

# Due Diligence and Risk Analysis Report



VERNAIN SA

JUNE 2026

## **Presentation of Vernain SA**

Based in Geneva, Maison Vernain SA is a wholesaler specialising in cut diamonds, serving jewellery workshops and watch brands. As a company certified by the Responsible Jewellery Council (RJC), we have defined and implemented a set of policies aligned with the fundamental principles of this standard.

Our commitments are centred on the following areas:

- Respect for human rights, including fair labour standards and the protection of workers.
- Environmental compliance, notably through responsible waste management, a reduction in paper consumption and the optimisation of digital tools.
- The fight against corruption and money laundering, and the promotion of ethical business practices.
- Enhancing traceability and transparency throughout the diamond supply chain, with particular attention paid to the origin of batches, their documentation and their compliance with RJC requirements.

## **Major challenges identified**

As part of our corporate social responsibility approach, we have identified five key issues:

- Full traceability of the origin of diamonds and the prevention of any exposure to high-risk areas or those subject to sanctions.
- The maintenance of comprehensive and verifiable documentation for each consignment.
- Respect for human rights throughout the supply chain.
- Managing our direct and administrative environmental impact.
- Risks related to money laundering and terrorist financing.

## **Supply Chain Risk Management**

Our diamonds are sourced exclusively from rigorously selected suppliers certified by the Responsible Jewellery Council (RJC). During the 2025–2026 financial year, Maison Vernain SA strengthened its due diligence procedures to ensure more comprehensive traceability and greater transparency regarding the origin of its diamonds. The main risks identified in our supply chain relate to:

- The geographical origin of the diamonds, particularly high-risk areas or those subject to sanctions.
- Respect for human rights at the various stages of the value chain.
- Documentary compliance and the continuity of traceability.

To manage these risks, Maison Vernain SA implements the following measures:

- Systematic verification of supplier documents prior to any transaction.
- Mandatory receipt of a self-certification confirming the exclusion of diamonds of Russian origin for 100 per cent of deliveries.
- Statement on invoices confirming that the diamonds do not originate from Zimbabwe.
- Cross-checking of invoices, gemmological certificates and documents of origin.
- Complete digital or paper archiving of compliance documents.

Maison Vernain SA applies a strict policy of total exclusion of diamonds originating from Russia and Zimbabwe, including where they are transiting through or being processed in third countries.

## **Human Resources**

Maison Vernain SA operates with a lean structure comprising exclusively active shareholders under contract. These shareholders are subject to the company's internal policies, particularly regarding compliance, professional ethics, the prevention of harassment and respect for fundamental human rights principles. Given this structure, the risk of internal non-compliance with human resources standards remains low. Furthermore, Maison Vernain SA requires all its business partners and suppliers to strictly comply with the requirements of the Responsible Jewellery Council (RJC) as well as the United Nations Guiding Principles on human rights and working conditions.

## **Environmental commitment**

Aware of the environmental challenges associated with its business, even within a primarily administrative and commercial context, Maison Vernain SA is continuing its efforts to reduce its environmental impact.

During the 2025–2026 financial year, several concrete measures were strengthened:

- Reduction in paper printing through the systematic use of QR codes on diamond packaging, limiting the need to print certificates.
- Gradual introduction of electronic invoicing to reduce paper usage.
- Prioritising double-sided printing for documents requiring a physical copy.
- Optimising digital archiving and limiting the number of physical copies.

Alongside the internal measures it has put in place, Maison Vernain SA strives to raise awareness amongst all its business partners of the environmental and traceability issues associated with the diamond industry.

Aware of the indirect impact its business may have on the environment, particularly through mining and processing activities, the company actively encourages its suppliers to strengthen their own environmental protection measures, improve their traceability processes and prioritise more responsible practices.

In line with this approach, Maison Vernain SA also encourages its customers to adopt more sustainable documentation practices, notably by accepting electronic invoices and making direct use of QR codes linked to GIA certificates, thereby enabling secure access to certificates without the need for printing or systematic duplication.

