

ANNUAL  
SUSTAINABILITY REPORT

2022



*Recarlo*

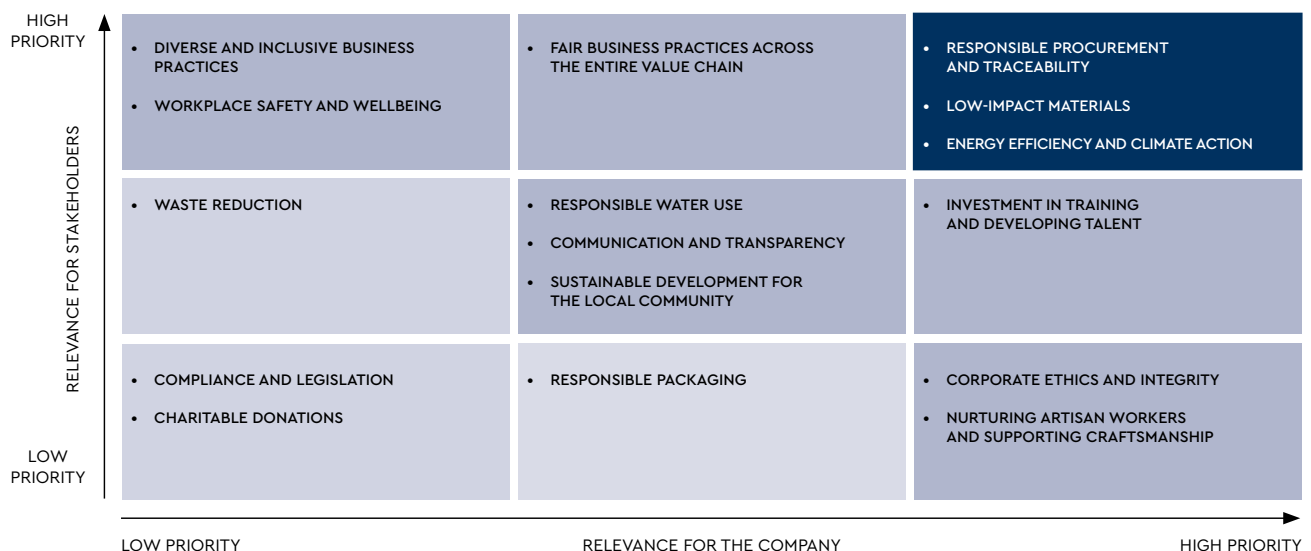


# INTRODUCTION

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.

## 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

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By drawing up a Sustainability Policy, we have formalised a corporate strategy that respects our people and the local community, minimises our impact on the planet and also nurtures responsible business. To strengthen our commitment even further, this year we set up a Sustainability Committee, which meets once a month; it takes a proactive approach to decision-making on sustainability issues, with particular emphasis on the following:



1

Investing in development for our staff and associates, supporting diversity and adopting the highest possible standards across our 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

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# RESPECTING HUMAN RIGHTS

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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 2022 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.



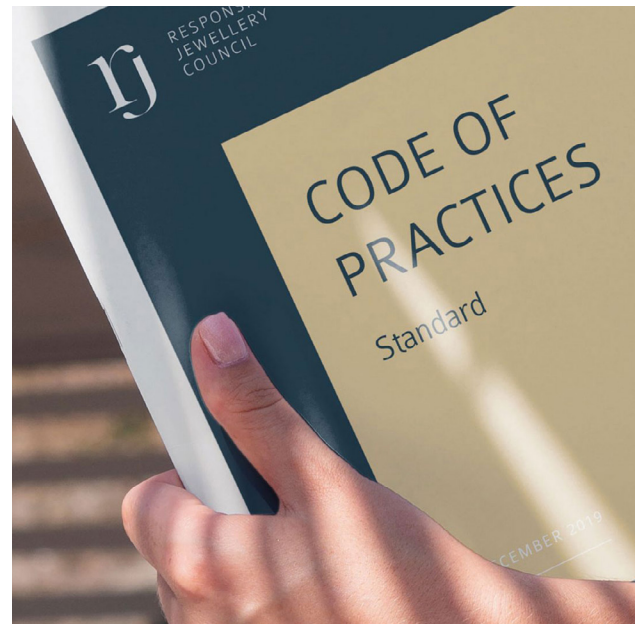


# ANTI-CORRUPTION POLICIES

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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](http://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

