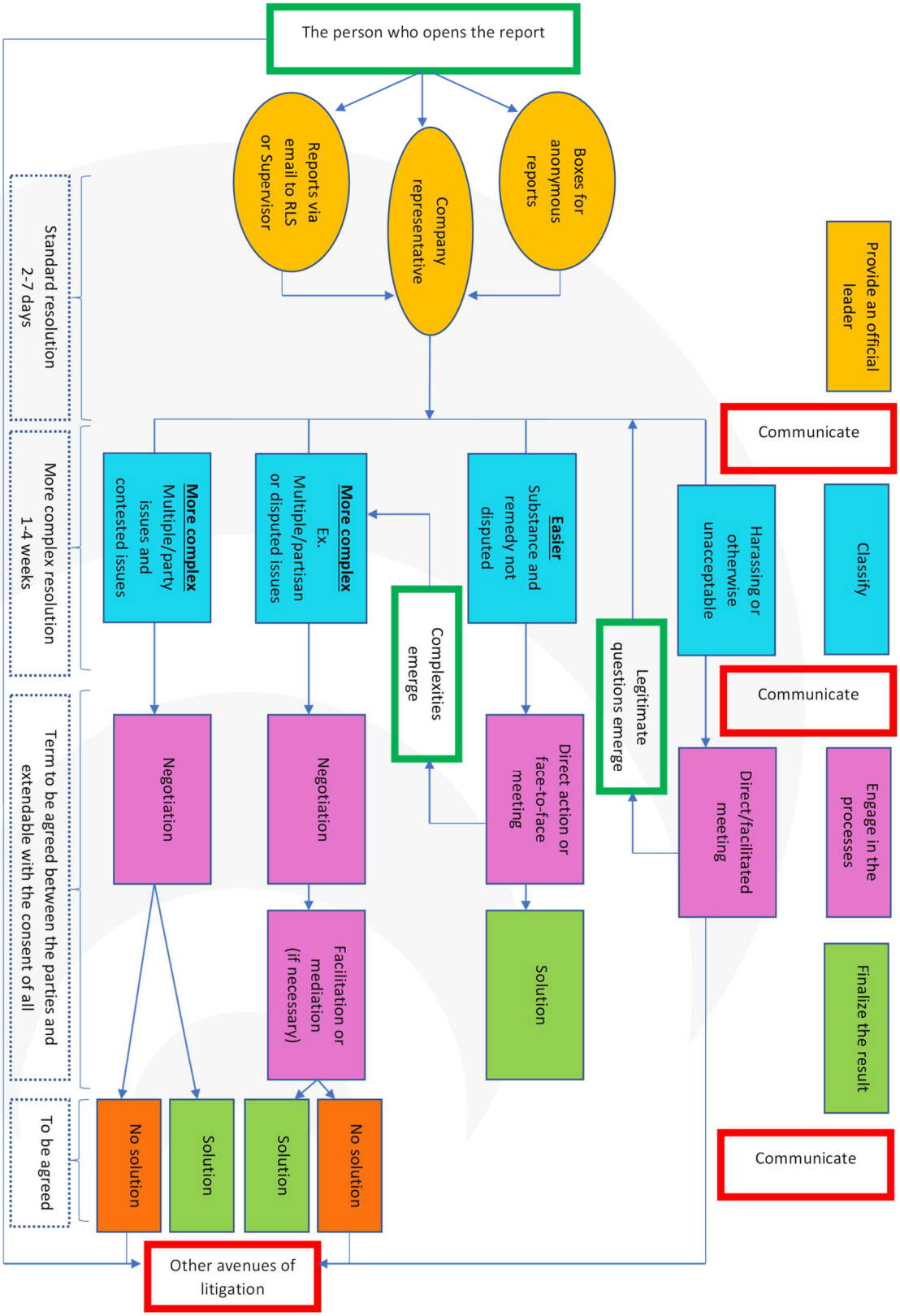

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Diamond Sourcing Policy

Contents:

1. Introduction and scope – Our Protocol
2. Principles
3. Checking and monitoring
4. Declaration form
5. Achieveable targets and future planning