Although these measures are proportionate to the size of our organisation, they form part of a commitment to continuous improvement and environmental responsibility.

## **Prevention of money laundering**

The diamond sector has specific vulnerabilities with regard to money laundering, due to the high value, ease of transport and liquidity of the stones.

Aware of these risks, Maison Vernain SA applies a strict policy of transparency and scrutiny of its business partners.

The measures put in place include, in particular:

- The systematic identification of each business partner before entering into a business relationship.
- The implementation of comprehensive and documented KYC (Know Your Customer) procedures.
- The regular updating of compliance information for suppliers and customers.
- The systematic recording of all commercial transactions.
- The structured archiving of identification documents, compliance records and commercial supporting documents.

During the 2025–2026 financial year, 11 KYC checks were carried out or updated. These measures enable Maison Vernain SA to maintain a low level of risk in relation to money laundering and terrorist financing.

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## **Implementation of commitments, control systems and risk management**

As part of its compliance and accountability policy, Maison Vernain SA has implemented a structured risk management and control framework based on international best practice. These measures are designed to ensure transparency, traceability and ethical compliance throughout the supply chain.

### **Due diligence procedure**

Our procedures are based on the OECD's guiding principles on due diligence for responsible supply chains. The system we have put in place includes, in particular:

- The implementation of due diligence based on the OECD's recommendations.
- The collection of KYC (Know Your Customer) data from all suppliers, which is updated regularly.
- Providing our business partners with a Code of Conduct, which they must sign to formalise their commitment.
- Verifying information available from public sources, including sanctions lists (SECO, UN, EU).
- Analysing red flags

Following a thorough analysis of our supply chain, Maison Vernain SA has taken firm decisions regarding sources identified as problematic:

- Diamonds of Russian origin (ALROSA) have been completely excluded since 1 March 2024, in accordance with sanctions imposed by the G7, the European Union and Switzerland, including diamonds processed in third countries that originated in Russia.

- Diamonds of Zimbabwean origin have been completely excluded, by a sovereign decision of Maison Vernain SA, due to persistent structural risks relating to human rights in that country's mining sector.
- In the current geopolitical context, Maison Vernain SA has scaled back its commercial relations with Israeli companies, as a precautionary measure and out of a desire for heightened vigilance regarding the associated reputational and ethical risks. This situation is subject to ongoing monitoring.
- Cutting centres, located mainly in India, are subject to continuous monitoring and remain classified as low risk.

These exclusions and decisions are systematically documented and archived for each batch.

## Traceability of the origin of diamonds

Each quarter, Maison Vernain SA compiles a table showing the geographical breakdown of its non-certified lots comprising stones weighing less than 0.30 carats each. This table is based on the declarations of origin provided by our suppliers, which are sourced from the sales pipelines of major rough diamond producers (such as De Beers, Rio Tinto and Burgundy Diamond Mines). The ranges recorded over the last few quarters are as follows :

Pays d'origine	Source principale	Part estimée	Statut
Botswana	De Beers / Okavango	25 - 35 %	✔ Autorisé
Afrique du Sud	De Beers / Rio Tinto	20 - 30 %	✔ Autorisé
Namibie	De Beers / Namdeb	10 - 20 %	✔ Autorisé
Canada	Rio Tinto / De Beers / Burgundy	10 - 15 %	✔ Autorisé
Angola	De Beers / Lucapa	5 - 10 %	✔ Autorisé
Autres origines traçables	Divers fournisseurs RJC	5 - 10 %	✔ Contrôlé
Russie	—	0 %	✘ Exclu
Zimbabwe	—	0 %	✘ Exclu

A certificate of origin is required from each supplier for every delivery. These certificates take the form of CSMS Self-Certifications # 59635420, certifying the origin of the diamonds delivered and confirming that they do not originate from excluded areas. They are archived and retained for a minimum of five years, and are accessible in the event of an inspection.

