

**SUSTAINABILITY  
REPORT 2022**

**SASMAT RETAIL**

**PDPAOLA**

# CONTENTS

<b>About this Report</b>	<b>3</b>	<b>5. PLANET</b>	<b>51</b>
<b>A message from our founders</b>	<b>4</b>	5.1 Energy Consumption	53
<b>0. 2022 AT A GLANCE</b>	<b>5</b>	5.2 Our Carbon Footprint	54
		5.3 Key information	55
<b>1. SASMAT RETAIL &amp; PDPAOLA</b>	<b>13</b>	<b>6. PRODUCT</b>	<b>57</b>
1.1 Our Business Model	15	6.1 Towards More Responsible Materials	59
1.2 Our Mission	17	6.2 Product Health and Safety	60
1.3 Vision and Values	18	6.3 Supply Chain	61
		6.4 Packaging	67
<b>2. OUR APPROACH TO SUSTAINABILITY</b>	<b>20</b>	<b>7. PARTNERSHIPS</b>	<b>69</b>
2.1 Identification and dialogue with stakeholders	21	7.1 Responsible Jewellery Council (RJC)	71
2.2 Materiality Analysis	22	7.2 UN Global Compact	72
2.3 Alignment with the SDGs	24	<b>8. ANNEXES</b>	<b>73</b>
<b>3. ETHICAL CULTURE AND COMPLIANCE</b>	<b>27</b>	8.1 GRI table of contents	74
3.1 Dedicated governance structure	29	8.2 Most relevant contribution to the SDGs	77
3.2 Codes of Conduct and Corporate Policies	30		
<b>4. PEOPLE</b>	<b>32</b>		
4.1 One team, one dream	34		
4.2 Talent Management	35		
4.3 Occupational Health and Safety	38		
4.4 Diversity, Inclusion and Equal Opportunities	40		
4.5 Our Community	42		
4.6 Key information	45		

## ABOUT THIS REPORT

This is the second annual sustainability progress report for SASMAT RETAIL S.L. and its brand PDPAOLA.

This report represents an important milestone in our ongoing commitment to sustainability and allows us to share the progress made during the tax year from 1 January to 31 December 2022.

At SASMAT RETAIL, we continue to work and collaborate towards a more responsible jewelry industry, and this report is further proof of our real commitment to sustainability, as it provides us with the space to communicate our efforts and demonstrate our commitment. To this end, the report is structured around the key pillars of our sustainability strategy and has been prepared in accordance with the principles of stakeholder engagement, sustainability context, materiality and completeness.

The report is published in English and Spanish, and is available on our corporate website.

For more information about our commitment to sustainability, visit us at <https://www.pdpaola.com/pages/jewelry-sustainability>

If you have any questions or comments, please contact us at [sustainability@pdpaola.com](mailto:sustainability@pdpaola.com)

## A MESSAGE FROM OUR FOUNDERS

Looking back, 2022 was a year marked by geopolitical and economic challenges. However, these challenges allowed us to appreciate the robustness of our management systems positively.

Resilience has become an integral part of our corporate culture. Our ability to overcome obstacles and remain steadfast in our vision and mission has both strengthened and driven us to continue to grow and evolve on the path to sustainability, allowing us to overcome obstacles and continue to make progress.

Part of this is attributed to our **Strategic Sustainability Plan** initiated two years ago. As we have progressed on our journey, we have learned that we can achieve a lot. Working with our team, business partners and other stakeholders, we know that we can have a positive impact on the way we do business.

We have learned that there is always room for improvement in the way we do things. A clear example is the enhancement of our **Responsible Sourcing Program**, through which we work closely with our supply chain to

ensure compliance, as well as improve traceability and transparency in our operations. This approach has given us broader and clearer visibility, from the initial stages at the refineries to the final product.

In 2022, we also launched our first **Equality Plan**, which seeks to promote equal opportunities and non-discrimination among employees by implementing concrete measures.

With regard to our brand, we have updated the **PDPAOLA logo**, with the aim of reflecting our evolution as a company and strengthen our brand identity. In addition, we have carried out a strategic expansion at national and international level by opening **seven new PDPAOLA stores**. These openings have not only increased our market presence, but have also given us the opportunity to reach out to new customers and audiences.

In conclusion, our **commitment to sustainability remains steadfast**. As we move forward on our journey, we recognize the importance of overcoming obstacles, improving our practices, and expanding our positive impact on society and the environment. We are proud of the progress we have made thus far and are inspired to continue to drive meaningful change in the future.


Paola & Humbert Sasplugas,  
Founders & CEOs



0

# 2022 AT A GLANCE

# 2022 AT A GLANCE

- 
- (1) **NEW PDPAOLA LOGO**
  - (2) **OPENING AT TMALL**
  - (3) **PUBLICATION OF THE FIRST SUSTAINABILITY REPORT**
  - (4) **PUBLICATION OF THE FIRST EQUALITY PLAN**
  - (5) **OPENING OF 5 STORES IN SPAIN**
  - (6) **2 OPENINGS IN LATIN AMERICA: PERU AND PUERTO RICO**

## 2022 AT A GLANCE

**+800.000**

**UNITS**

**SOLD**

## 2022 AT A GLANCE

138

WORKERS<sup>1</sup>

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<sup>1</sup> Includes employees and self-employed workers or workers of other organizations dedicated full time to the needs of SASMAT RETAIL.



## 2022 AT A GLANCE

**+2.300  
POINTS  
OF SALE**

## 2022 AT A GLANCE

**+100 COUNTRIES  
WITH A DIGITAL  
PRESENCE**

## 2022 AT A GLANCE

**49 COUNTRIES  
WITH A PHYSICAL  
PRESENCE**



1

# SASMAT RETAIL & PDPAOLA

- 1.1 Our business model
- 1.2 Our value chain
- 1.3 Our mission
- 1.4 Vision and values

# 1

**SASMAT RETAIL S.L.**, registered in 2015, is the result of the vision of siblings Paola and Humbert, who founded the PDPAOLA trademark with a clear mission: to revolutionize the jewelry industry.

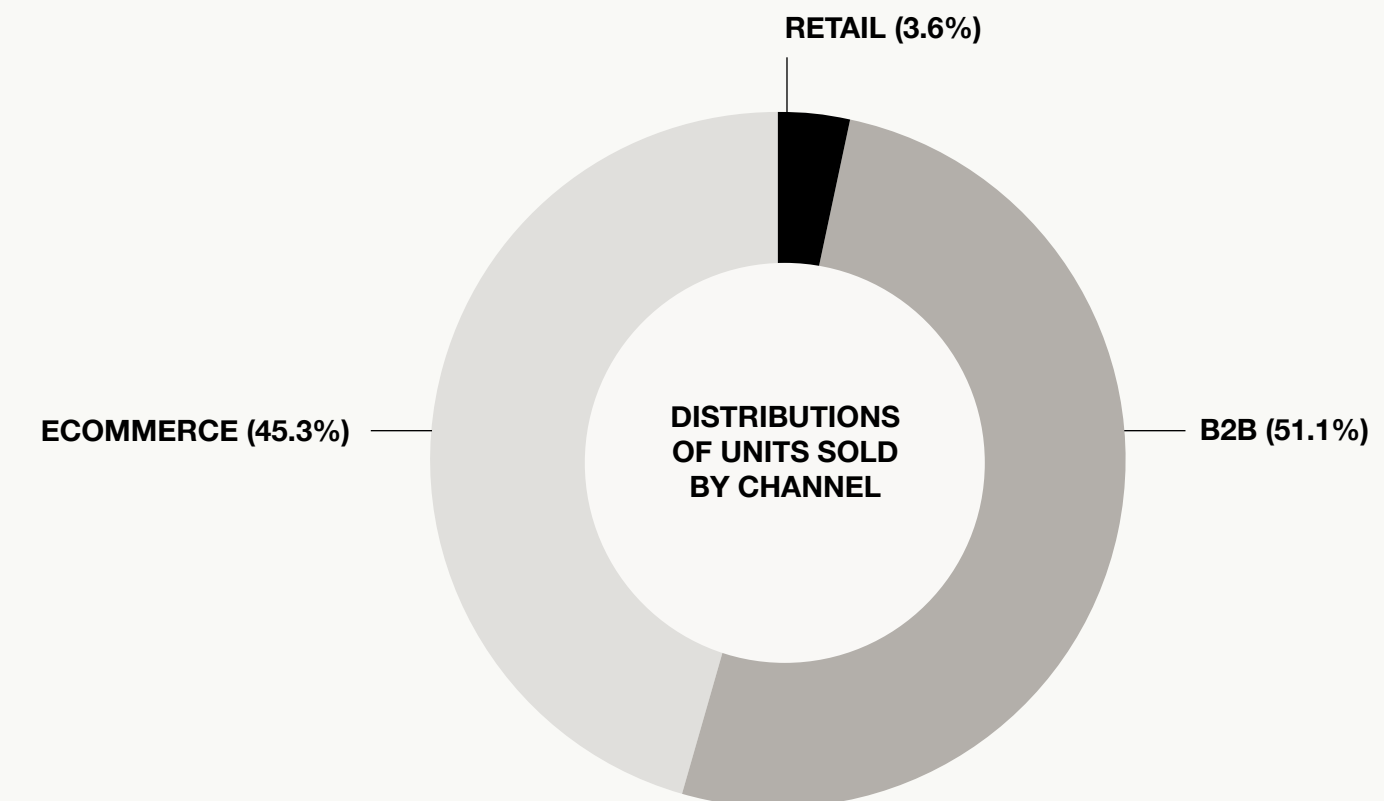
With headquarters in Barcelona, **SASMAT RETAIL** finished 2022 with 126 employees and more than 800,000 pieces of jewelry sold worldwide.

# 1.1 OUR BUSINESS MODEL

Our business is global. We sell worldwide through our website and on other e-commerce platforms. We also have more than 2300 international points of sale in over 49 countries.

PDPAOLA was born as a Digital Native brand and has expanded its market presence through a combination of online and offline channels. In 2021, we opened our first physical store and in 2022 we continued our expansion with the opening of five new stores in strategic locations in Spain and began our international expansion with two new openings in Latin America located in Peru and Puerto Rico. In 2023, we will take our expansion further with international openings.

