

Recarolo

ANNUAL
SUSTAINABILITY
REPORT

YEAR 2021



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.

Since 2020 we have been turning this value into an authentic pathway towards sustainable growth. A fundamental strategic asset for the future.

To this end, we have carried out a materiality assessment to identify relevant issues for the company and our stakeholders, creating the foundation for our Sustainability strategy.



Relevant issues concerning three fundamental areas which are part of the "Our Promise to You" strategy we launched in 2020:

> People > Product > Environment

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 across the supply chain, creating and fostering employment opportunities.

2 Reducing our environmental impact to a minimum by adopting innovative, low-impact solutions for 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.



PEOPLE



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 2021 we confirmed our social commitments

once again by respecting human rights and all relevant binding legislation, respecting workers' rights in accordance with the National Collective Agreement for Trade.



ANTI-CORRUPTION POLICIES

Over the years, our attitude to corruption has been clear: we adopt a policy of zero tolerance.

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 vital to ensure our staff and the people who work for us understand their responsibilities and behave in a way that reflects our values: as a result, we have shared our Anti-corruption Policy with all our stakeholders and published it online at recarlo.com

The company complies with all anti-corruption legislation, standards and regulations; we are committed to running our commercial and business activities in a manner that avoids all

forms of corruption and does not facilitate or risk us becoming involved in unlawful practices.

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.

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.



PEOPLE

We always strive to improve our working conditions, monitoring satisfaction levels among our employees and the main parties involved; we provide appropriate training programmes in order to keep our workers safe and nurture their professional growth.

Developing our associates' skills is fundamental to us as a company, and we have created different training pathways with this aim in mind:

Academy – courses run by a specialist Coach, designed to foster our employees' professional development and ensure they reach their full potential at work.

We provided training courses in association with specialist companies:

Excel courses, one intermediate and one advanced, totalling 462 hours

Business English Courses, basic and intermediate level, totalling 480 hours.

Recarlo Academy – two training courses held by a dedicated Coach, designed to strengthen relationships by consolidating the Group.

As the pandemic continues, we have drawn up a "Covid 19" insurance policy to protect our associates if they catch Covid.

We continue to support the **"Mani Intelligenti"** Foundation, which aims to seek out and train new generations of master goldsmiths in and around Valenza, recognised world-wide for the innovation, creativity and exclusive care that goes into Italian jewellery.



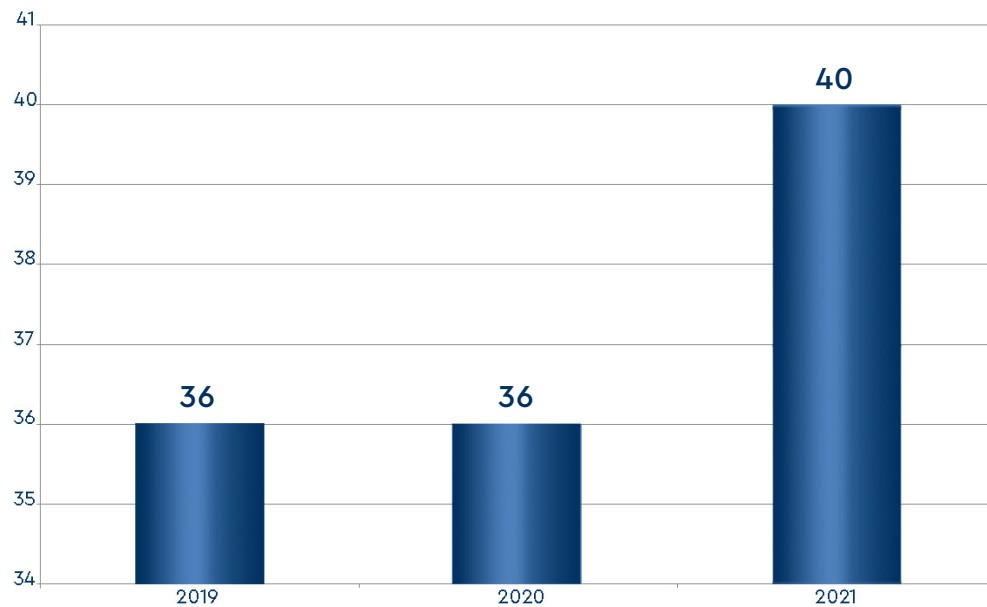
Staff structure

At the close of 2021 the company had 40 employees, an increase on previous years.