The GIA (Gemological Institute of America) now offers the option of recording the diamond's origin directly on the official electronic certificate, based on documentary evidence provided at the time of submission. The end customer can verify this information independently via the GIA Report Check portal ([reportcheck.gia.edu](http://reportcheck.gia.edu)). In the interests of maximum transparency towards our customers, Maison Vernain SA gives priority to sourcing stones that feature this origin statement on their GIA certificate.

## **Supplier selection**

Maison Vernain SA gives preference to suppliers certified to internationally recognised standards such as:

- The Responsible Jewellery Council (RJC),
- ISO standards,
- Or any other equivalent certification.

This requirement helps to strengthen the security of our supply chain whilst contributing to the promotion of best practice within the industry.

## **Sustainable business relationships**

We favour long-term business partnerships, as they are essential for building relationships based on trust. This approach facilitates better information sharing, improves collaboration on compliance issues and enhances transparency at every stage of the supply chain.

## **2025-2026 Compliance Indicators**

<b>Indicateur</b>	<b>Résultat 2025 - 2026</b>
<b>% de fournisseurs certifiés RJC</b>	100 %
<b>Nombre de contrôles KYC réalisés</b>	11
<b>% de diamants traçables</b>	80 à 90 %
<b>% de diamants grandfathered ou recyclés</b>	10 à 20 %

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## **Conclusion**

Following regular internal assessments and our risk management process, Maison Vernain SA confirms that no significant red flags were detected in its supply chain during the 2025–2026 financial year. No proven impact on human rights was observed, either amongst our partners or within our organisation, which comprises its two managing shareholder-partners.

In June 2026, Maison Vernain SA successfully obtained its RJC recertification under the COP 2024 standard, attesting to the maturity and robustness of its compliance framework.

## **Stricter compliance regarding the origin of diamonds**

Since 1 March 2024, and progressively throughout 2025, Maison Vernain SA has implemented a total ban on diamonds of Russian origin, including those processed in third countries. By sovereign decision, diamonds of Zimbabwean origin are also excluded from our supply chain. These commitments are systematically certified on invoices and documented by archived evidence for each consignment, in the form of CSMS Self-Certifications # 59635420.

## **Organisational stability and KYC compliance**

There have been no organisational changes to the internal structure of Maison Vernain SA. Our business partners remain the same, and each is subject to a regularly updated KYC check, ensuring their compliance with RJC standards.

### **Social responsibility and heightened vigilance**

In line with the RJC's new expectations, we have extended our scrutiny beyond our direct suppliers. Maison Vernain SA now ensures, to the extent that information is available or provided, that the entire supply chain:

- Adheres to the fundamental principles of human rights,
- Does not present any systemic or recurring risks relating to forced labour, child labour or any other form of exploitation,
- Incorporates, where necessary, corrective or remedial mechanisms.
- Structured environmental commitment

In 2025–2026, Maison Vernain SA continued to implement its environmental policy, comprising:

- Increased efforts in recycling and the management of consumables (reduction in paper bills, recycling of consumables through specialist companies),
- Improved digital management (optimised electronic archiving, reduction in server footprint),

### **Outlook and Commitments for 2027**

Maison Vernain SA remains fully committed to adapting its practices to changes in RJC guidelines and international regulations. In 2027, our efforts will focus on:

- The gradual roll-out of GIA traceability, systematically prioritising stones that carry a statement of origin on their certificate.
- The quarterly production of a table of geographical origins, to complement the annual report.
- A targeted reduction of 10 to 20 per cent in our paper consumption, by rolling out electronic invoicing across the board.
- The expansion of our recycling practices, in collaboration with specialist partners.
- Maintaining active regulatory monitoring of developments regarding sanctions, RJC standards and diamond regulations (G7, EU, Swiss Anti-Money Laundering Act).

These objectives are modest but practical, and embody our commitment to making sustainable progress in accordance with the RJC's principles.

For any enquiries regarding this annual report, the complaints procedure is available online. We can also be contacted either by email at [info@diamants.ch](mailto:info@diamants.ch) or by phone on +41.22.329.05.20.

Signed and approved in Geneva on 10 June 2026