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Our success also depends on our ability to attract and retain qualified staff for our key business functions. As a result, we have always sought to constantly improve our working conditions and monitor satisfaction 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:

**Recarlo Academy** – We run training sessions for sales staff at our partner jewellers in Italy and beyond, encouraging positive interactions and passing on the values – elegance, finesse and attention to detail – we want our customers to share throughout their buying journey, giving them a unique, emotional experience at the jeweller's.

Our training pathway for company employees is designed to strengthen relationships by consolidating the Group. We therefore place particular emphasis on creating a common language and culture, helping motivate people by raising their awareness and self-esteem and thereby managing a complex working environment more effectively.

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

**Business English courses** – basic and intermediate level, totalling 480 hours.

**Company welfare** – we have been working on a platform designed to deliver benefits for our employees, thereby boosting their wellbeing at work and home. The platform will be launched in January 2023, and we are sure it will be warmly welcomed by all our associates.

**"Mani Intelligenti" ("Intelligent Hands")** – We continue to support the 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. It is vital that the company's know-how is handed down the generations to prevent craft skills from being lost.

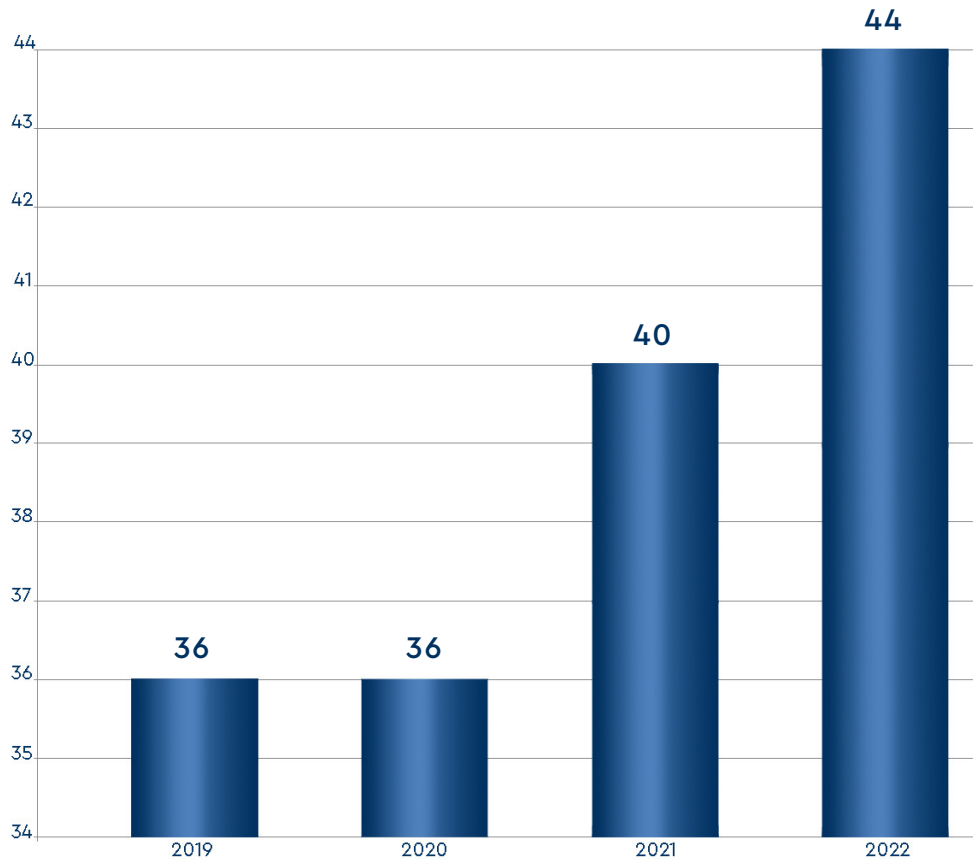


**Staff structure** – By the end of 2022 the number of our employees had risen again and now stands at 44, all of whom have permanent contracts. 89% of our employees are women and 84% live in Valenza or the Province of Valenza.