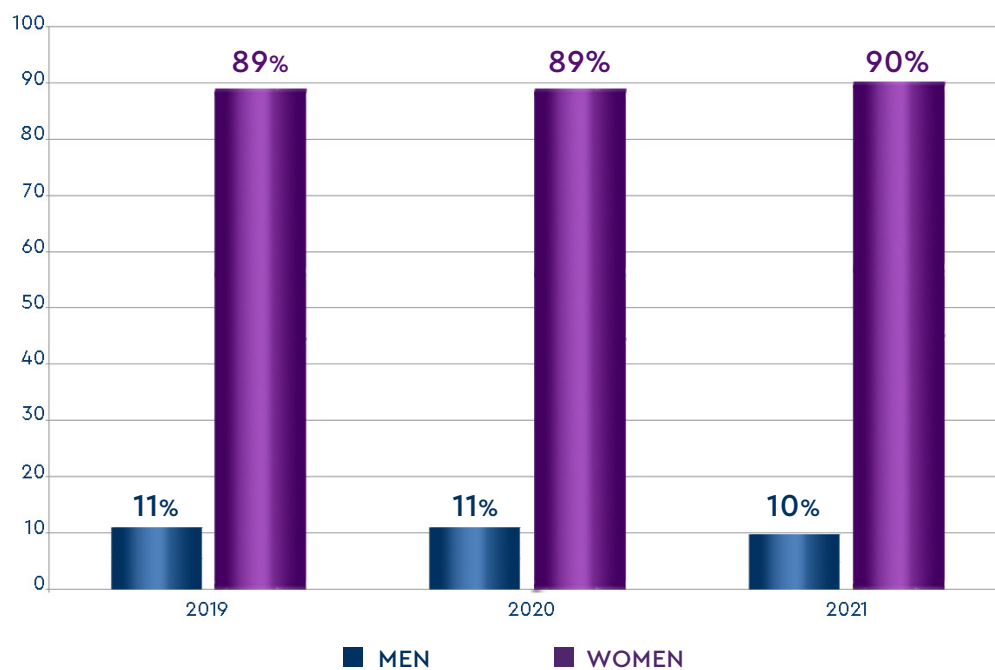
89% of our employees are women and 57% live in Valenza (home to our company headquarters); 100% of our staff are on permanent contracts.

