

Annual Report on Responsible Practices 2023

RABAT presents the Annual Responsible Practices Report, a document dedicated to sharing the company's progress, objectives and ongoing commitment to sustainability and corporate responsibility. This report addresses the year 2023 and represents a critical opportunity to reflect on the efforts that have been carried out and evaluate both the current impact and the vision for the future.

Context and relevance of responsible practices

In an era where global challenges, such as climate change, social inequality, and ethical concerns, require urgent action, responsible practices within RABAT are no longer just a desire, but also a necessity. In the context of the company, these practices not only reflect core values, but also guide operational decisions, influence relationships with stakeholders, and shape reputation in the industry.

RABAT defends that success is not only measured in financial terms, but also involves the ability to operate ethically, reduce environmental impact and contribute to the well-being of communities. Responsible practices are a collective challenge that involves every employee, business partner and customer who is part of the ecosystem.

This report, apart from highlighting RABAT's achievements, highlights areas where the entity intends to follow the path of excellence. RABAT is firmly committed to taking a proactive approach towards sustainable innovation, facing challenges bravely and adapting to changes while pursuing its mission of corporate responsibility. The organization thanks everyone who participates in the path towards sustainability and responsibility; it is through collective efforts that the entity can achieve a lasting and significant impact.

Commitment to RJC Certification

RABAT is firmly committed to respecting the principles of sustainability and ethical business practices, which constitute a fundamental aspect of its identity as a company active in the retail trade of jewelry and watches. Now, as a member of the Responsible Jewelry Council (RJC), RABAT continues increasing its commitment to implementing the Code of Practice (COP) standard. For this reason, the company has developed a series of policies and procedures to ensure continued compliance with RJC requirements.

In addition, RABAT is dedicated to developing and consolidating strong and lasting relationships with suppliers and other business partners, to promote responsible business practices throughout the supply chain. This commitment includes the adoption of measures aimed at identifying and, where appropriate, mitigating negative social and environmental impacts, paying special attention to issues related

to human rights, child labor and forced labor. To achieve this, RABAT carries out due diligence on all suppliers, always in line with the UN Guiding Principles on Business and Human Rights and the OECD Guide on Due Diligence for Responsible Conflict Minerals Supply Chains. and high risk (OECD Guide).

During 2023, the company has adopted a supply chain policy in line with the OECD Guide; the policy is available on the website:

<https://www.rabat.net/pub/media/wysiwyg/footer/rabat-responsible-jewellery-council-policy-and-supply-chain-integrity-en.pdf>

RABAT has developed internal control systems and processes to collect and record information on the origin of materials supplied and, where available, information related to due diligence carried out by manufacturing partners.

The company is analyzing its supply chain, contacting all partners to communicate and request increasingly in-depth information about business and corporate practices, as well as the origin of the materials used.

The commitment to responsible sourcing extends beyond operations themselves. RABAT has established a robust risk identification system to proactively address potential issues within the supply chain. Additionally, the organization has created an accessible complaints mechanism that allows anyone to raise concerns about unethical or unsustainable practices. This proactive approach ensures that RABAT maintains transparency and accountability, fostering a more ethical and sustainable supply chain ecosystem.

In its ongoing commitment to sustainability and business ethics, the entity has taken a proactive approach to ensure compliance with Responsible Jewellery Council (RJC) standards. RABAT has taken concrete steps by undergoing rigorous third-party audits, conducted by independent experts, to assess compliance with RJC guidelines.

Third-party audits represent an important step in demonstrating dedication to transparency and integrity. These audits are carried out through detailed processes and exhaustive evaluation methodologies to verify that practices fully and consistently comply with RJC standards. The results of these audits provide objective feedback and concrete verification of the commitment to promoting an ethical and sustainable jewelry industry.

The adoption of third-party audits underscores the commitment to continuous improvement and exceeding compliance expectations. RABAT will continue to work with qualified professionals to objectively evaluate its practices and make necessary improvements to maintain the RJC's high standards. This continued commitment strengthens the position as a leader in the adoption of responsible and environmentally friendly business practices.

Regulatory compliance: an Ethical Pillar

RABAT places great importance on compliance with all applicable regulations, to guarantee ethical, transparent, and law-compliant business conduct. Below are mentioned the main rules and regulations to which the company is subject, as well as confirmation of compliance with said regulations.

Main Standards and Regulations:

Commercial, tax and Prevention of Money Laundering Laws: the entity is subject to Spanish commercial and tax laws and undertakes to conduct business in strict compliance with them, including requirements such as tax compliance, accurate financial statements, and transparency in reporting. In terms of preventing money laundering, RABAT adopts all due diligence measures, such as formal identification, traceability in payment or ethical and own account operation.

Environmental Regulations: RABAT recognizes the importance of protecting the environment and complies with the applicable Spanish environmental regulations. The organization is committed to monitoring and reducing the environmental impact of its operations, ensuring compliance with emissions, waste management and resource conservation regulations.

Labor Laws and Workers' Rights: RABAT complies with labor laws, including labor standards, workers' rights and working conditions. The entity promotes a safe and respectful work environment by guaranteeing compliance with labor and safety laws in the workplace.

Health and Safety Standards: the health and safety of employees, customers and partners is of paramount importance. RABAT complies with occupational health and safety standards, implementing practices and procedures that guarantee a work environment free of risks and dangers.

Confirmation of Compliance: it is confirmed that RABAT has made and will continue to make efforts to comply with all applicable laws and regulations. The entity takes a proactive approach to monitor regulatory developments and adapt its business practices accordingly. Compliance is a key component of corporate culture, and compliance with regulations is the foundation on which RABAT builds its relationships with customers, suppliers, and other stakeholders. If there are regulatory changes or situations that require adjustments, RABAT acts promptly to adjust our operations and policies to ensure continued compliance. The entity undertakes to treat any breach of regulations with the utmost seriousness and to take appropriate corrective measures, to maintain integrity and trust.

Contribution to the SDGs: towards a sustainable future RABAT is deeply committed to the adoption of the United Nations Sustainable Development Goals (SDGs) to follow the process of continuous improvement. The organization's efforts are particularly aligned with the relevant SDGs:

SDG 8: Decent work and economic growth.

SDG 12: Responsible production and consumption.

SDG 13: Climate action.


Conclusions: commitment to a better future

In conclusion, this report is a testament to RABAT's commitment to ethical, responsible, and compliant business management. The organization looks to the future with determination, building on these efforts and facing future challenges with boldness. RABAT's path towards sustainability is a collective effort and the entity thanks everyone who joins this mission.

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