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1. Introduction and scope

Raselli Franco S.p.a. and its group of Companies also known as Gruppo Errepi has studied and developed a diamond sourcing policy that aims to track and establish clear and sustainable rules of purchasing. Thanks to its long-time experience and its worldwide presence and thanking all of our suppliers and customers who aim to follow these conditions Raselli Franco S.p.a. and its Group of Companies will commit to this document and to its sourcing policies to ensure the highest disclosure of the sourcing chain to protect and prevent any mislead of the Group principles.
The public is increasingly concerned about where their products come from. As these concerns grow, industry participants and consumers will need reassurances that go beyond the scope of the Kimberley Process, which has demonstrated its effectiveness in dealing with issues around conflict diamonds. However, as the public, human rights groups and governments demand more accountability, the KP cannot be the only solution for all the issues and the challenges throughout the diamond supply chain.
The target is to track as much as possible the provenance of diamonds sourced, ensuring that none of the sourcing comes from a SDNBP source. (An SDNBP is a "Specially Designated National and Blocked Person." The Office of Foreign Assets Control (OFAC) of the U.S. Department of Treasury publishes a list of SDNBPs, which consists of individuals and companies owned or controlled by, or acting for or 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 dealing with them.)
For an always updated SDNBP source please refer to:
http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx

The result of this process is our protocol that we will adapt to all our suppliers. The non appliance will result in ending any business relations with third parties that could not provide the information and guarantees required. This protocol is meant only for use between Industry Participants. It is not meant to be consumer-facing or to be included in advertising or promotional efforts.
The protocol is applied to 100% of purchases from third parties weather it consists of rough or polished diamonds. See details in APPENDIX III.

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2. Principles

This Protocol permits Sellers to provide a Protocol Warranty in connection with sales of specific products. Raselli Franco S.p.a. and its Group of Companies requires a Written Warranty on invoices that diamonds were obtained from or processed from Approved Sources and not Obtained from or Processed by a SDNBP or Subject Source.
Approved Sources are listed in APPENDIX I. This list may be amended by Raselli Franco S.p.a. from time to time and it will result in an updated version of this document.
As an additional statement to be included in the Protocol Warranty Raselli Franco S.p.a. and its Group of Companies requires all suppliers to fill in the document listed in APPENDIX II.
To ensure a complete and uniform application of the requirements each and any division at Raselli Franco S.p.a. and its Group of Companies is bound to strictly follow this policy. Each division doing any buying should follow the Protocol and require declaration and documents to suppliers. Declaration must be carried out on invoices and it's compulsory. Tracking form is compulsory and must be attached to invoice.
Understanding the state of the art of the industry and the difficulties related to diamond tracking we do hereby for the moment amend who will not be able to fulfill columns H "Original Lot" in the format listed in Appendix II but we do encourage each actor of the industry to be ready for full disclosure that will soon be required.
Suppliers that will be able to provide also this information will be considered as preferable source.
Additional warrants required are:

1- A statement that the diamonds supplied have been sourced or purchased in compliance with the World Diamond Council (WDC) System of Warranties (SoW) standard.
2- A statement that conforms to the World Federation of Diamond Bourses Charter.
3-

Sample of acceptable warranties are here provided:

- "…To Seller's Best Knowledge, the diamonds supplied under this (insert name of Commercial Document) were Obtained from or Processed by Approved Sources, specifically the sources listed in Appendix II of the Protocol, and not Obtained from or Processed by a SDNBP or Subject Sources, specifically the sources listed in Appendix I of the Protocol."
- "…The diamonds herein invoiced have been sourced/purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding national laws. The seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines."
- "…The diamonds herein invoiced are exclusively of natural origin and untreated based on personal knowledge and/or written guarantees provided by the supplier of these diamonds…"

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REA 147400 – Marchio 2294 AL
Cap. sociale i.v. € 5.050.505,00

