

Recarlo



ANNUAL SUSTAINABILITY
REPORT
2020

INTRODUCTION

The annual sustainability report is a tool for communicating our annual sustainability results, in order to continuously improve our social and environmental performance.

An overview of Corporate Social Responsibility sets out the scope of our company's commitment to creating value and promoting future actions. Our brand has always been a guarantee of reliability, trustworthiness and responsibility.

In 2020 we decided to turn this value into a real pathway towards sustainable growth: a fundamental strategic asset for the future.

A materiality analysis was carried for this purpose, helping pinpoint relevant issues for the company and our stakeholders and forming the basis for our sustainability strategy, "Our promise to you", launched in early 2021. The need subsequently emerged for a Sustainability Policy, which we have published on our website, [recarlo.com](https://www.recarlo.com).



SUSTAINABILITY POLICY

By drawing up a Sustainability Policy, we have formalised our commitment to a corporate strategy that respects our people and the local community, minimises our impact on the planet and nurtures responsible business.

- 1 Investing in development for our staff and associates**, supporting diversity and adopting the highest possible standards throughout the supply chain, creating and fostering employment opportunities.
- 2 Reducing our environmental impact to a minimum** by adopting innovative, low-impact solutions in the supply chain and engaging with our suppliers.
- 3 Working with ever greater transparency** along the entire supply chain, ensuring that we meet the highest possible environmental and social standards.
- 4 Working with partner companies and trade associations** to foster innovation and support the craftsmanship that has always been one of the core values of our business.



RESPECTING HUMAN RIGHTS

We respect human rights and adhere to the UN's Guiding Principles on Business and Human Rights in a manner appropriate to the company's size, activities and circumstances.

In 2020 we also affirmed our social commitment by acting with respect for human rights and mandatory legislation as well as workers' rights.

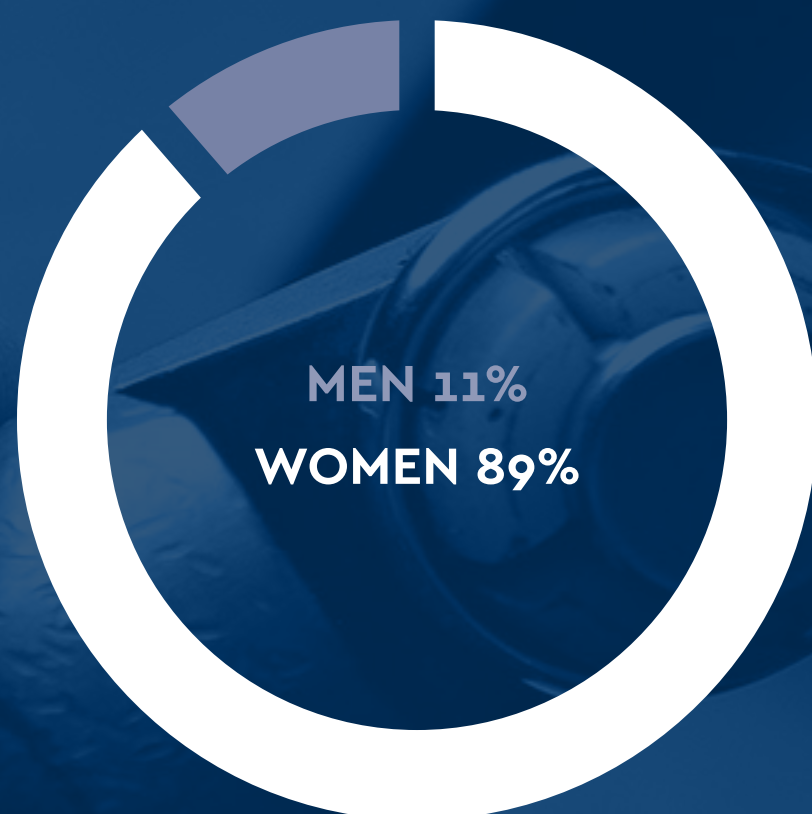
As members of the RJC, we have engaged with and educated our suppliers on the availability of monitoring activities along the entire supply chain, provided training in order to protect worker safety and supported the development of our local communities.