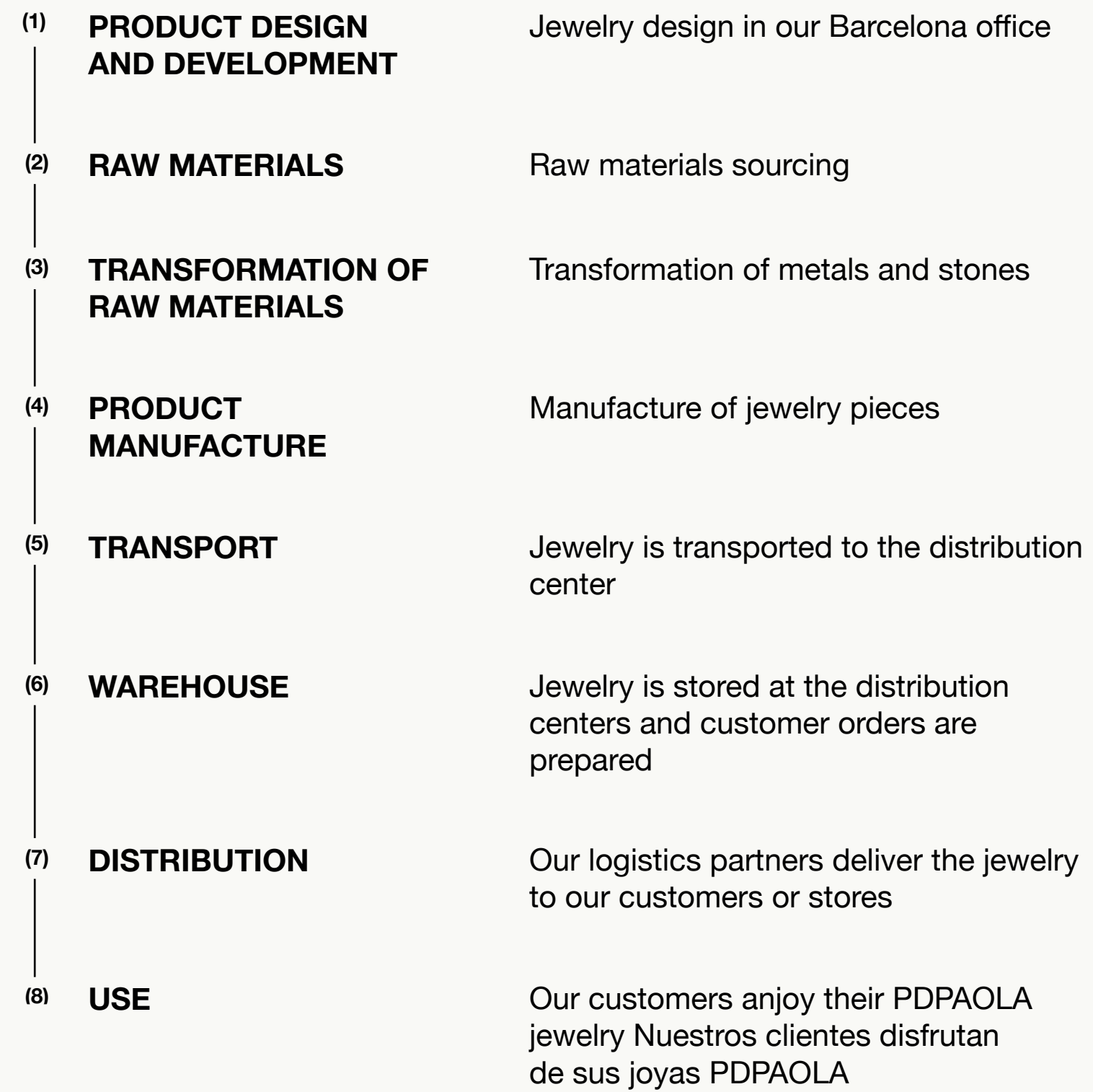
With our stores we seek to offer customers the physical experience of the brand, while remaining true to our essence of effortless sophistication. We create spaces that go beyond traditional stores: welcoming spaces where visitors can immerse themselves in the exciting PDPAOLA world, interact with our jewelry experts, discover the latest collections and participate in special events.



# 1.1 OUR BUSINESS MODEL

Our products are designed at our headquarters in Barcelona and manufactured by independent suppliers in China, India and Spain. PDPAOLA jewelry is mainly crafted with precious metals (gold and sterling silver), semi-precious stones and diamonds.

## 1.1.1 OUR VALUE CHAIN





## 1.2 OUR MISSION

Our mission as a brand is multifaceted. We strive to be an exceptional employer, a trusted partner and a conscious and ethical brand, working to make a positive difference in the lives of our customers, employees, partners and the community at large.

### CUSTOMERS

Inspire, accompany and surprise. We want to exceed our customers' expectations in all their interactions with the brand, from product to shopping experience.

### PARTNERS AND DISTRIBUTORS

Trust, respect and honesty. Our partners are a fundamental part of our journey, always seeking to establish solid and lasting relationships.

### EMPLOYEES

Kindness, collaboration and integrity. We foster a work atmosphere in which our employees can flourish.

### SOCIETY

Commitment to social, economic and environmental sustainability. We want to create qualitative employment and leave a positive legacy on the planet and in the community.



## 1.3 VISION AND VALUES

### PASSION

We don't follow trends, we create them. At PDPAOLA, we are leaders in the industry, thanks to our clear vision, our capacity for innovation and our determination.

### COLLABORATION

At PDPAOLA, we are a united and committed team, where each member brings his or her skills and knowledge to achieve ambitious goals. We work together, learn together and grow together.

### CREATIVITY

At PDPAOLA, we go beyond what already exists. We not only see creativity as the search for new ways to create, but also to face problems and challenges.

### RESPONSIBILITY

We care about our impact on society and the environment. We are responsible and conscientious, and we work to ensure that our legacy is a positive one.

### EXCELLENCE

We don't settle for "good enough". At PDPAOLA, we strive for excellence in everything we do, from the quality of our products to customer service.



2

# OUR APPROACH TO SUSTAINABILITY

- 2.1 Identification and dialogue with stakeholders
- 2.2 Materiality analysis
- 2.3 Alignment with the SDGs

## 2

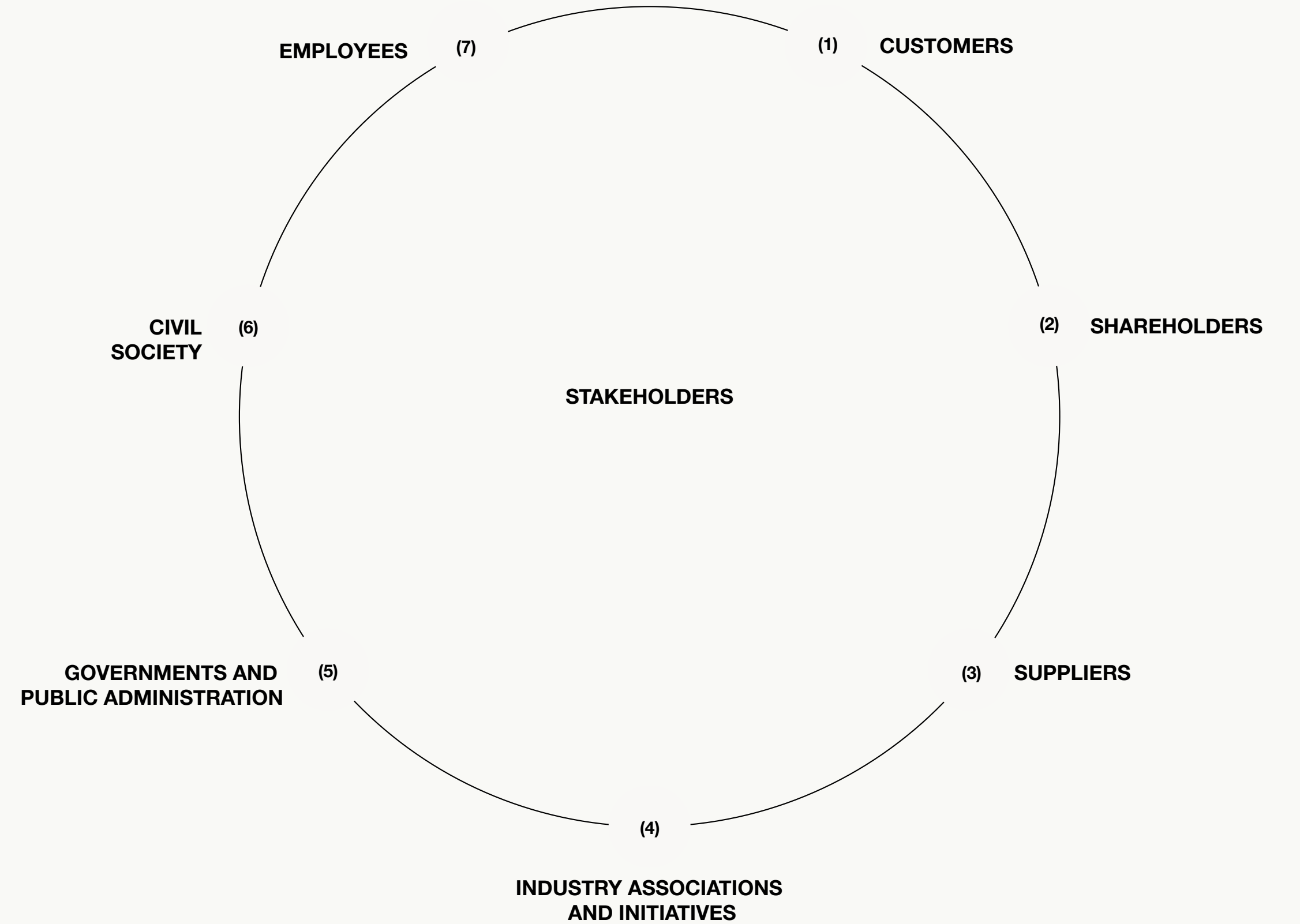
**At SASMAT RETAIL, we approach sustainability with a comprehensive approach that encompasses the complexity of social, economic and environmental aspects, permeating all areas of our company.**

**In this sense, we have established the Sustainability Department, reporting directly to SASMAT RETAIL's Management, to articulate and execute our Strategic Sustainability Plan. This plan constitutes our compass, our guide to move towards a company that is increasingly committed to sustainability. It allows us to understand our current situation, address business risks and the needs of our stakeholders, set goals, and ultimately be accountable and evaluate our progress in sustainability.**

## 2.1 IDENTIFICATION AND DIALOGUE WITH STAKEHOLDERS

In 2020, we began to draw up the 2021-2023 Sustainability Strategy, and to do so the first action we took was to consult all those involved with SASMAT RETAIL to find out what their expectations were, so we could understand them and analyze their viability and suitability, in order to internalize them within our strategic plan.

To this end, we identified our internal and external stakeholders, prioritized them based on the influence and impact between the company and said stakeholders, and then established which communication channels we would use with each of them.



## 2.2 MATERIALITY ANALYSIS

In 2021 we conducted our first materiality analysis in accordance with the principles of the **Global Reporting Initiative** in order to identify and prioritize the issues important to our business and our key stakeholders.

In the process of identifying material issues, we have taken into account various tools and information sources, such as analysis of competitors and industry leaders, analysis of industry and global trends, and our risk analysis.

Once the material issues have been identified, we invited the participation of our most important stakeholders, including customers, suppliers and employees, through online questionnaires.