PEOPLE

NUMBER OF EMPLOYEES

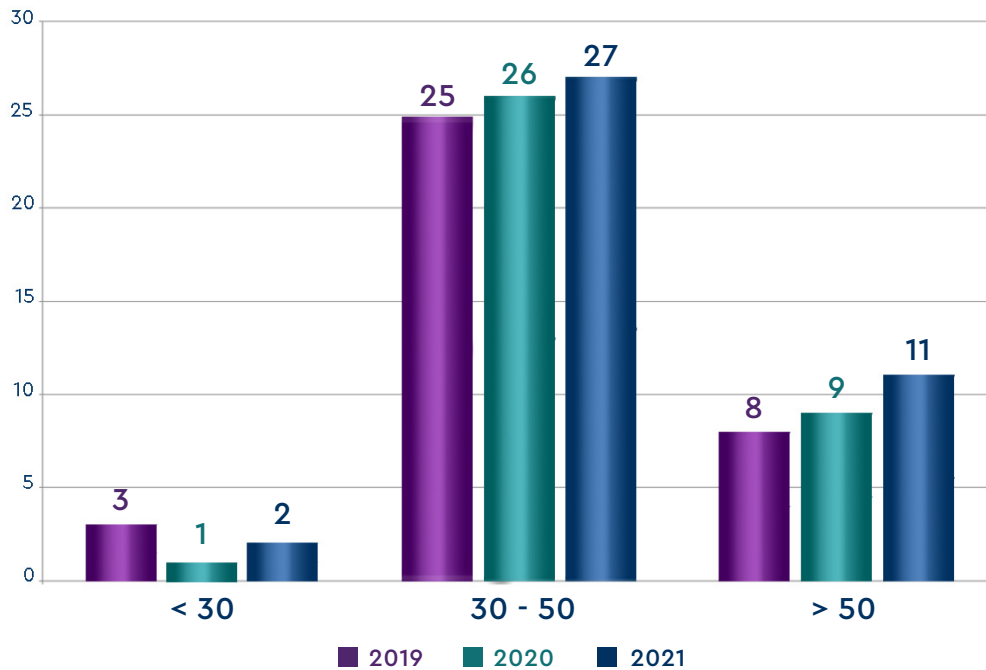


EMPLOYEES BY GENDER

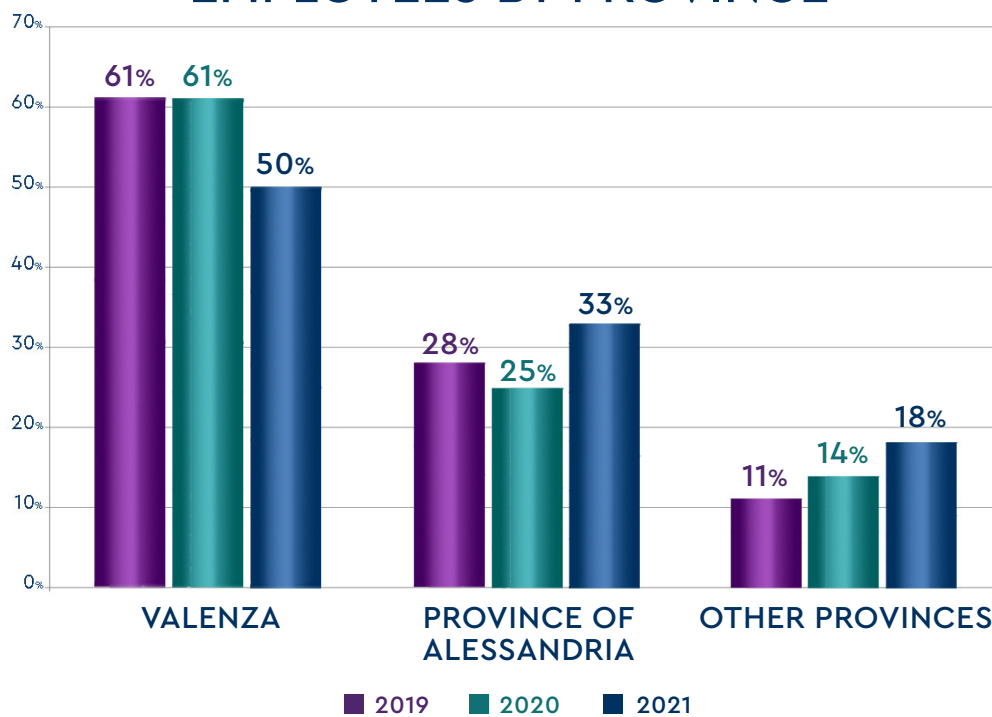


PEOPLE

EMPLOYEES BY AGE GROUP



EMPLOYEES BY PROVINCE



PRODUCTS



SUSTAINABILITY POLICY

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.



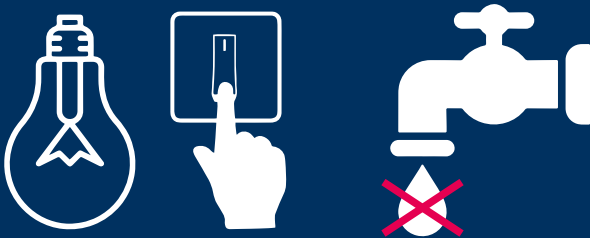
ENVIRONMENT



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.



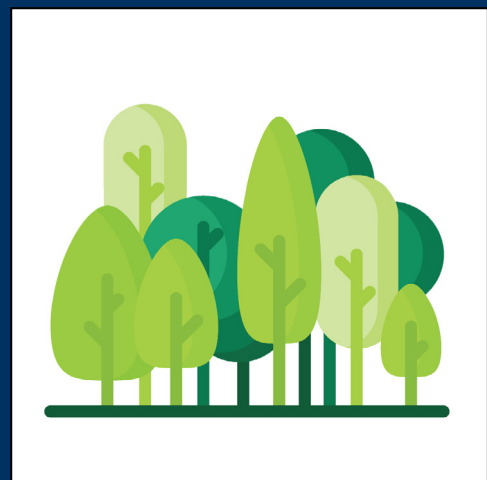
Throughout 2021 we continued to monitor our energy consumption, enabling us to take action to make company equipment more efficient and reduce our environmental footprint.



Our decision to prioritise renewable energy has proved highly successful: this year, now that the solar panels we installed at our Valenza headquarters in late 2020 are fully operational, we have exceeded expectations by saving 56,550 kg of greenhouse gas emissions (CO₂), equivalent to planting 1,680 trees.



- 56,550 KG



+ 1,680 TREES

ENVIRONMENT

In 2021 we realised our aim of reducing single-use plastics by installing water dispensers throughout the company, thereby saving around **16,800 plastic bottles** and cutting 2,400 kg of greenhouse gas emissions.

We have replaced all our single-use plastics with biodegradable plastics made from renewable materials such as maize starch and sugar cane.



In 2021 we achieved another important goal: all the paper we use to print documents and sales material is now FSC certified, meaning that it is responsibly sourced.



CONCLUSIONS AND OBJECTIVES

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.

As a result, we have already decided on our objectives for next year:

- work towards quantifying, reducing and offsetting our CO₂ emissions to achieve Carbon Neutrality,
- design new price tags using fully recycled material,
- provide a QR Code for every item of jewellery, charting its history and including diamond certifications,
- create a Capsule Collection using only ethical gold.



Recardo