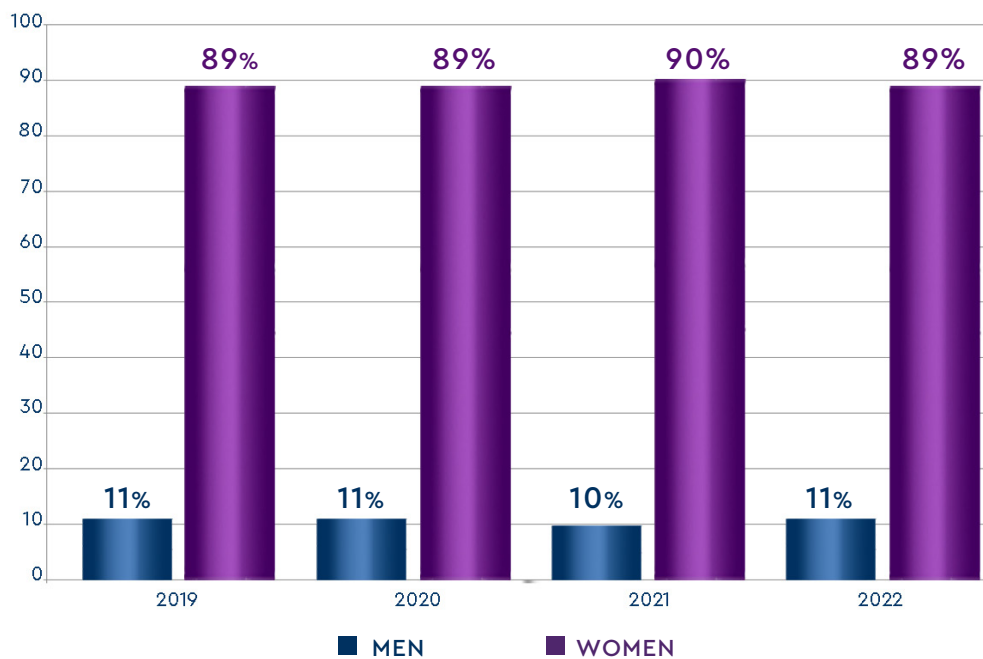


# PEOPLE

## NUMBER OF EMPLOYEES



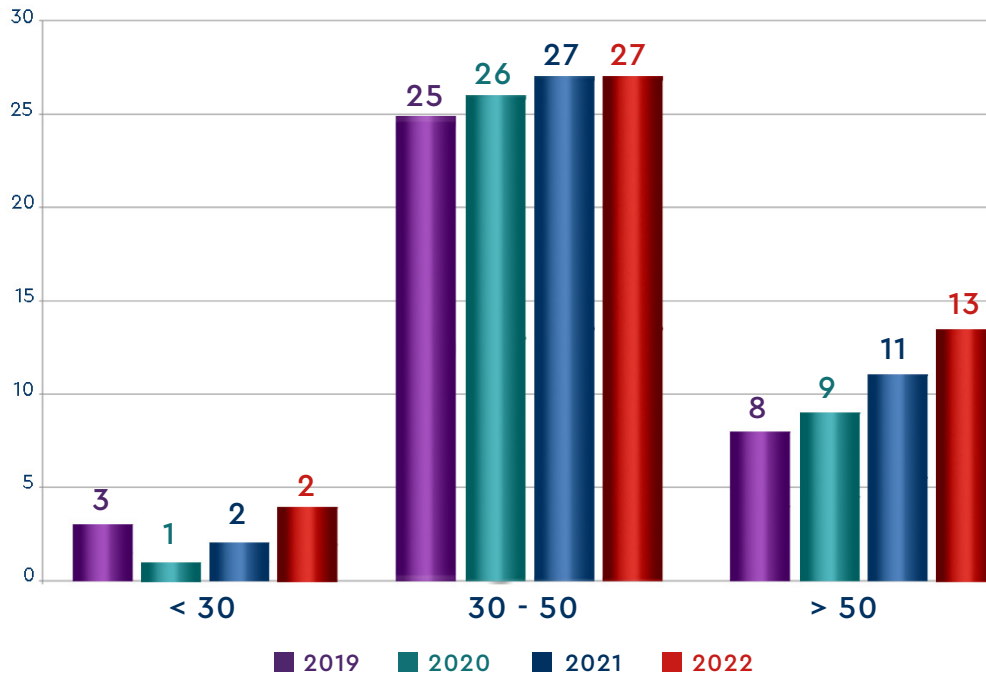
## EMPLOYEES BY GENDER



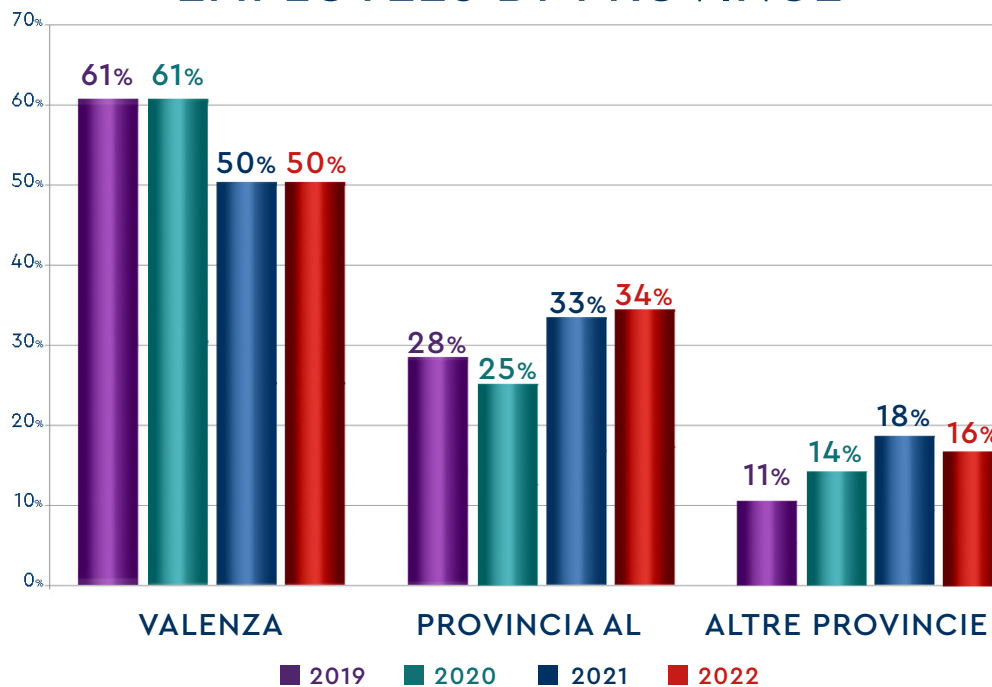


# PEOPLE

## EMPLOYEES BY AGE GROUP



## EMPLOYEES BY PROVINCE



# PRODUCTS

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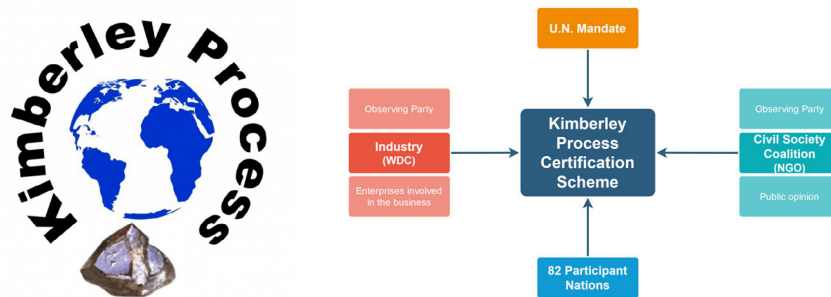