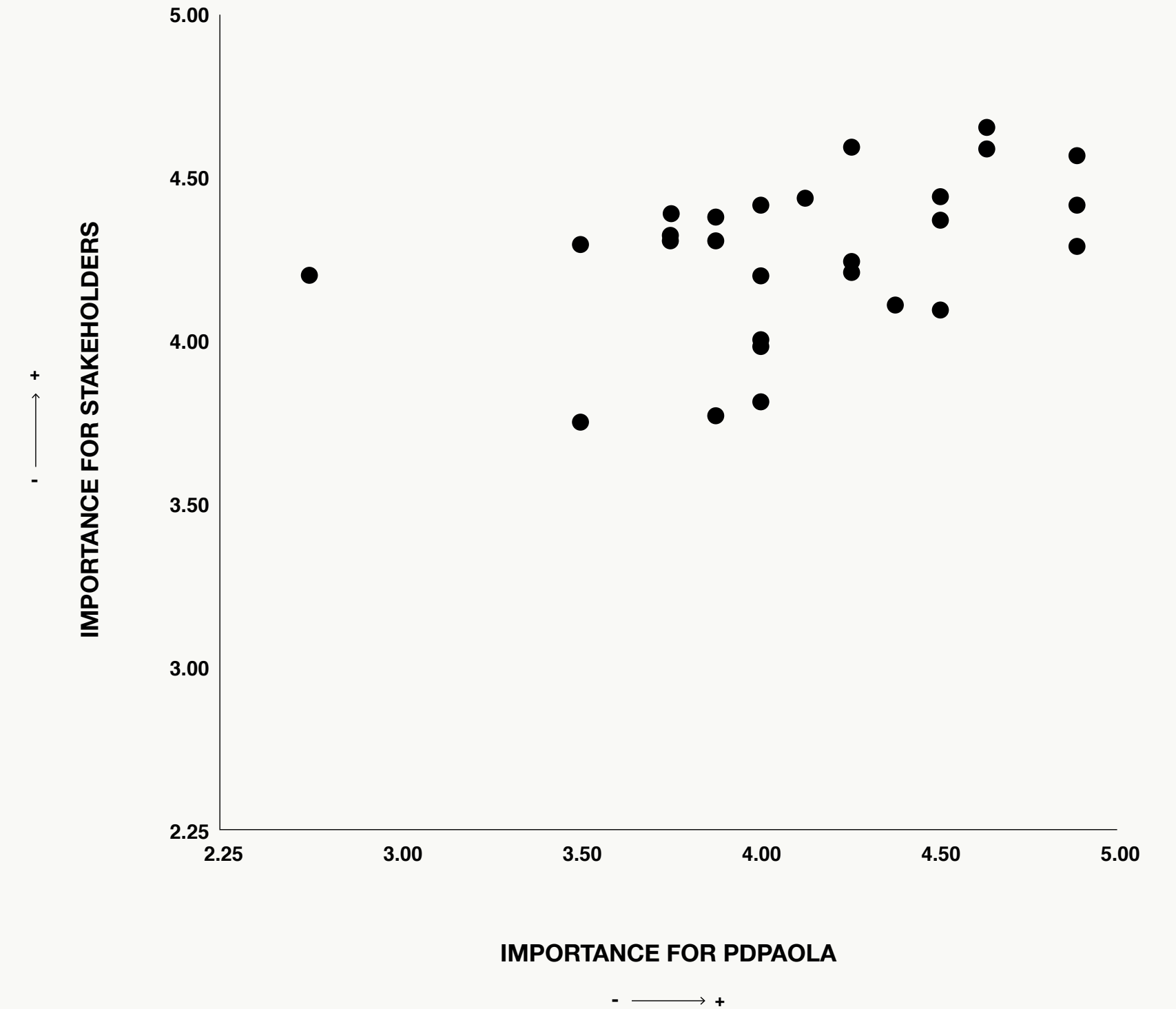
Throughout the materiality analysis, 28 aspects included in different topics such as Innovation and business model, Governance and leadership, Environment, Human capital and Social capital were evaluated.

## 2.2 MATERIALITY ANALYSIS

From this analysis, we identified the main material issues that have inspired and helped us to refine our sustainability strategy:

- (01) COMPLIANCE
- (02) CUSTOMER SATISFACTION
- (03) DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES
- (04) ETHICAL CONDUCT AND ANTI-CORRUPTION
- (05) OCCUPATIONAL HEALTH AND SAFETY
- (06) PRODUCT QUALITY AND SAFETY
- (07) PROTECTION OF HUMAN RIGHTS
- (08) PROTECTION OF LABOR RIGHTS
- (09) QUALITY EMPLOYMENT
- (10) REDUCTION OF EMISSIONS AND FIGHT AGAINST CLIMATE CHANGE
- (11) RESPONSIBLE SUPPLY CHAIN MANAGEMENT
- (12) SUSTAINABLE PACKAGING
- (13) SUSTAINABLE PRODUCTS AND RESPONSIBLE CONSUMPTION
- (14) TALENT ATTRACTION AND RETENTION
- (15) TRACEABILITY AND ORIGIN OF RAW MATERIALS

**MATERIALITY  
MATRIX**




## 2.3 ALIGNMENT WITH THE SDGs

In 2015, the Member States of the United Nations adopted the 2030 Agenda on Sustainable Development, an opportunity for countries and their societies to embark on a new path with which to improve the lives of all, leaving no one behind.


The Agenda has 17 Sustainable Development Goals to eradicate poverty, protect the planet and ensure prosperity for all.

To achieve these goals, everyone has to do their part: governments, the private sector, civil society and individuals.

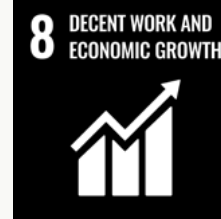
Our sustainability strategy is aligned with the following Sustainable Development Goals:




**SDG 5**  
Achieve gender equality and empower all women and girls.




**SDG 7**  
Ensure access to affordable, reliable, sustainable and modern energy for all.




**SDG 8**  
Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.




**SDG 10**  
Reduce inequality between and within countries.



**SDG 12**  
Ensure sustainable consumption and production patterns.



**SDG 16**  
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.

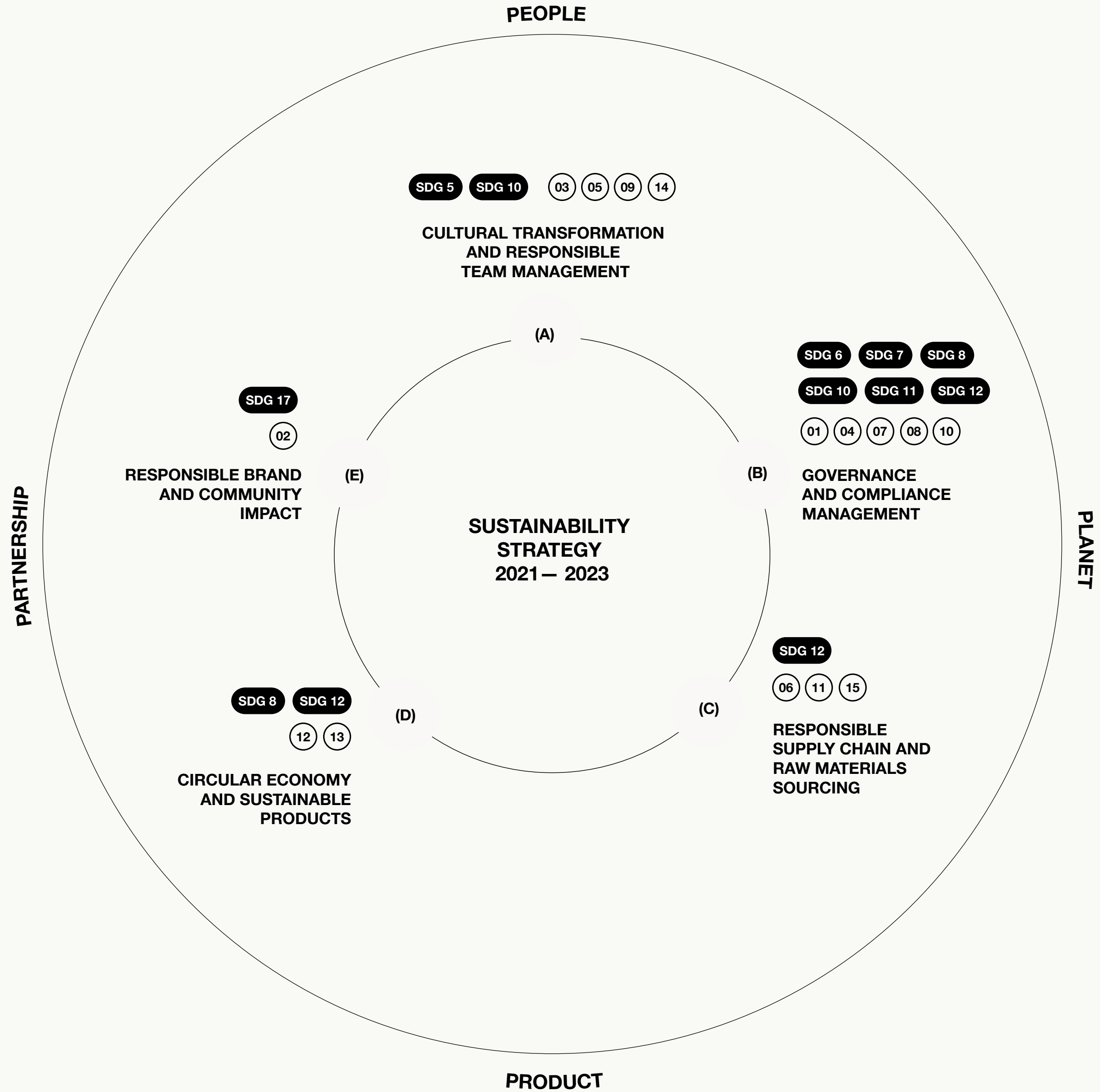


**SDG 17**  
Strengthen the means of implementation and revive the global partnership for sustainable development.



## 2.3 ALIGNMENT WITH THE SDGs

- (01) COMPLIANCE
- (02) CUSTOMER SATISFACTION
- (03) DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES
- (04) ETHICAL CONDUCT AND ANTI-CORRUPTION
- (05) OCCUPATIONAL HEALTH AND SAFETY
- (06) PRODUCT QUALITY AND SAFETY
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- (15) TRACEABILITY AND ORIGIN OF RAW MATERIALS





