

Recardo

ANNUAL SUSTAINABILITY
REPORT

- 2019 -

INTRODUCTION

The annual sustainability report is a tool for communicating annual results related to sustainability, for purposes of continuously improving social and environmental performance.

Generally speaking, Corporate Social Responsibility sets out the scope of the Company's commitment to generate value and promote future actions.

HUMAN RIGHTS

Recarlo Spa respects human rights and adheres to the UN Guiding Principles on Business and Human Rights in a manner appropriate to the Company's size, activity and circumstances.

In 2019 as well, the Company demonstrated its social commitment by acting with respect for human rights and applicable binding law, as well as worker rights.

It has involved Suppliers and made them aware of the possibility of monitoring the entire supply chain, promoted adequate training for purposes of protecting worker safety, and has supported development of the communities where the Company operates.

ANTI-CORRUPTION

Our attitude to corruption over the years has been clear: we have a zero tolerance policy. We know that we operate in difficult environments and in cultures where corruption may be very common, but this can never be an excuse.

It is fundamental to guarantee that our people and those who work on our behalf understand their responsibilities and conduct themselves in accordance with our values.

The Company has followed all laws, rules and regulations on combating corruption and has committed to conducting its business activities and affairs in a way that does not involve it in any corruption and does not facilitate or create the risk of involvement in unlawful situations.

We are committed to prohibiting corruption in all practices and transactions carried out by the Company and by agents acting on its behalf, establishing the criteria and procedures that employees must follow with regard to offering and/or accepting gifts from third parties and promoting responsible practices by our principal business partners.

PRODUCT QUALITY

The Company's goal has always been to seek excellence through its commitment to artisanal production of high quality jewellery that fully meets customer needs and complies with binding requirements.

We have never made untruthful, misleading or deceptive statements, and have never advertised or marketed diamonds, synthetics or simulants.

We have implemented and required our suppliers to adopt the Kimberley Process Certification Scheme, instructing sales staff on legal obligations, so that they do not either deliberately or accidentally make misleading or deceptive statements on the products they offer for sale.

We have prohibited trade in conflict diamonds and have never purchased rough diamonds without a Kimberley certification.

The Company has always declared and divulged the physical characteristics of all its products:

- a) **Gold and platinum group metals:** the fineness of gold and platinum group metals is accurately communicated.

- b) **Quality of diamond:** the description of the characteristics of our diamonds, such as weight, colour, clarity or cut of diamonds and synthetic stones corresponds to the specific recognized guidelines of the relative jurisdiction.

- c) **Treated diamonds:** treated diamonds are distributed as "treated" or with specific reference to the treatment they undergo.

RESPECT FOR THE ENVIRONMENT

Recarlo has always considered the environment to be a vital and strategic factor when engaging in and developing company activities.

Our actions are aimed at not only meeting customer demands and legislative and regulatory requirements, but also environmental protection needs, through a constructive approach to environmental issues.

We have trained personnel to identify and reduce the environmental impact of company activities, at every level promoting a widespread sense of responsibility to the environment, including by developing the events management service.

We have managed all company activities in accordance with national and international laws and regulations and other provisions to which we subscribe, and we monitor this compliance.

In 2019 we began monitoring energy consumption and assessed the possibility of replacing and/or improving company equipment to create less environmental impact. In this regard, in 2020 we will be working on a project to install a photovoltaic system. This project, which focuses on renewable energy, will allow us to improve sustainable management of our resources.

CONCLUSIONS

Our commitment over the years is to improve results in terms of social action and environmental impact by guaranteeing the adoption of responsible operating practices to achieve positive impacts on fundamental social conditions, respect for human rights, ethics and environmental concerns in the jewellery supply chain, producing a positive impact on workers, communities, corporate partners, the environment, and interested parties in general.

The Management