RESPONSIBLE JEWELLERY COUNCIL
CERTIFIED MEMBER
0000 4672
CHAIN OF CUSTODY
CERTIFIED NUMBER
C0000 4673

3. Checking and monitoring

Each department at Raselli Franco S.p.a. and every department inside its Group of Companies is responsible for collecting KYC information on suppliers and all related documents that correspond to each transaction.
In the KYC information certification through RJC or RJC CoC will be consider relevant and in compliance with our sourcing policy.
Declaration on each and single invoice is compulsory.
Filling of Diamond Origin table is compulsory.
Filling of Diamond Origin Table with Mine Lot ID description is for the moment at supplier decision with the aim to get full disclosure by 2025 or earlier if possible.
Any document supporting a transaction, in either paper or electronic form, must be retained and filled in a clear and consistent manner so that it can support an audit trail.
Raselli Franco S.p.a. and its Group of Companies reserve the right to ask suppliers for a third party audit.
Data and declarations from suppliers and related invoices will be kept for a period of 10 years. Informatic data will be kept without time reserve.

4. Declaration Form

Supplier Invoice number	Batch number	Raselli Invoice n (for Raselli office's use)	SKU ref (for Raselli office's use)	Diamond Size	cts	Mining company	original lot	Mining company CSR Certification	Rough sorting country	Rough sorting company CSR Cert	Planning & cutting country	Planning & cutting company CSR certification	Stone Polishing country	Stone Polishing company CSR Cert

The declaration form is formed by two parts, a green section and a blue section as shown above and again in details below. See APPENDIX II for more details.
The green area is the part which has all the information regarding what we received, so the references that allow us to track the diamond back to its parcel once uploaded on our system. While in the blue section there are all the details suppliers are required to disclose to us about the product supplied.

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Supplier Invoice number	Batch number	Raselli Invoice n (for Raselli office's use)	LOT ref (for Raselli office's use)	Diamond Size	cts
AB12345	12345	12345/67	1010	10#	100

In the first part of the declaration form it is possible to see the supplier invoice number and batch number, which allow us to find the invoice, and all its details, and the exact line telling us how big was the original parcel received and what we kept. Following these there are two section for our office use only which report our unique id, which allows us to find the diamonds on our system and the lot, therefore the quality of the diamonds supplied. As last we have the diamond's size (in sieves) and the carat amount.

Mining company	original lot	Mining company CSR Certification	Rough sorting country	Rough sorting company CSR Cert	Planning & cutting country	Planning & cutting company CSR certification	Stone Polishing country	Stone Polishing company CSR Cert

The blue section, instead, has information giving us an insight of the supply chain. In fact, is divided in the mining, rough, planning and cutting and polishing sections. Each one of these has the location or company name and the certification accredited.
This form needs to be filled in by the supplier and by us for each consignment.
These informations will be kept as confidential but eventually disclosed for third party audits.

5. Achievable targets and future planning

At present Raselli Franco S.p.a. and its Group of Companies targeted 100% of fulfilled traceable documents for incoming diamonds weather rough or polished. Documents will be stored and saved for a 10 years time, electronic storage has for the moment no time limit.
Each department that has buying in diamonds must ensure that all invoices bear acceptable written warranties as stated in par. 2.
Attached to each invoice each department should guarantee the filling of Traceability Declaration form in all its part. Raselli Franco S.p.a. and its Group of Companies consider compulsory all the information required. Fields Regarding Original Mining Lot ID disclosure remains at present at supplier decision.

Future target will be however full disclosure of each and single part of the Form. This procedure will be strictly monitored not only relating to Raselli Franco S.p.a. and its Group of Companies but also following the industry with a common aim of establishing a clear, clean and sustainable chain of sourcing. Any initiative following this path will closely be monitored, implemented and integrated inside our Group.

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This protocol will be updated from time to time, including as the Protocol is updated or changes are made to Sources listed in APPENDIX I or APPENDIX II.