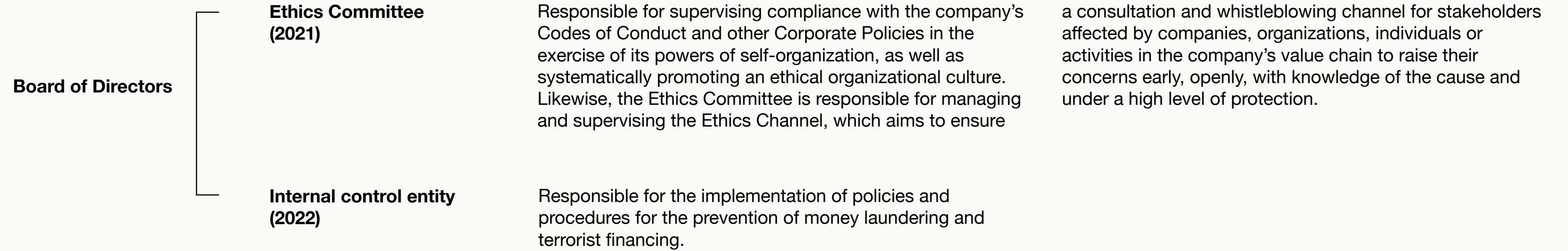
# ETHICAL CULTURE AND COMPLIANCE

### 3

**In our organization, we foster a corporate culture based on integrity, supported by a solid framework that ensures regulatory compliance and mitigates inherent risks. This enables our employees to adopt ethical behavior and feel confident in adhering to the principles of transparency, fairness, accountability, integrity, and professionalism. Through this culture rooted in our core values, we seek to promote trust both internally and in our relationships with external stakeholders. The firm translates these values into tangible actions through clear policies and procedures that promote business ethics at all levels of the organization.**

# 3.1 DEDICATED GOVERNANCE STRUCTURE

SASMAT RETAIL’s corporate governance is structured around a board of directors, which plays a key role in making strategic decisions and overseeing the management of the company. In addition to the board of directors, SASMAT RETAIL has several specialized committees that are responsible for addressing different key aspects of corporate governance:



**100%  
OF EMPLOYEES  
TRAINED IN OUR  
ETHICAL CULTURE<sup>2</sup>**

**1  
COMPLAINTS RECEIVED  
IN THE ETHICS CHANNEL  
AND ADMITTED FOR  
PROCESSING**

**0  
NON-COMPLIANCES  
WITH RESPECT TO THE  
CODE OF CONDUCT  
AND/OR CORPORATE  
POLICIES**

<sup>2</sup> Includes Ethics Committee, Ethics Channel and Code of Conduct

## 3.2 CODES OF CONDUCT AND CORPORATE POLICIES

### **OUR CODE OF CONDUCT (2021)<sup>3</sup>**

This applies to all individuals who have an employment relationship with SASMAT RETAIL and regulates their behavior and attitudes through a set of rules, practices and common principles in terms of compliance, ethics and responsibility.

### **HUMAN RIGHTS POLICY (2021)**

We are committed to developing a corporate culture that recognizes, promotes and protects internationally-recognized human rights, and seeks to avoid complicity in human rights abuses.

### **SUPPLIER CODE OF CONDUCT (2021)**

The provisions of this Code act as a framework to define minimum (and not maximum) standards to be met by any supplier of goods or services to SASMAT RETAIL.

The Code and its provisions are inspired by the United Nations Universal Declaration of Human Rights, the Principles of the United Nations Global Compact and the Core Conventions of the International Labor Organization. It includes, among other points, a set of common standards, practices and principles on human rights, labor practices and environmental protection, as well as ethical and transparent business practices.

<sup>3</sup> It is approved by the Board of Directors and published on the company's internal human resources platform

<sup>4</sup> It is published in the Responsible Sourcing Program, shared with all jewelry suppliers and other stakeholders. Both the policy and the program of which it is a part are approved by the sustainability department. For more information, see [Responsible Sourcing](#)

### **RESPONSIBLE SOURCING POLICY (2022)**

This policy is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The purpose of this policy is to establish a common benchmark for conflict-sensitive sourcing practices and supplier risk management, from the point of extraction to the end user, including but not limited to respect for human rights, no involvement in or tolerance of bribery, fraud or money laundering, no direct or indirect support to illegal armed groups or favoring of any other terrorist financing mechanisms, and support for transparency of government payments and rights-compliant security forces in the extractive industry.

### **RUSSIA SUPPLY POLICY (2022)<sup>4</sup>**

Since the conflict between Russia and Ukraine began on February 24, 2022, the United States and the European Union imposed sanctions against certain Russian persons, Russian-owned entities and products from Russia. All SASMAT RETAIL suppliers are, of course, obliged to comply with all laws of the respective countries in which we operate. SASMAT RETAIL, in line with the OECD Due Diligence Guidance, has determined that the purchase of precious metals and precious stones from sanctioned Russian entities or individuals may contribute to human rights violations and conflict in Ukraine. Accordingly, SASMAT RETAIL has discontinued all trade in precious metals and precious stones from such sanctioned Russian sources, and requires its suppliers to cease supplying the same to SASMAT RETAIL even if the country or countries in which the supplier operates have not imposed sanctions on Russian precious metals and precious stones.

## 3.2 CODES OF CONDUCT AND CORPORATE POLICIES

Looking ahead to 2023, we are also working on updating the following initiatives:

### **ENVIRONMENTAL SUSTAINABILITY POLICY**

Through the development of this policy, we will recognize the importance of protecting the environment and preserving natural resources for future generations by applying environmentally responsible practices in our operations.

### **POLICY FOR THE PREVENTION OF BRIBERY AND FACILITATION PAYMENTS**

In 2022 we took our first steps in the development of a program to prevent bribery and facilitation payments. Through this policy we aim to prohibit bribery in all business practices and transactions conducted by SASMAT RETAIL and agents acting on its behalf, as well as to protect employees from any penalty or adverse consequence for expressing in good faith their concerns related to suspected bribery, refusal to participate in a bribe or refusal to make a facilitation payment when facilitation payments are prohibited, even if this would result in a loss of business opportunities for the company.

# 4

# PEOPLE

- 4.1 One team, one dream
- 4.2 Talent management
- 4.3 Occupational health and safety
- 4.4 Diversity, inclusion and equal opportunities
- 4.5 Our community
- 4.6 Key information



# 4

**Our company is built on the importance of people. We will continuously challenge ourselves to refine our policies and initiatives to foster an exceptional workplace that exceeds expectations and allows everyone to thrive.**

## 4.1 ONE TEAM, ONE DREAM

At SASMAT RETAIL, we maintain our firm conviction of continuing to cultivate a culture of collaboration and growth. We are aware that there is always room for growth and continuous improvement. Therefore, we are committed to defining and implementing new policies that will allow us to establish clear and precise objectives, and thus achieve measurable changes in our organization. We are determined to keep evolving and growing, always with the goal of providing an exceptional work environment and making a positive difference in society.



In 2022 took place the inauguration of the PDP Days, an annual event that is carried out within the context of a variety of corporate activities held throughout the year. Specifically, the PDP Days serve as a team-building experience that includes activities and other initiatives aimed at strengthening and consolidating the company's culture.

**126  
EMPLOYEES**

**+72.6% COMPARED  
WITH 2021**

**15  
NATIONALITIES**

**76% WOMEN  
24% MEN**

**GENDER PARITY ON THE  
MANAGEMENT BOARD:**

**36% WOMEN  
64% MEN**

## 4.2 TALENT MANAGEMENT

### 4.2.1 QUALITY EMPLOYMENT

We strive to be an organization that inspires pride in our employees.

Therefore, a key point lies in our commitment to stable employment, working hard to develop a sustainable, long-term project and giving priority to permanent employment. However, we understand that sometimes it is necessary to have temporary contracts to meet specific needs of our sector at times of high demand or to cover prolonged absences, such as paternity or maternity leave.

Similarly, we prioritize full-time shifts. However, due to the company's retail expansion in 2022, the proportion of part-time contracts has increased by more than 16% compared to the previous year. People who work part-time often do so to meet personal needs, such as balancing their work and studies or caring for their children.

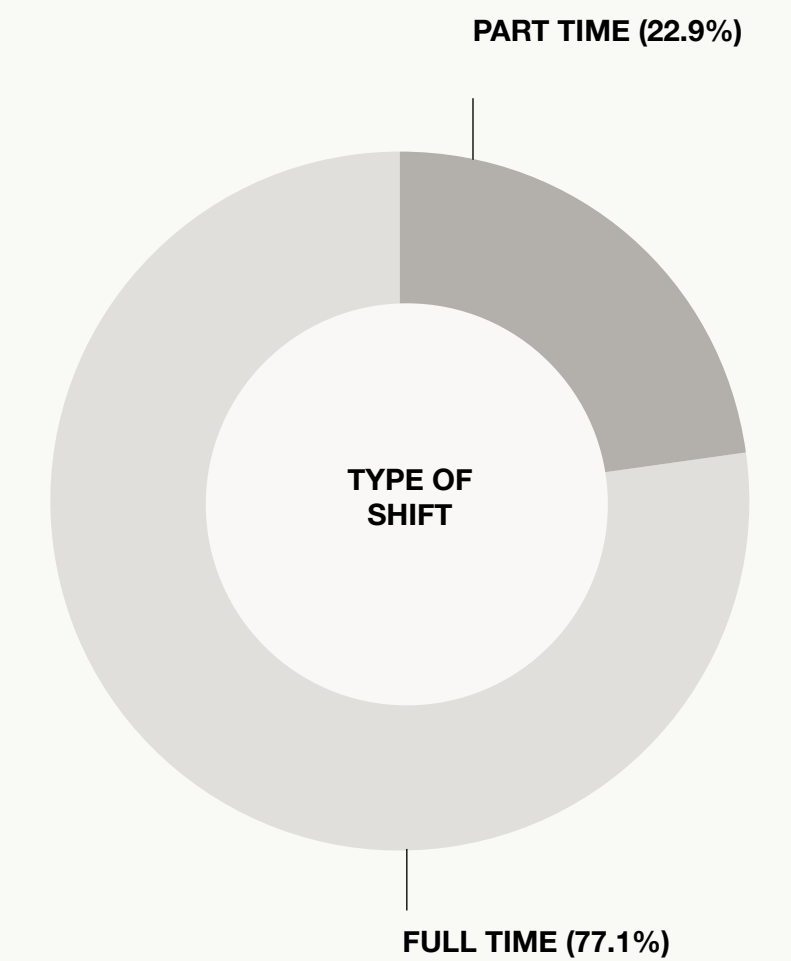
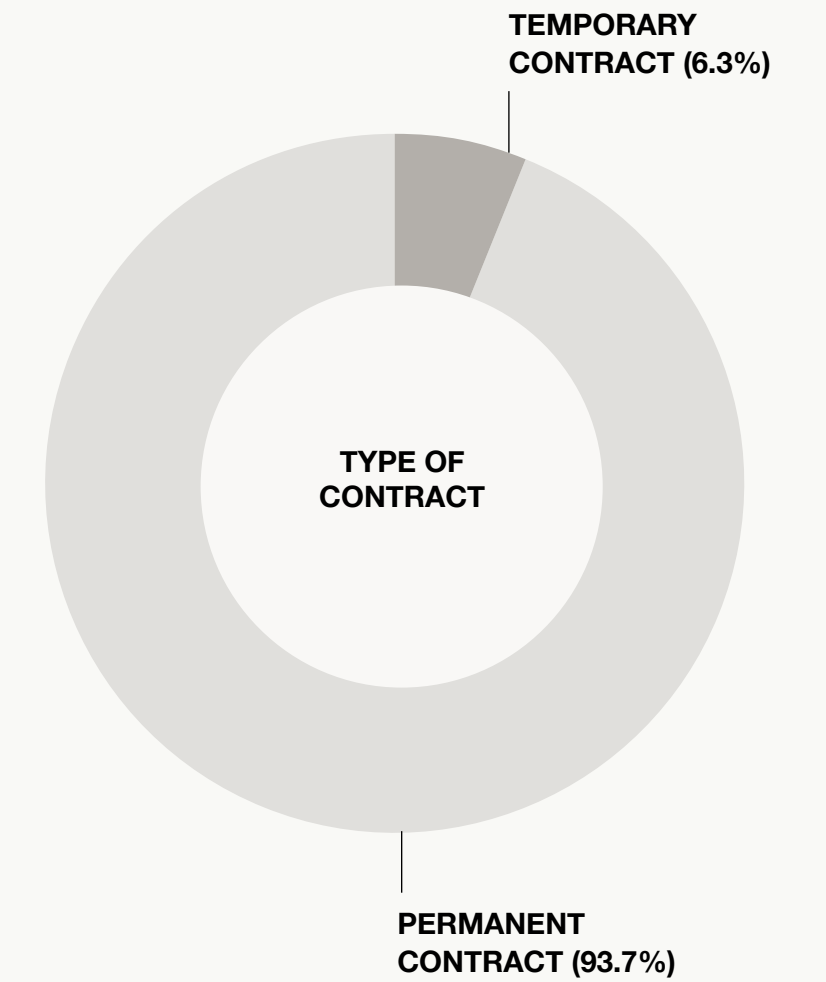
At SASMAT RETAIL we are constantly looking for improvements in the workplace, so in addition to complying with the measures established by current regulations, we continue to advance in initiatives to facilitate the work-life balance of our employees. Some of these improvements include the possibility of flexible working hours, the implementation of a hybrid model that combines face-to-face and telework, and the option of an intensive workday on specific days during the Christmas season, among other actions. We will continue to work to ensure a work environment that fosters the well-being of our employees.

