



Due diligence report for the financial year 2019/2020

with regard to RJC COP and RJC CoC

With its COP (Code of Practices) and CoC (Chain of Custody) standards, the Responsible Jewellery Council stands for sustainable, responsible, ethical business practices and transparent supply chains in the global supply chain of gold, platinum group metals, silver, diamonds and coloured gemstones. Mine operators, smelters, refiners, diamond traders, cutters and polishers, jewellery manufacturers and retailers involved in the initiative are committed to preventing corruption, money laundering and the financing of conflict and terrorism. They ensure healthy and safe working conditions. The participants also want to conserve natural resources and respect human rights.

The standards for companies in the precious metals supply chain include public reporting on due diligence in accordance with the OECD Due Diligence Guidance ("OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas").

Company management systems

Supply chain policy

Bauer-Walser AG's policy on the supply chain for gold, silver and platinum group metals can be found at www.bauer-walser.net in the download area.

Management structure and responsibilities

The establishment of internal management structures for a system of due diligence, controls and transparency in the supply chain (including tracking / identification of other stakeholders) has been completed, as has the definition of associated responsibilities. The due diligence process is described in a corresponding company document and the responsible employees were named.

Internal control system

The system is reviewed annually and adapted if necessary. The core elements are:

- Identification of the supplier and the origin of the material by means of access to international data.
- Precious metal accounts

Recording system and identification of the origin of the material

An ERP system makes it possible to collect and provide all the information from each transaction at any time.

This applies both to accepted recycled material and to the fine metals used in production.

Identification and assessment of risks along the supply chain

Risks along the supply chain are reviewed in accordance with the current OECD Due Diligence Guidance, i.e. material and suppliers are monitored to ensure that they do not contribute directly or indirectly (e.g. by financing participants / money laundering) to conflicts or their negative effects such as lack of security, widespread violence, human rights violations, violations of national law and international law. In the case of identified risks/violations, measures must be taken to avoid or contain risks. Business relationships can be suspended or terminated depending on the risk assessment and the success of any measures taken.

Compliance with Bauer-Walser AG's supply chain policy is binding for our business partners. It is communicated by means of a direct letter or via our website.

Due diligence of new customers was carried out in accordance with the established and proven procedure "Compliance Rules BW-AG for Due Diligence of New Customers-Existing Customers".

In accordance with the regulations of Bauer-Walser AG on gold, silver and PGM for production of semi-finished products, fine gold/silver are on principle only purchased from refineries (directly or indirectly via a German bank) that are certified according to the RMI(ehem.cfsi) / LBMA / RJC-CoC standard.

No warning signs ("red flags") were detected during the reviews in the reporting period, so no measures to contain or avoid risk were necessary.

System improvement

Bauer-Walser AG is subject to an implemented continuous improvement process according to DIN EN ISO 9001:2015, which encompasses all company processes and fulfils all certification requirements.

Summary audit reports

The summarised audit results of Bauer-Walser AG can be found on the Responsible Jewellery Council homepage