RESPECTING WORKING CONDITIONS

To this end we are committed to:

- Respecting the National Collective Agreement for Business
- Constantly improving our working conditions and monitoring satisfaction as regards our employees and the main parties involved;
- Providing suitable training activities in order to protect our staff's safety and their professional growth:
 - 1. Excel courses**, one intermediate and one advanced, totalling 24 hours
 - 2. Business English Courses**, basic and intermediate level, totalling 40 hours
 - 3. Recarlo Academy** – two training courses held by a dedicated Coach, designed to strengthen relationships by consolidating the Group.
- During the Covid epidemic we provided support for our employees by:
 1. Anticipating and supplementing redundancy payments during the first months of the lockdown
 2. Opening a support desk for our associates, enabling them to talk to our Coach.
- 89% of our employees are women, 57% live in Valenza (the town where our headquarters is located); 100% of our contracts are permanent.
- Supporting the **"Mani Intelligenti" Foundation**, which aims to source and train new generations of master goldsmiths in and around Valenza, recognised world-wide for innovation, creativity and exclusive care in the Italian jewellery sector.



RECARLO EMPLOYEES

ANTI-CORRUPTION POLICIES

Our attitude to corruption over the years has been clear: we have a zero tolerance policy.

We know we operate in difficult environments and within cultures where corruption may be very common, but this must never be an excuse.

It is essential to ensure our people and those working on our behalf understand their responsibilities and conduct themselves according to our values. To this end we have adopted and forwarded our Anti-corruption Policy to all stakeholders and published it on our website, recarlo.com

The company has observed all anti-corruption laws, legislation and regulations, and is committed to pursuing all our business activities in such a way that we are never involved in any form of corruption and do not facilitate or risk becoming involved in unlawful situations.

We are committed to preventing corruption in all practices and transactions carried out by the company and agents working on our behalf, establishing the criteria and procedures that employees must adopt as regards offering and/or accepting gifts from third parties and promoting responsible practices by our main business partners.



PRODUCT QUALITY

The company's goal has always been to pursue excellence through our commitment to creating artisan jewellery of the highest quality, fully meeting customer needs and complying with binding regulations. We have never made untruthful, misleading or deceptive statements, and have never advertised or sold synthetic or simulant diamonds.

We have implemented and instructed our suppliers to adopt the **Kimberley Process** Certification Scheme, informing sales staff of their legal obligations so they do not deliberately or accidentally make misleading or deceptive statements on the products they sell.

We have always declared and divulged the physical characteristics of all our products:

- **Gold and platinum group metals:** the fineness of gold and platinum-group metals is clearly stated.
- **Diamond quality:** descriptions of our diamonds, such as carat, colour, clarity or cut, correspond with the recognised guidelines for this jurisdiction, and are guaranteed by a gemmologist's certificate (accompanying all diamonds over 0.145 ct). Treated diamonds are distributed as "treated" or with specific reference to the treatment they have undergone.



RESPECTING THE ENVIRONMENT

We have always considered the environment to be a vital and strategic factor in carrying out and developing company business. Our aim is not only to meet customer expectations and regulatory requirements, but also to safeguard the environment through a constructive approach to environmental issues.

- We train our staff to understand and reduce the impact of company activities, fostering a widespread sense of environmental responsibility at every level. **In 2019 we began monitoring our energy consumption and examined how we can replace and/or improve company equipment to reduce our environmental impact.**
- To this end, in 2020 we installed a **Solar Power system**, enabling us to use renewable energy and manage our resources in a more sustainable manner.
- Early indications show that by using renewable energy, **we can cut our carbon dioxide consumption by 50,000 kg a year, equivalent to planting 1,500 trees.**
- In 2020 Recarlo took steps to reduce its single-use plastics, beginning with common areas and embarking on other projects that will be implemented in 2021.



CONCLUSION

We are committed to improving our social and environmental performance over the years by adopting responsible business practices with positive repercussions for key social conditions, respecting human rights, ethics and the environment along the entire jewellery production chain. This will impact positively on our staff, communities and business partners, on the environment and all those involved on a wider scale.



Recardo