We also have a system of rotating shifts between teams divided remote and on-site work in offices or shifts (morning/noon/evening) in stores. Both offer the possibility of rotating shifts according to personal needs.

We also ensure that work-life balance rights or reduced working hours do not affect training opportunities or opportunities for career advancement. To this end, the Training Plan is communicated to the entire workforce and made available on the corporate platform, so that everyone has access to this information.

We also ensure that the right to work-life balance or reduced working hours do not impact training opportunities or opportunities for career advancement. To this end, the Training Plan is communicated to the entire workforce and made available on the corporate platform, so that everyone has access to this information.

Furthermore, we currently have a young workforce, so we have developed a "Maternity/Paternity Guide" which is disseminated through internal communication channels. This guide includes the days of leave granted in this situation, links to useful external information, and how to benefit from the enjoyment of breastfeeding and flexible working hours once maternity/paternity leave is over.



## 4.2 TALENT MANAGEMENT

### 4.2.2 TALENT ATTRACTION AND RETENTION

Each year, we conduct a work climate survey to assess the satisfaction of our employees in various aspects, such as communication, management, internal relations and professional development, among others.

In 2022, the overall satisfaction rate of SASMAT RETAIL employees was 83.2%, compared to 85.1% the previous year. It is important to note that the headcount increased significantly in 2022.

In addition, in 2022, we have created the Young Talent Program, a program aimed at young talents who are looking to develop their potential and take their first steps in the professional world. The main objective of this program is to offer young people an opportunity to learn and grow in a real working environment, while contributing to the development and success of our company.

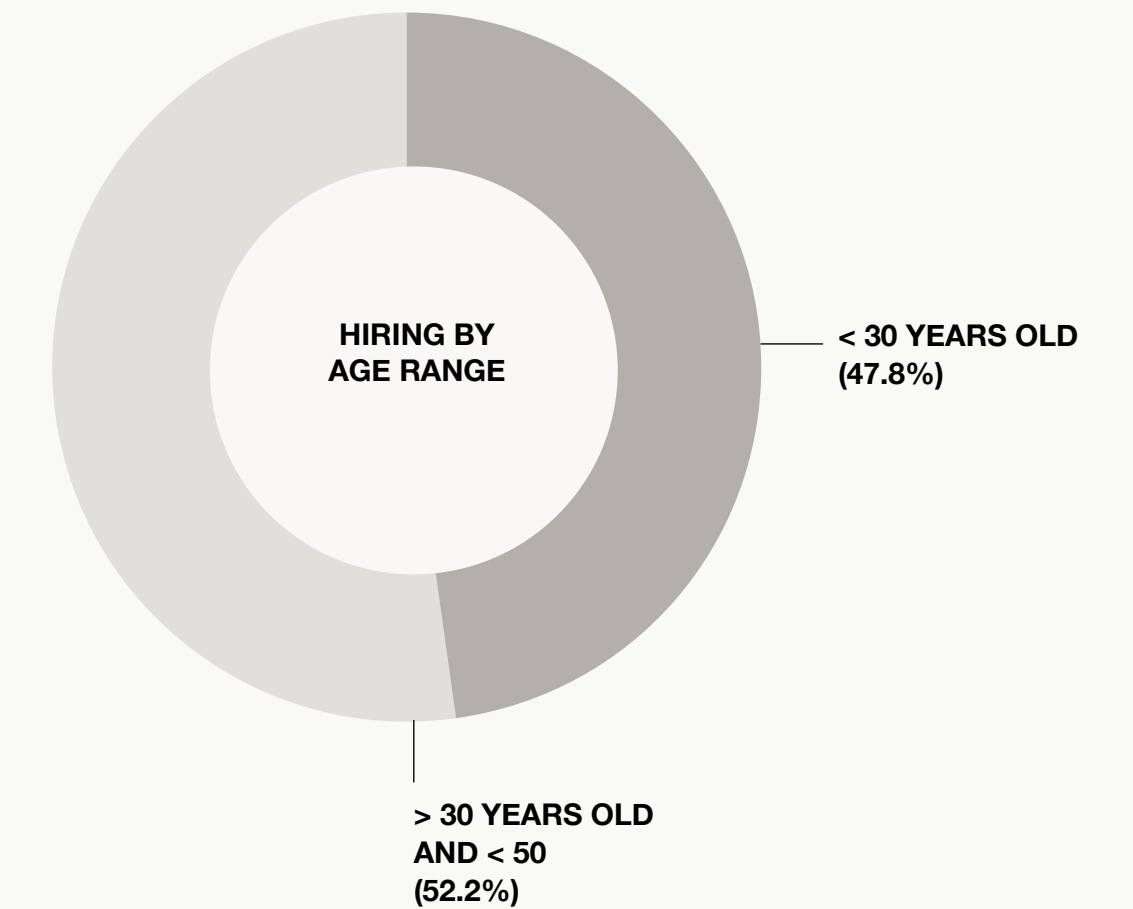
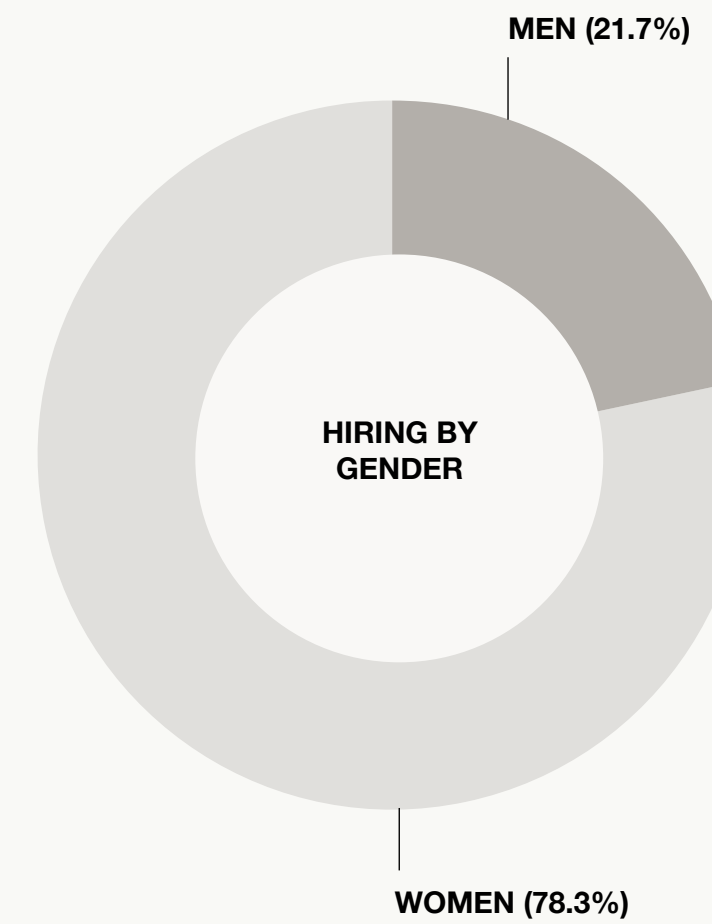
We are excited to be able to implement this program in 2023 and look forward to the participation of young talents who are willing to learn, grow and contribute their talent to our company.

Another key point is our Careers platform, where we continue to attract talent through the continuous updating of available opportunities and the possibility of becoming part of our team.

We believe that talent retention is equally important and is therefore an intrinsic part of our relationship with our employees. In addition to the benefits established by applicable regulations such as parental leave or disability coverage, we also offer our employees the option of telework and greater flexibility in schedules to facilitate family reconciliation, as well as extra days off to enjoy paternity leave, free medical insurance from the first year

of contract, a flexible compensation program, corporate discount in virtual canteens or discount on PDPAOLA products and other partner brands.

As a result, in 2022 there was an increase of 72.6% over the previous year reaching 126 employees at the end of the tax year. On the other hand, there were 4 terminations due to objective dismissal, which represent 10% of the total number of terminations.



## 4.2 TALENT MANAGEMENT

### 4.2.3 TRAINING AND EDUCATION

The company has implemented a cross-training practice in order to ensure that new team members are quickly familiarized with the organization and motivated to reach optimal productivity levels in the shortest possible time.

This initiative has proven to be highly valuable for both the company and its employees. It has promoted a rapid and efficient integration of new team members into the organization, fostering a steady growth in the number of employees over time.

In 2022, at SASMAT RETAIL we have continued to work on the continuous improvement of our employees' development, carrying out various specific trainings adapted to the needs of each department. In line with our continuous training strategy, we have included training in IT skills and tools, as well as specific training for the opening of new Retail stores, focusing on aspects such as the sales ritual, product and commercial skills, among others.

As part of our commitment to equality, we have implemented an Equality Plan that includes mandatory equality training for all our personnel. In this regard, we have designed specific programs to ensure that all our employees are fully informed about the importance of promoting equal opportunities in the work environment.

