

<b>CORMAS SPA</b>	<b>DUE DILIGENCE PROCEDURE</b>	<b>RJC System</b>	
	<b>PRDD01 - DUE DILIGENCE PROCEDURE ACCORDING TO EU REGULATION 2017/821</b>	<b>Pagina 1 / 5</b>	<b>Rev.00</b>

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## **1. PURPOSE**

The purpose of this document is to define the due diligence process implemented by the company in assessing and monitoring its supply chain and non-EU procurement.

## **2. SCOPE**

This procedure applies to the assessment of gold supplies resulting from imports of gold as an ore or metal from non-EU countries in accordance with EU Regulation 2017/821 and to the supply chain assessment activity.

## **3. DESCRIPTION OF ACTIVITIES**

CORMAS SPA is a company that imports gold from non-EU countries and is a member of the RJC (Responsible Jewellery Council), therefore committed to supply chain due diligence.

For this reason, CORMAS has decided to:

- Adopt a responsible sourcing strategy for minerals and metals originating from conflict-affected or high-risk areas.
- Communicate this strategy to the supply chain and the public.
- Introduce a procurement due diligence analysis, integrating this procedure into existing procurement procedures, in accordance with the OECD Guidelines.
- Monitor compliance with due diligence in the supply chain and retain evidence of such monitoring for at least 5 years.
- Integrate supplier contracts with due diligence requirements.
- Establish a complaint handling mechanism as an early warning system to raise awareness of risks.

### **3.1 Management System**

Given that the management system defined in EU Regulation 2017/821 is required for imports exceeding 100 kg (but Cormas applies it to all imports), Cormas requires its suppliers located outside the European Union to complete an "Import Due Diligence" questionnaire for each supply.

To date, Cormas does not source minerals, but metals in the form of ingots or scrap products for refining. This material is primarily sourced from RJC COP-certified companies, further guaranteeing sustainability and compliance with RJC and OECD guidelines.

For each For non-EU supplies, the supplier is required to complete a questionnaire.

The questionnaire, completed and signed by the supplier, indicates the following information:

- Supplier name

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- Invoice number
- Date of issue
- Type of metal transferred

Regarding the material supplied, the supplier indicates:

- Type of material supplied (gold, silver, PGM)
- Type of material and associated certifications/guarantees (e.g., LBMA, good delivery bars, gold/silver scrap, semi-finished products, etc.)
- Source of supply of the material (from refiners, banks, mines, traders, other).
- Indication of the countries of origin of the minerals in the refinery supply chain or the countries of origin of the affected precious products
- Quantities procured by volume or weight
- Whether the product is subject to due diligence analysis
- Whether the product complies with OECD due diligence requirements for responsible purchasing of minerals from conflict-affected or high-risk areas
- If the material comes from Russian suppliers sanctioned by the EU
- If the material is covered by initiatives/certifications such as RJC COC, LBMA Responsible Gold and Silver Guidance, DMCC Risk-Based Due Diligence Guidance for PGM, WGC Conflict-Free Gold Standard, RMI Responsible Gold Standard, or others
- Name of the smelters and refiners from which you purchase
- Evidence of third-party audits of the smelters and refineries
- If purchasing from a trader, evidence of their certification according to a recognized due diligence standard (e.g., RJC COC, LBMA, DMCC) and evidence of their supply chain due diligence process.

Once a year, Cormas requires non-EU suppliers of pure gold/silver, or gold and silver scrap, to complete a questionnaire (COP.12.0 KYC Questionnaire), which requests a series of information regarding the company's sustainability and compliance with due diligence requirements. Once the questionnaires have been collected from the suppliers, the due diligence manager completes the form (12.1 Supply Chain Due Diligence Analysis) to qualify the supplier.

For European suppliers, this questionnaire is completed once every three years, while the form (12.2 Supplier Questionnaire) is completed annually within the company between the first and fourth years.

Regarding physical product inspections, the company follows the following procedure:

As indicated in the OECD Guidelines for Gold, the company performs the following operations upon receipt of gold from non-EU countries:

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- Packaging integrity check (integrity of seals applied by the supplier and the shipping agent)
- Conformance check between the supplier's BAR LIST and the serial number of the bars
- Checking of the BAR LIST items, date, and signature of the operator who performed the inspection.

All suppliers are qualified according to the PRDD 01 procedure.

All incoming materials are clearly identified.

The personnel responsible for incoming checks are authorized by Company Management to perform these operations.

### **3.2 Obligations related to risk management**

- Annually, Company Management (RJC COC Manager) is responsible for renewing the qualifications of the supply chain by requesting the completion of the Model 12.0 KYC Questionnaire. As described above, non-EU suppliers are required to complete the Model 12.0 questionnaire annually, while European suppliers complete the Model 12.0 form every three years, and in the intervening years, the Model 12.1 Supplier Qualification form is completed within the company. The questionnaire is completed by all suppliers in the gold, silver, palladium, and platinum group metals supply chain. Once received, the questionnaire is evaluated by the RJC Manager. If there are any deficiencies in the compilation or unclear answers, additional information is requested from the supplier. In evaluating the questionnaire, the RJC Manager: RJC completes the Form 12.1 – Supplier Due Diligence Assessment and records any non-conformities and requests for corrective action.

If the Form 12.0 questionnaire identifies non-conformities with respect to the OECD due diligence requirements and the RJC system, the supplier will be asked to take appropriate corrective actions, with implementation deadlines specified.

If the questionnaire identifies Major non-conformities due to deficiencies in essential aspects (as indicated in the document itself), the supplier will be immediately removed from the qualified supplier list.

If the supplier fails to implement the agreed-upon corrective actions, the solution will be removal from the qualified supplier list.

Between the detection of a non-conformity and the implementation of the corrective action, business relations with the supplier will be suspended.

Following the supplier's completion of the Model 12.0 questionnaire, a list of qualified suppliers is drawn up (form 12.1) and a corrective action plan is developed for each supplier and requirement identified as non-compliant (form 12.1 sheet 2).

Furthermore, a Management Review of the management system is conducted once a year, and improvement actions to be adopted, including those due to changes in internal and external factors and the company context, are defined in a document entitled "Sustainability Report."

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In the case of refineries and foundries, evidence of third-party audits will be required (e.g., the presence of due diligence certifications, such as RJC COP).

In the case of intermediaries (traders), they will be asked to provide evidence of certifications recognized by the European Union for due diligence (e.g., DMCC, RMI, LBMA, RJC COP).

### **3.3 Third-party audits**

Cormas entrusts an independent certification body (Bureau Veritas) with assessing the compliance of its due diligence practices with regard to:

- management system
- risk management system
- disclosure of information

### **3.4 Disclosure obligations**

Cormas makes available to the competent authorities of the Member State:

- Audit reports conducted by independent third parties (Article 6)
- Proof of compliance with a supply chain due diligence regime (Article 8)

Cormas makes all collected and retained information available to suppliers downstream in its supply chain for at least 5 years.

Cormas publicizes its supply chain due diligence process on its website, respecting confidentiality and privacy.

Furthermore, Cormas discloses its supply sources annually through its Sustainability Report, respecting business confidentiality and privacy. Cormas makes available to the competent authorities of the Member State: