

# ANNUAL REPORT ON SUPPLY DUE DILIGENCE

This annual report outlines the activities and evaluations carried out by Progold S.p.A. in relation to supply chain due diligence during the period from January 1, 2024, to December 31, 2024. Our commitment to responsible sourcing and transparent operations continues to guide our actions and decisions.

Throughout this year, we carefully examined and audited various key processes integral to our operations. These included the inspection of waste materials, recovery procedures for precious metal-containing materials, laboratory testing, purchasing procedures, risk assessments for our supply chain, as well as refining, storage, packing, inventory management, and product delivery.

During the reporting period, Progold S.p.A. utilized the following materials in its production processes:

- Recycled silver: 39.906 kg
- Recycled gold: 58 kg
- Recycled platinum: 12 kg

No mined, grandfathered, or mixed sources were used during this period, reflecting our focus on sustainable and responsible sourcing practices.

## Our Policy on Supply Chain Due Diligence

In line with the Code of Practices (COP) set by the Responsible Jewellery Council (RJC), we developed a comprehensive policy to address supply chain due diligence for materials containing gold, palladium, and platinum. This policy, effective from July 1, 2023, is publicly available on the Progold website. It serves as a cornerstone for our approach to ethical sourcing.

To ensure proper implementation, we have designated Valentina Bizzotto, TQM of Progold S.p.A., as the accountable officer. Alongside her, a compliance officer oversees the effective application of due diligence measures and facilitates communication both within the company and with external stakeholders.

Our supplier and customer evaluation procedures are designed to ensure that all goods meet our stringent standards upon entry. Furthermore, we work closely with our suppliers to ensure adherence to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

We encourage long-term relationships with suppliers whenever possible, as this approach fosters mutual understanding and trust. Additionally, we only source conflict-free gold from refiners or banks listed on the current LBMA Good Delivery List. Similarly, other precious metals are obtained exclusively from RJC-accredited enterprises or recycled organizations that comply with OECD guidelines on Know Your Customer (KYC) and due diligence practices. By embedding our Company Policy and Ethical Code into contracts and agreements, we make our expectations clear and enforce accountability.





## Risk Assessment and Mitigation Measures

Using the RJC Risk Assessment Toolkit, we conducted a thorough analysis of our supply chain. The risks identified were mostly categorized as low or moderate. To address these, we took several proactive steps, including:

- Communicating our Policy and Ethical Code to all relevant stakeholders, both internal and external.
- Adopting and integrating detailed procedures into our management system.
- Clearly defining roles and responsibilities to enhance the effectiveness of our processes.
- Establishing robust record-keeping procedures.
- Providing training sessions for personnel to ensure they are equipped to uphold our standards.

In addition, we engaged Bureau Veritas Italia S.p.A. to perform an impartial audit of our supply chain due diligence. This external review adds an extra layer of accountability and confidence in our processes.

## Addressing Human Rights and Non-Compliance

Progold S.p.A. has established a system to handle complaints, including those related to potential human rights violations. These complaints are received via email, tracked, and thoroughly investigated in accordance with our non-compliance management procedure. We are pleased to report that no claims of human rights violations were received during 2024. Furthermore, the company has maintained an excellent safety record, with the last workplace injury recorded in 2021.

## Looking Forward

As we reflect on our progress, Progold S.p.A. remains committed to further enhancing its supply chain due diligence and sustainability efforts. Our achievements in 2024 provide a strong foundation for future improvements.

Since 2023, Progold S.p.A. has been certified under ISO 14064-1, demonstrating our commitment to monitoring and reducing greenhouse gas emissions. As part of this initiative, we actively share data on our environmental performance, offering transparency about our efforts to mitigate environmental impacts.

We also monitor the effectiveness of our employee training and supplier evaluation processes through established Key Performance Indicators (KPIs). These KPIs provide valuable insights into the status and outcomes of our initiatives, enabling us to make data-driven decisions and maintain high standards in our operations.

Looking ahead to 2025, we aim to:


- Expand our environmental initiatives and further leverage our ISO 14064-1 certification to drive sustainability improvements.
- Strengthen our existing KPIs and use them to identify additional areas for enhancement in both employee development and supplier performance.
- Deepen our engagement with stakeholders, including local communities and NGOs, to align our efforts with broader societal goals.
- Address emerging challenges in the supply chain with innovative strategies and collaborative partnerships.



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Progold S.p.A. remains steadfast in its commitment to responsible sourcing and ethical business practices. We believe that these efforts not only contribute to the integrity of our industry but also reflect our dedication to creating a positive impact on society and the environment.

  
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