In 2023, our training strategy will continue to evolve with the implementation of an internal online platform that will be available to all SASMAT RETAIL employees, and will include an annual training roadmap per person. This will ensure that each employee will have access to customized training that will enable them to improve their skills and competencies on an ongoing basis and tailored to their specific profile and needs.

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In 2022 the PDPtalks were inaugurated, an initiative aimed at sharing the stories of prominent personalities with the goal of inspiring individuals both personally and professionally through their experiences in different areas of life. The topics addressed can range from personal growth, entrepreneurship, education, the ability to influence in fashion or other industries, sports or motivation, among others. The PDPtalks serve as an opportunity to encourage the exchange of ideas and enrich our perspectives.

## 4.3 OCCUPATIONAL HEALTH AND SAFETY

The purpose of the initial training is to inform employees of the main risks to which they are exposed in their workplace and to inform them of the preventive measures to eliminate or reduce these risks. Among the objectives of the training are:

- To promote interest in Occupational Risk Prevention in their workplaces.
- To provide a list of causes potentially generating risks in this labor sector.
- To facilitate a set of preventive recommendations for the control of risks and the improvement of working conditions.
- To train workers for a correct performance in their usual work place.
- To train workers for a correct performance in their usual work place.
- Promote the integration of health and safety in all activities carried out by the company.
- Comply with current regulations on Occupational Risk Prevention

The Human Resources Department acts as a reference for dealing with any issue related to Occupational Risk Prevention and relies on the External Prevention Service to coordinate all actions related to this area. The department itself also serves as a channel for consultation and reporting of anomalies related to occupational health and safety.

During 2022, a major upgrade to the organization's safety and health system was carried out by improving the management system. This upgrade further strengthened our commitment to the health and safety of our employees.

We also implemented an occupational accident policy in order to provide our employees with the necessary tools to act effectively in the event of an adverse event. This policy establishes the steps to follow in the event of an accident at work, with the objective of guaranteeing an immediate and adequate response, thus minimizing the risks to the health and well-being of our employees and the impact on the company's productivity.

As part of the prevention exercise, initial Occupational Risk Prevention training has been given to all new workers. This type of training is essential to achieve the elimination or minimization of occupational accidents, whether they cause harm or not. Through this training, we seek to inform employees about the risks they face in their jobs, as well as to provide them with the necessary preventive measures to eliminate or reduce such risks.



## 4.3 OCCUPATIONAL HEALTH AND SAFETY

Since 2021, as part of our goal to look after the health of our team, we made available a private medical insurance policy that our staff can join independently and on a completely voluntary basis. The medical insurance is covered by the company after 12 months of employment and with a discounted company rate for the first 12 months.

In 2022 there were only two occupational injuries reported<sup>5</sup>

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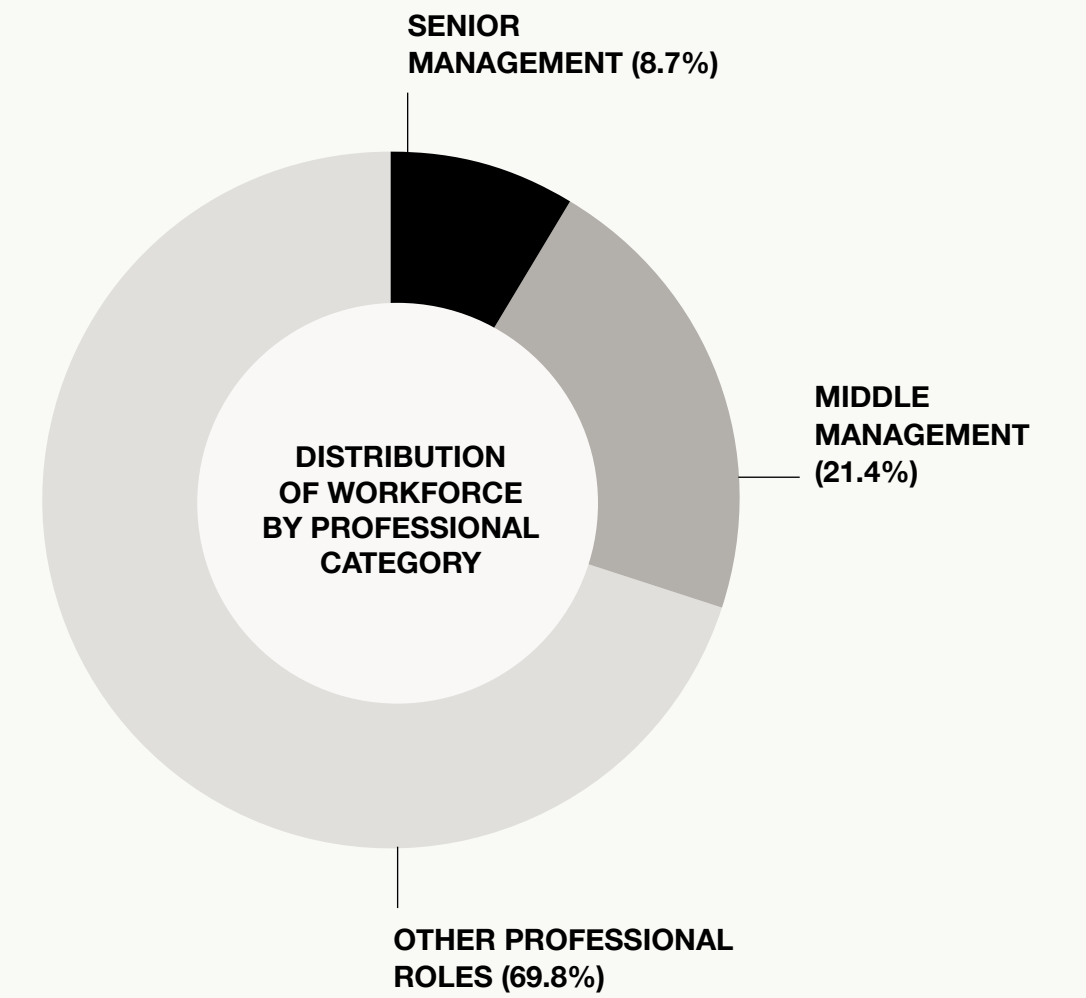
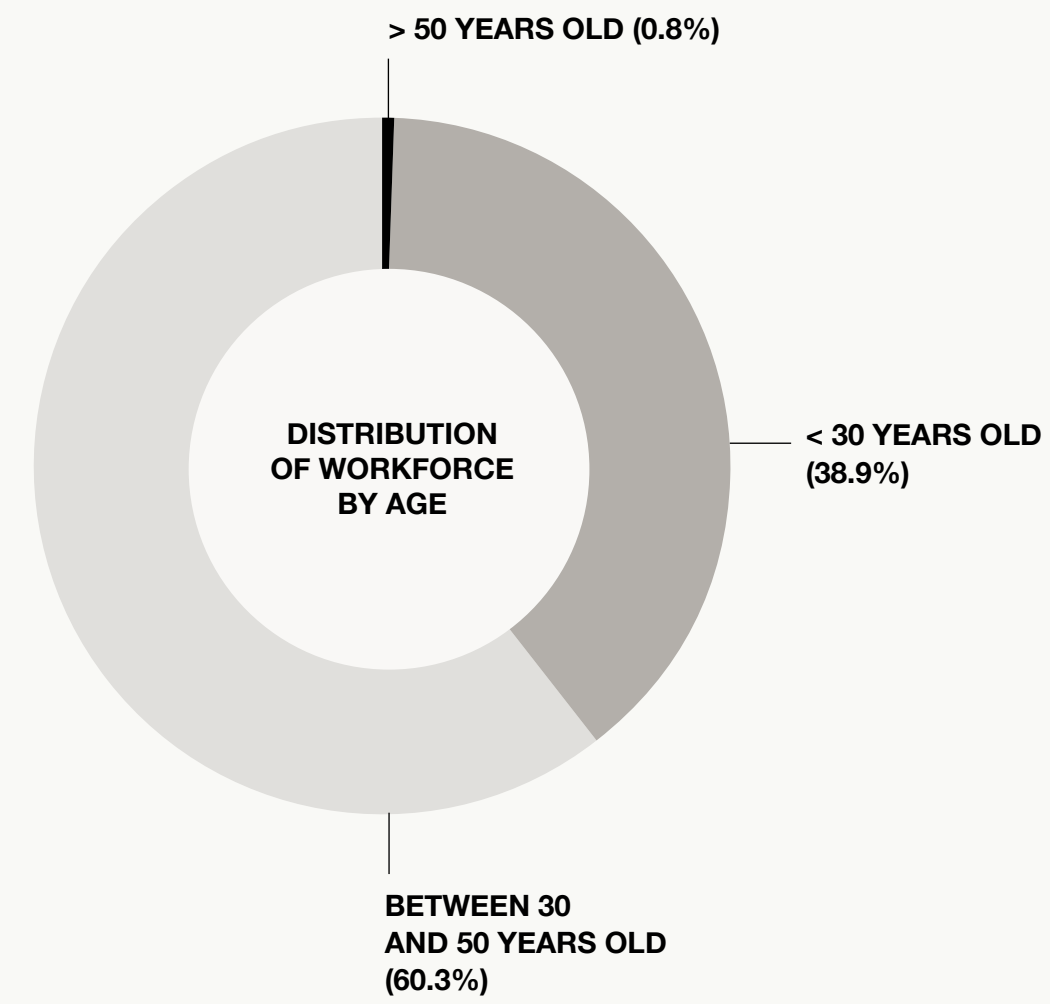
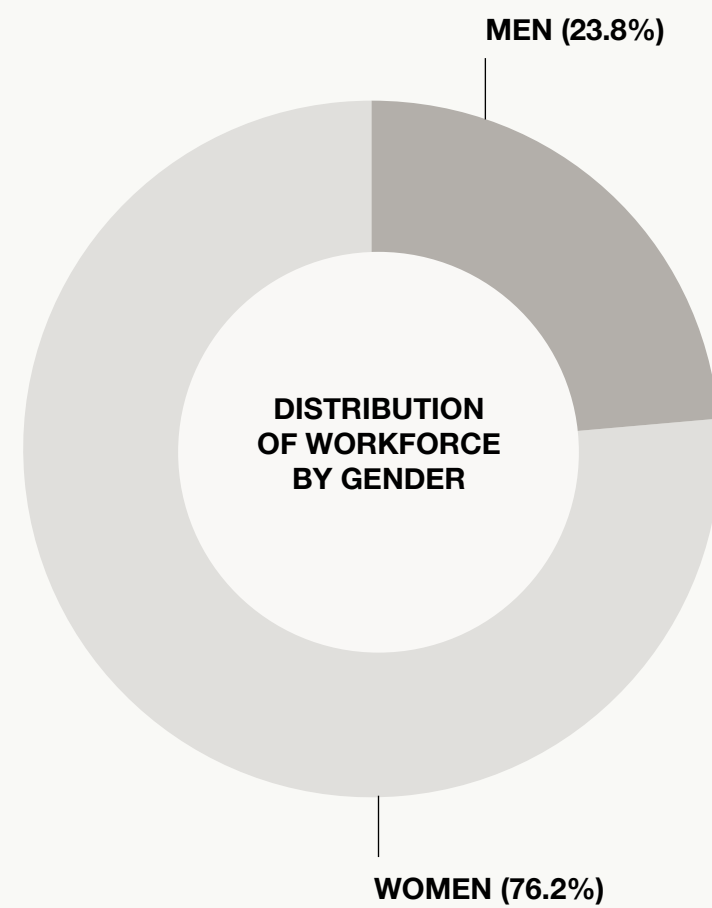
<sup>5</sup> Work-related injury, illness or disease that results from any of the following: death, days off work, work restrictions or transfer to other positions, fainting or medical treatment beyond first aid; or serious injury or illness diagnosed by a physician or other licensed health care professional, even if it does not result in death, days off work, work restrictions or transfer to other positions, fainting or medical treatment beyond first aid; or serious injury or disease diagnosed by a physician or other licensed health care professional, even if it does not result in death, days off work, work restrictions or transfer to other positions, fainting or medical treatment beyond first aid. (GRI 403: Occupational Health and Safety 2018, U.S. Occupational Safety and Health Administration (OSHA), General Recordkeeping Criteria (1904.7).



