

# Supply Chain Policy



VERNAIN SA

April 2026

Vernain SA is a family-owned company specialising exclusively in the trade of cut diamonds. Vernain SA supplies companies in the high jewellery and watchmaking sectors. Vernain SA is based in Geneva and employs 2 people, who are also shareholders and co-directors of the company.

Vernain SA has been a certified member of the Responsible Jewellery Council (RJC) since August 2023, with certification valid until August 2026 (member number 0000 4800). This policy was updated in March 2026 as part of the renewal of that certification.

The RJC is a standards-setting organisation established to promote ethical, responsible, social, environmental and human rights practices throughout the supply chain of gold, silver, mined metals, platinum, diamonds and coloured stones. The RJC has developed a reference standard (the Code of Practices – COP) for the jewellery supply chain, as well as credible mechanisms to verify the adoption of responsible business practices through third-party audits. The RJC Code of Practices sets out the ethical and social responsibility standards that member companies must meet to ensure their business practices respect human rights, the environment and ethical commercial practices.

The RJC Code of Practices covers a wide range of areas, including:

- Human rights, including fair labour standards and respect for workers' rights
- Environmental compliance, including responsible management of waste and chemicals
- Anti-corruption and ethical business practices
- Traceability and transparency in precious metal and precious stone supply chains

Vernain SA is a certified member of the Responsible Jewellery Council (RJC). As such, we commit to demonstrating, through independent third-party verification, that we:

- Respect human rights under the Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work
- Do not participate in any form of corruption, money laundering or terrorism financing, and do not tolerate such activities
- Support transparency of payments from governments and security forces in compliance with rights in extractive industries
- Provide no direct or indirect support to illicit armed groups
- Allow stakeholders to express their concerns regarding the jewellery sector supply chain, and
- Implement the OECD five-step framework as a risk-based due diligence management process to ensure responsible mineral supply chains from conflict and high-risk areas.

Under the COP 2024 framework, Vernain SA also incorporates enhanced requirements relating to Human Rights Due Diligence (HRDD), in accordance with the United Nations Guiding Principles on Business and Human Rights. These commitments are developed in Vernain SA's Human Rights Policy & Supply Chain Assessment 2026, to which this policy refers.

In the context of our relationships with business partners, we commit to using our influence to prevent potential violations by other parties.

To mitigate non-compliance risks, we commit to working only with suppliers who have internationally recognised control systems in place, such as the RJC Code of Practices, ISO standards or other recognised standards.

Regarding the origin of diamonds, Vernain SA applies a distinction based on the nature of the stones:

- For GIA-certified solitaires of 0.30 ct and above, the country of extraction is indicated on the electronic version of the GIA certificate or provided upon request, transmitted by the supplier in their capacity as a buyer of rough stones and cutter.
- For uncertified lots, a quarterly methodology based on percentage tranches by origin is applied, in accordance with the Policy on Diamonds from Conflict and High-Risk Zones (ZCHR).

In the event of non-compliance, a risk analysis will take place including a request for information from the supplier, a review of the collected data, a proposed solution and a resolution or termination of the business relationship depending on the results of the analysis.

## **International Sanctions – Russian-Origin Diamonds**

Since January 2024, the G7 has imposed a progressive embargo on Russian-origin diamonds, which came into force according to the following schedule: diamonds over 1 ct from 1 January 2024; diamonds over 0.50 ct from 1 March 2024. This embargo is part of the international sanctions related to the conflict in Ukraine and is directly linked to the human rights principles upheld by Vernain SA.

In compliance with these sanctions and in accordance with its own ethical values, Vernain SA strictly excludes all Russian-origin diamonds from its supply chain. This exclusion is implemented through the following measures:

- Written attestation of non-Russian origin required from all suppliers
- Use of the CSMS system (Customs & Supply Chain Management System, number #59635420) to verify compliance with G7 sanctions
- Explicit mention of the exclusion of Russian origin on supplier invoices

The detailed treatment of this measure is set out in the Policy on Diamonds from Conflict and High-Risk Zones.

## **Egregious Violations During Mineral Extraction, Transport or Trade**

We will not tolerate, assist or facilitate in any way the perpetration of the following acts, nor will we profit from or contribute to them::

- Torture or cruel, inhuman and degrading treatment;
- Forced or compulsory labour;
- The worst forms of child labour;
- Violations and abuses of human rights;
- War crimes, other serious violations of international humanitarian law, crimes against humanity or genocide.

We will cease all relations with upstream suppliers if we identify a risk reasonably indicating that they engage in the violations mentioned above, that they source from third parties committing such violations, or that they are associated with them.

## **Direct or Indirect Support to Non-State Armed Groups**

We only buy or sell diamonds that are fully compliant with the Kimberley Process Certification Scheme and, as such, will not tolerate any direct or indirect support to non-state armed groups or their affiliated entities — including through diamond sourcing, the payment of money or the provision of logistical, material or other assistance — that illegally engage in the following activities:

- Illegal control of mine sites or transport routes, diamond trading points and upstream actors in the supply chain
- Illegal taxation or extortion of money or diamonds at mine sites, transport routes or diamond trading points, or from intermediaries, export companies or international dealers.

We will immediately cease all relations with upstream suppliers if we identify a reasonable risk that they source from third parties directly or indirectly supporting non-state armed groups such as those referred to above, or that they are linked to them.

### **Public or Private Security Forces**

We affirm that the role of public or private security forces is to ensure the security of workers, installations, equipment and property in compliance with the rule of law, including legislation that guarantees human rights.

We will not provide any direct or indirect support to public or private security forces that commit the abuses described in the human rights section or that act illegally as described in section.

### **Bribery and False Declarations on the Origin of Minerals**

We refrain from offering, promising or granting bribes and will resist solicitations for bribes intended to conceal or disguise the origin of minerals, to make false declarations regarding taxes, duties and royalties paid to governments for the extraction, trade, processing, transport and export of minerals.

### **Money Laundering**

We will support efforts to contribute to the elimination of money laundering in situations where we identify a reasonable risk of money laundering resulting from or linked to the extraction, trade, processing, transport or export of minerals. As a member of the RJC, we commit to promoting these commitments to all parties involved in our business: employees, clients and suppliers.

*Renewed and updated in April 2026 in Geneva, signed and validated by the management of Vernain SA*