For further details please refer to:
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Zona Artigianale Orafa D/2, Lotto 15/b
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amministrazione@gruppoerrepi.com

Revised version 09/10/2023

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APPENDIX I

Acceptable

Diamond Mine Or Source	**Countries**
Arctic Canadian Diamond Company (Ekati)	Canada
Alexcor	South Africa
Brauna	Brazil
Diamcor Mining Inc.	South Africa
Dominion (Ekati & Diavik)	Canada
Ellendale	Australia
Ekapa (Kimberley)	South Africa
DTC	South Africa, Botswana, Canada, Namibia
DTC (Canada)	Canada
DTC (Namibia)	Namibia
DTC (South Africa)	South Africa
DTC (Botswana)	Botswana
Firestone	Lesotho
Gem Diamonds	Lesotho
Gem Diamonds	Botswana
International Mining and Dredging Holdings	Namibia
Lucara	Botswana
Mountain Province (Gahcho Kue)	Canada
Namakwa Diamonds	Lesotho
Okavango Diamond Company	Botswana
Petra (Finsch)	South Africa
Petra (Cullinan)	South Africa
Petra (Koffiefontein)	South Africa
Petra (Kymberley)	South Africa
Rio Tinto (Diavik)	Canada
Rio Tinto (Argyle)	Australia
Stornoway Diamonds	Canada
Paragon	Lesotho
Rockwell	South Africa
Trans Hex	South Africa
Jagersfontein	South Africa

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Prohibited

Diamond Mine Or Source or Country
Angola
Belarus
Democratic Republic of Congo
Russia
Zimbabwe

APPENDIX II

Supplier Invoice number	**Batch number**	**Raselli Invoice n (for Raselli office's use)**	**SKU ref (for Raselli office's use)**	**Diamond Size**	**cts**

Mining company	**original lot**	**Mining company CSR Certification**

Rough sorting country	**Rough sorting company CSR Cert**	**Planning & cutting country**	**Planning & cutting company CSR certification**

Stone Polishing country	**Stone Polishing company CSR Cert**

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APPENDIX III

This Protocol may be used by the Industry Participants in their commercial arrangements for the purchase of rough and polished diamonds as well as for items containing polished diamonds from other Industry Participants.
Use of this Protocol allows a Seller to give a Buyer a warranty that an Industry Product was obtained from an Approved Source.
The determination of which countries, mines, and/or sources are "Approved Sources" or "Subject Sources" (as these terms are used in this Protocol) will be made, from time to time, on a voluntary basis by Industry Participants through their commercial negotiations with one another. As applicable to Commercial Transactions where Raselli Franco S.p.a. and its Group of Companies is the buyer, such determination from time to time be made by Raselli Franco S.p.a.

Buyers and sellers may incorporate this Protocol into a Commercial Contract or a Commercial Document by reference.
In order to incorporate this Protocol and provide a Protocol Warranty in a Commercial Document relating to the sale of Industry Products, a statement substantially as follows must be included in the Commercial Document:

"To (Insert Seller's Name)'s Best Knowledge, the diamonds supplied under this (Insert name of Commercial Document) were obtained from or Processed by Approved Sources, specifically the sources listed in APPENDIX I of the Protocol and not Obtained from or Processed by an SDBNBP or Subject Sources, specifically the sources listed in APPENDIX I of the Protocol. This warranty is given under Raselli Franco S.p.a. sourcing Protocol".

When this Protocol has been incorporated into a Commercial Contract by reference, or when a Seller provides a Protocol Warranty in a Commercial Document, Seller undertakes Seller's Obbligations under this Protocol and Buyer will obtain Buyer's Rights under this Protocol.
When Seller gives a Protocol Warranty, Seller shall be deemed to have made the following representations, warranties and agreements to and for the benefit of Buyer with respect to the Warranted Products.

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Seller is giving Buyer its Protocol Warranty on its Best Knowledge and on the basis of a Protocol Warranty previously given to Seller as to the same Approved Source or Source Documents of which Seller has had sight.

Seller had in place, at all times relevant to the Protocol Warranty given by Seller to Buyer, Qualified Inventory Control Procedures sufficient so that Seller could give, with reasonable assurance, such Protocol Warranty.

Seller will retain for the Document Retention Period, in paper or electronic form, all Commercial Documents (including all Qualified Audit Reports) relevant to any Protocol Warranty given.

Seller will, on, or promptly following, delivery of Industry Products that are subject to a Protocol Warranty, provide Buyer with a with a Qualified Audit Report.