## 4.4 DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

At SASMAT RETAIL, we are proud to support diversity in our team, which allows us to leverage the unique strengths and skills of each member. Our team is made up of people from 15 different nationalities, which contributes to an inclusive and multicultural culture in our company.

In our selection or internal promotion processes we do not have any kind of barrier or obstacle to incorporate men or women in each of the positions, whether to fill senior management positions, intermediate management or other professionals. The distribution of the workforce in 2022 by age range, gender and professional category is as follows:





## 4.4 DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

During 2022, we have taken significant steps to promote equality and prevent harassment in our company. Specifically, we have adopted an **Equality Plan**, which seeks to promote equal opportunities and non-discrimination among employees through the implementation of concrete measures. This plan has been developed based on a rigorous analysis of the company's current situation regarding selection and hiring, classification, training and professional promotion, working conditions, female representation, among others.

In addition, we have implemented the **Harassment Prevention and Action Protocol**, which establishes the procedures to be followed in the case of any type of inappropriate behavior, with the aim of guaranteeing a safe and healthy work environment for all employees. This protocol has been communicated to all employees, and specific training has been carried out to ensure its correct application.

The **Equality Committee** has also been formed, a working group that will be responsible for ensuring compliance with the Equality Plan and the Harassment Prevention and Action Protocol, as well as for promoting a culture of equality in our company. The creation of this committee is a sign of our commitment to the promotion of equal opportunities and the prevention of harassment in our organization.

Sasmat Retail's Equality Plan, approved in 2022 and valid for four years, contains a set of measures aimed at achieving real and effective equality within the company, including the annual preparation of the Remuneration Register.

Thus, this register was made in the first half of 2023, relative to the previous calendar year and in accordance with current regulations, using the Gender Pay Gap Self-diagnosis Tool. For this purpose, both medians and averages have been taken into account.

In the case of the **median**, in the basic salary, the gap between women and men is 1%, in favor of female workers. After the receipt of complementary and extra salary payments, the gap in total remuneration is 27%, in favor of male workers.

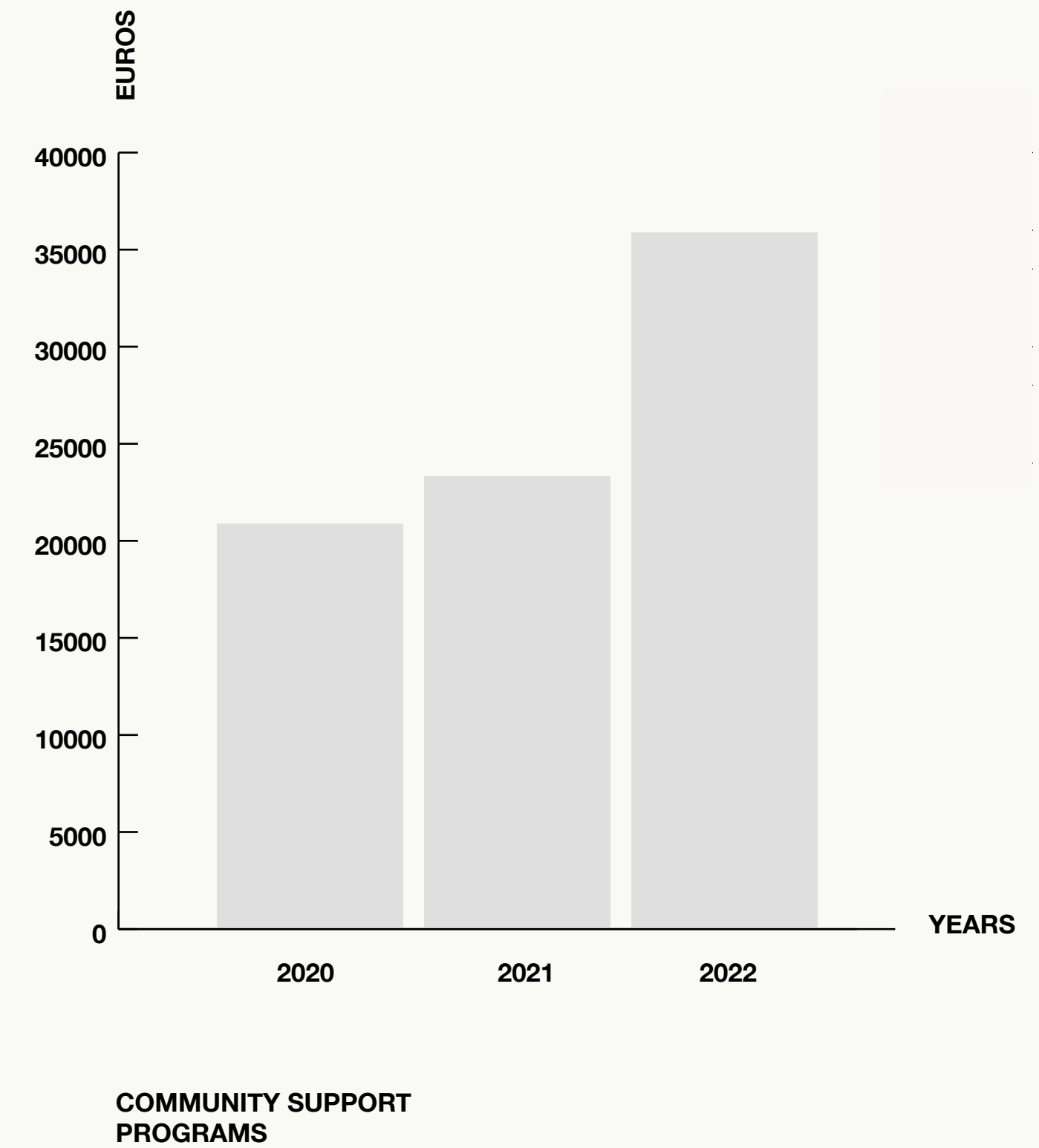
In the case of **averages**, in the base salary, the gap between women and men is 5%, in favor of female workers. After the receipt of complementary salary and non-wage supplements, the gap in total remuneration is 32%, in favor of male workers.

The differences in overall salaries can be explained by different reasons: the heterogeneity of jobs, the receipt of salary bonuses, etc. The case studies of wage differences are described in more detail in the Pay Register Report for the year 2022. Sasmat Retail will work throughout the duration of its Equality Plan on the equality actions planned, with the support and advice of an expert consultancy in the field.

## 4.5 OUR COMMUNITY

At PDPAOLA, we strongly believe in the power of solidarity and support within our community. This is why in 2022 we carried out several initiatives to provide our support to those who need it most. In collaboration with Central Saint Martins, we awarded a scholarship that allowed us to foster the creative talent of young people. In addition, we joined the cause of helping those affected by the war in Ukraine, making donations to provide aid to the affected communities.

We are committed to continue seeking opportunities to help and strengthen our community, as we believe that together we can build a better future.



## 4.5 OUR COMMUNITY

### PDPAOLA X CENTRAL SAINT MARTINS

As a values-driven brand, one of our pillars is creativity, and we are committed to fostering it inside and outside our company. We are also driven and inspired by connecting with others, and we feel a kinship with any organization that shares our values.

That is why we decided to collaborate with the prestigious Central Saint Martins, because it embodies the values we promote and works to “shape the world through creative action”.

To this end, in 2022 we introduced the PDPAOLA Scholarship to provide opportunities for talented international students, specifically students applying to the **MA Design: Ceramics, Furniture and Jewellery** course at Central Saint Martins University, by providing tuition and living expenses assistance throughout the course, as well as the opportunity for internships at PDPAOLA.



## 4.5 OUR COMMUNITY

### HUMANITARIAN AID: UKRAINE

At SASMAT RETAIL, we stand for peace and support values such as empathy, inclusion and family. Therefore, we could not look the other way while millions of people in Ukraine are in need of humanitarian aid.

We decided to partner with UNICEF because they have been working tirelessly to keep children and families safe since this conflict began nine years ago and are determined to stay in Ukraine to help the most vulnerable.

UNICEF is part of the ongoing humanitarian response, and a large part of its work is:

- Helping to ensure access to clean water and food for families.
- Delivering essential supplies to support families who have been forced to flee and working closely with local health facilities to ensure they have the vital supplies they need.
- Help ensure continuity of child protection services.
- Working with partners to assess the refugee situation in neighboring countries.
- Setting up Blue Dot safe spaces with partners in neighboring countries, which will provide care and support, information and basic legal advice to families seeking refuge, psychosocial support, water and sanitation supplies, safe spaces for mothers and children, protection for unaccompanied and separated children, etc.

In 2022, contributions to community support programs increased by more than 71% compared to the previous year.

## 4.6 KEY INFORMATION <sup>6</sup>

### DISTRIBUTION OF WORKFORCE BY GENDER, AGE AND PROFESSIONAL CATEGORY

	2021		2022	
	N°	%	N°	%
<b>DISTRIBUTION BY GENDER</b>				
WOMEN	57	78.08%	96	76.19%
MEN	16	21.92%	30	23.81%
<b>DISTRIBUTION BY AGE</b>				
< 30 YEARS OLD	30	41.10%	49	38.89%
BETWEEN 30 AND 50 YEARS OLD	42	57.53%	76	60.32%
> 50 YEARS OLD	1	1.37%	1	0.79%
<b>PROFESSIONAL CATEGORY</b>				
SENIOR MANAGEMENT	9	12.33%	11	8.73%
MIDDLE MANAGEMENT	12	16.44%	27	21.43%
OTHER PROFESSIONAL ROLES	52	71.23%	88	69.84%

<sup>6</sup> Data obtained at the end of the reporting period. All employee data refers to Spain.