# SUSTAINABILITY POLICY

The company's goal has always been to pursue excellence through our commitment to creating artisan jewellery of the highest quality, fully meeting our customer's 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 **World Diamond Council International System of Warrantees**, 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. The description of fineness or purity is as evident as the term "gold" or platinum group metals or their abbreviation. We source gold by buying 20% from Banks and 80% from RJC certified Precious Metal Banks.

**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 (issued by an external laboratory) accompanying all diamonds over 0.145 CT. Treated diamonds are distributed as "treated" or with specific reference to the treatment they have undergone.

Starting this year, **all our jewellery now comes with a QR code:** readable via a smartphone, it gives instant access to the gemmologist's certificate accompanying all diamonds over 0.14 ct. It also includes an image of the jewellery along with a brief technical description.

**Coloured gemstone quality:** a QR code is also provided for jewellery featuring sapphires, rubies and emeralds, certifying the gemstones' characteristics and provenance.





# ENVIRONMENT

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# ENVIRONMENT

## Carbon Neutrality

Completing the GHG inventory has enabled us to assess our environmental impact in terms of greenhouse gas emissions and pinpoint possible areas for improvement. Our first real step was signing up for DHL's GoGreen service, which has already enabled us to offset 12.43 tonnes of CO2 emissions this year.

CO2e Emissions by Source				
Source		TtW (in t)	TtW (in %)	WtW (in t)
	Air Transport	17,57	89%	21,46
	Road Transport	0,38	2%	0,47
	Pickup & Delivery	1,63	8%	1,97
	Facilities	0,13	1%	0,15
Total Emissions		19,71	100%	24,05
Emission Offset		10.18	52%	12,43

In the second half of the year, we produced 24.05 tonnes of greenhouse gas emissions from air and road transport, but we have already offset 52% (equivalent to 12.43 tonnes) thanks to the GoGreen service.

## Price tags

Since 2022 all our jewellery now comes with a new price tag made using 100% recycled plastic, thereby giving a second life to a highly polluting material.

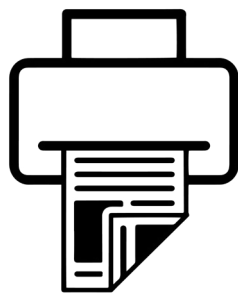


# ENVIRONMENT

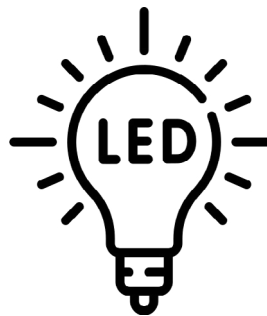
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We have always considered the environment to be a vital and strategic factor in carrying out and developing company business. Our aim is therefore not only to meet customer expectations and regulatory requirements, but also to safeguard the environment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

- We train our staff to understand and reduce the impact of company activities on the environment, fostering a widespread sense of environmental responsibility at every level.



- Since 2019 we have continued to monitor our energy consumption, enabling us to take action to make company equipment more efficient and reduce our environmental footprint. This year we carried out a Feasibility Study on converting our lighting systems: by 2023, LED bulbs will be used exclusively throughout the company.



- The decision to switch to renewable energy has proved a winning one: this year our solar power system enabled us to save 63,540 kg of greenhouse gas emissions (CO<sub>2</sub>), equivalent to planting 1,880 trees.



**- 63.540 KG**



**+ 1.880 TREES**



# CONCLUSIONS AND OBJECTIVES

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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:

- Launching the Welfare Platform
- Replacing our entire lighting system with LED bulbs
- Reducing and/or offsetting our CO2 emissions
- Designing new packaging made with sustainable materials and with a lower environmental impact





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