## 4.6 KEY INFORMATION <sup>6</sup>

### NON-EMPLOYEE WORKERS <sup>7</sup>

	2021	2022
NON-EMPLOYEE WORKERS	5	12

### DISTRIBUTION OF WORKFORCE IN NEW HIRES AND STAFF TURNOVER BY GENDER, AGE AND PROFESSIONAL CATEGORY

	2021				2022			
	NEW HIRES		TERMINATIONS		NEW HIRES		TERMINATIONS	
	N°	%	N°	%	N°	%	N°	%
<b>DISTRIBUTION BY GENDER</b>								
WOMEN	43	81.13%	21	77.78%	72	78.26%	34	85.00%
MEN	10	18.87%	6	22.22%	20	21.74%	6	15.00%
<b>DISTRIBUTION BY AGE</b>								
< 30 YEARS OLD	29	54.72%	19	70.37%	44	47.83%	25	62.50%
BETWEEN 30 AND 50 YEARS OLD	23	43.40%	8	29.63%	48	52.17%	15	37.50%
> 50 YEARS OLD	1	1.89%	0	0.00%	0	0.00%	0	0.00%
<b>PROFESSIONAL CATEGORY</b>								
SENIOR MANAGEMENT	2	3.77%	1	3.70%	2	2.17%	0	0.00%
MIDDLE MANAGEMENT	2	3.77%	2	7.41%	13	14.13%	4	10.00%
OTHER PROFESSIONALS ROLES	49	92.45%	24	88.89%	77	83.70%	36	90.00%

<sup>6</sup> Data obtained at the end of the reporting period. All employee data refers to Spain.

<sup>7</sup> The most common types of non-employee workers are agency workers, apprentices, telecommuters, interns and freelancers. The work they perform is mainly technical assistance and commercial work. Data relating to non-employee workers are not taken into consideration in the presentation of headcount data.

## 4.6 KEY INFORMATION <sup>6</sup>

### DISTRIBUTION OF WORKFORCE BY TYPE OF CONTRACT, GENDER, AGE AND PROFESSIONAL CATEGORY

	2021				2022			
	PERMANENT CONTRACT		TEMPORARY CONTRACT		PERMANENT CONTRACT		TEMPORARY CONTRACT	
	Nº	%	Nº	%	Nº	%	Nº	%
<b>DISTRIBUTION BY GENDER</b>								
WOMEN	44	74.58%	13	92.86%	88	74.58%	8	100.00%
MEN	15	25.42%	1	7.14%	30	25.42%	0	0.00%
<b>DISTRIBUTION BY AGE</b>								
< 30 YEARS OLD	21	35.59%	9	64.29%	42	35.59%	7	87.50%
BETWEEN 30 AND 50 YEARS OLD	37	62.71%	5	35.71%	75	63.56%	1	12.50%
> 50 YEARS OLD	1	1.69%	0	2.55%	1	0.85%	0	0.00%
<b>PROFESSIONAL CATEGORY</b>								
SENIOR MANAGEMENT	9	15.25%	0	0.00%	2	2.17%	0	0.00%
MIDDLE MANAGEMENT	12	20.34%	0	0.00%	13	14.13%	0	0.00%
OTHER PROFESSIONALS ROLES	38	64.41%	14	100.00%	77	83.70%	8	100.00%

<sup>6</sup> Data obtained at the end of the reporting period. All employee data refers to Spain.

## 4.6 KEY INFORMATION <sup>6</sup>

### DISTRIBUTION OF WORKFORCE BY TYPE OF SHIFT, GENDER, AGE AND PROFESSIONAL CATEGORY

	2021				2022			
	FULL TIME		PART TIME		FULL TIME		PART TIME	
	N°	%	N°	%	N°	%	N°	%
<b>DISTRIBUTION BY GENDER</b>								
WOMEN	51	76.12%	6	100.00%	68	74.73%	24	88.89%
MEN	16	23.88%	0	0.00%	27	29.67%	3	11.11%
<b>DISTRIBUTION BY AGE</b>								
< 30 YEARS OLD	27	40.30%	1	16.67%	26	28.57%	19	70.37%
BETWEEN 30 AND 50 YEARS OLD	39	58.21%	5	83.33%	68	74.73%	8	29.63%
> 50 YEARS OLD	1	1.49%	0	0.00%	1	1.10%	0	0.00%
<b>PROFESSIONAL CATEGORY</b>								
SENIOR MANAGEMENT	9	13.43%	0	0.00%	11	12.09%	0	0.00%
MIDDLE MANAGEMENT	12	17.91%	0	0.00%	26	28.57%	1	3.70%
OTHER PROFESSIONALS ROLES	46	68.66%	6	100.00%	58	63.74%	26	96.30%

<sup>6</sup> Data obtained at the end of the reporting period. All employee data refers to Spain.



## 4.6 KEY INFORMATION <sup>6</sup>

### EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENT

2021

**73**  
**EMPLOYEES COVERED**  
**BY COLLECTIVE**  
**BARGAINING**  
**AGREEMENT**

**100.00%**  
**EMPLOYEES**

2022

**126**  
**EMPLOYEES COVERED**  
**BY COLLECTIVE**  
**BARGAINING**  
**AGREEMENT**

**100.00%**  
**EMPLOYEES**

### EMPLOYEE SATISFACTION INDEX

2021

**85.7%**  
**EMPLOYEE**  
**SATISFACTION INDEX**

2022

**83.18%**  
**EMPLOYEE**  
**SATISFACTION INDEX**

<sup>6</sup> Data obtained at the end of the reporting period. All employee data refers to Spain.

## 4.6 KEY INFORMATION <sup>6</sup>

### TRAINING HOURS

	2021		2022	
	WOMEN	MEN	WOMEN	MEN
TECHNICAL SPECIALIZATION	56	8	198	12
TRANSVERSAL TRAINING	473	121	1257	348
	529	129	1455	360

### AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	2021	2022
<b>DISTRIBUTION BY GENDER</b>		
WOMAN	9.28	15.15
MEN	8.06	11.98
<b>PROFESSIONAL CATEGORY</b>		
SENIOR MANAGEMENT	ND	10
MIDDLE MANAGEMENT	ND	16.89
OTHER PROFESSIONALS	ND	14.18

### COMMUNITY SUPPORT PROGRAMS

2020	2021	2022
<b>23,315€</b>	<b>20,891€</b>	<b>35,870€</b>

<sup>6</sup> Data obtained at the end of the reporting period. All employee data refers to Spain.

# 5

# PLANET

- 5.1 Energy consumption
- 5.2 Our carbon footprint
- 5.3 Key information

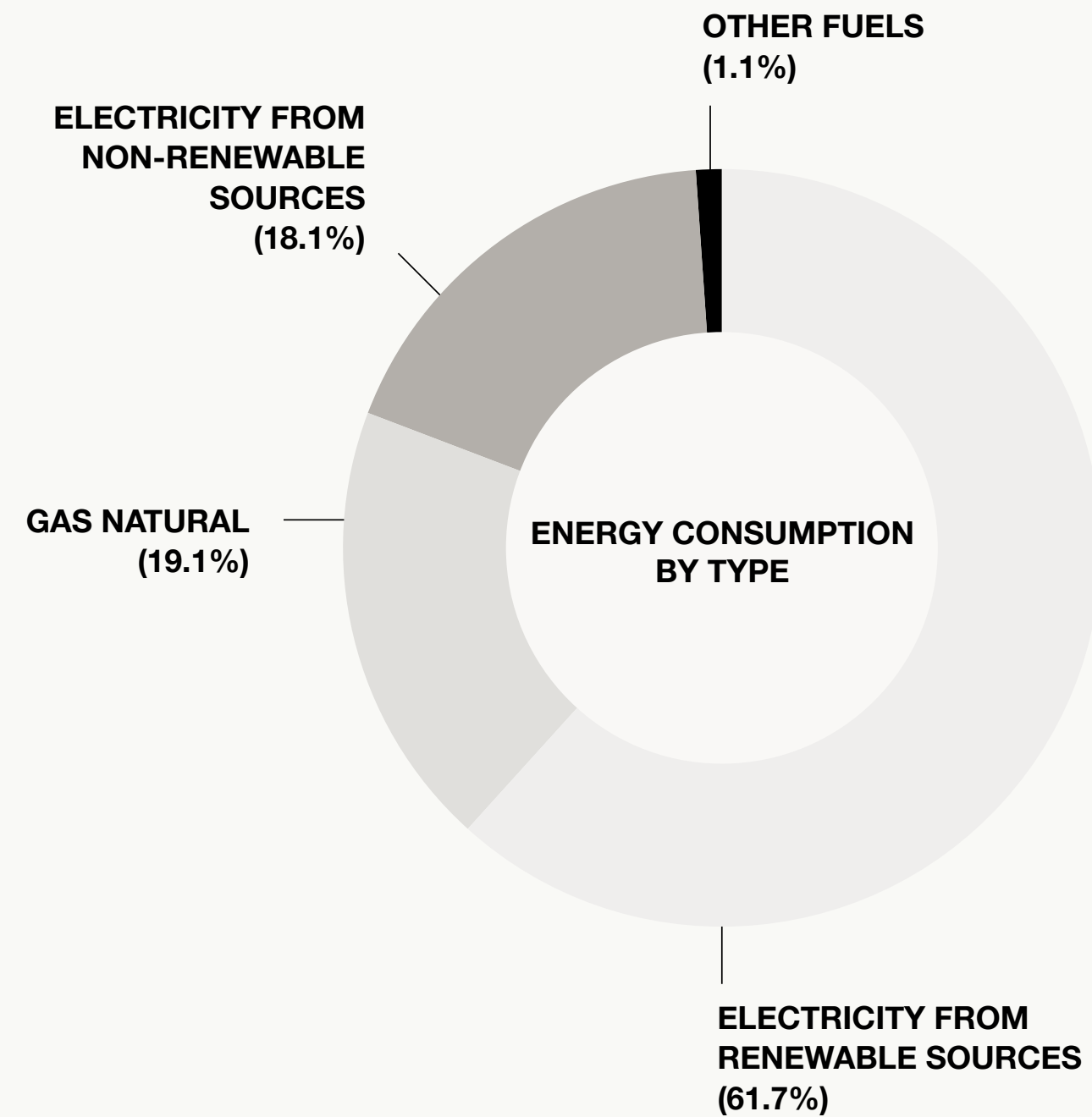
# 5

**As an organization, it is imperative that we take responsibility for our actions and make a positive change. We strive to create a better future for our planet and inspire others to join us on this transformative journey.**

# 5.1 ENERGY CONSUMPTION

Total energy consumption in 2022, including our corporate headquarters and store, experienced a significant increase of 129.84% compared to the previous year, reaching a total of 163.616% KWh. This increase is mainly due to the opening of new stores during the reporting period.

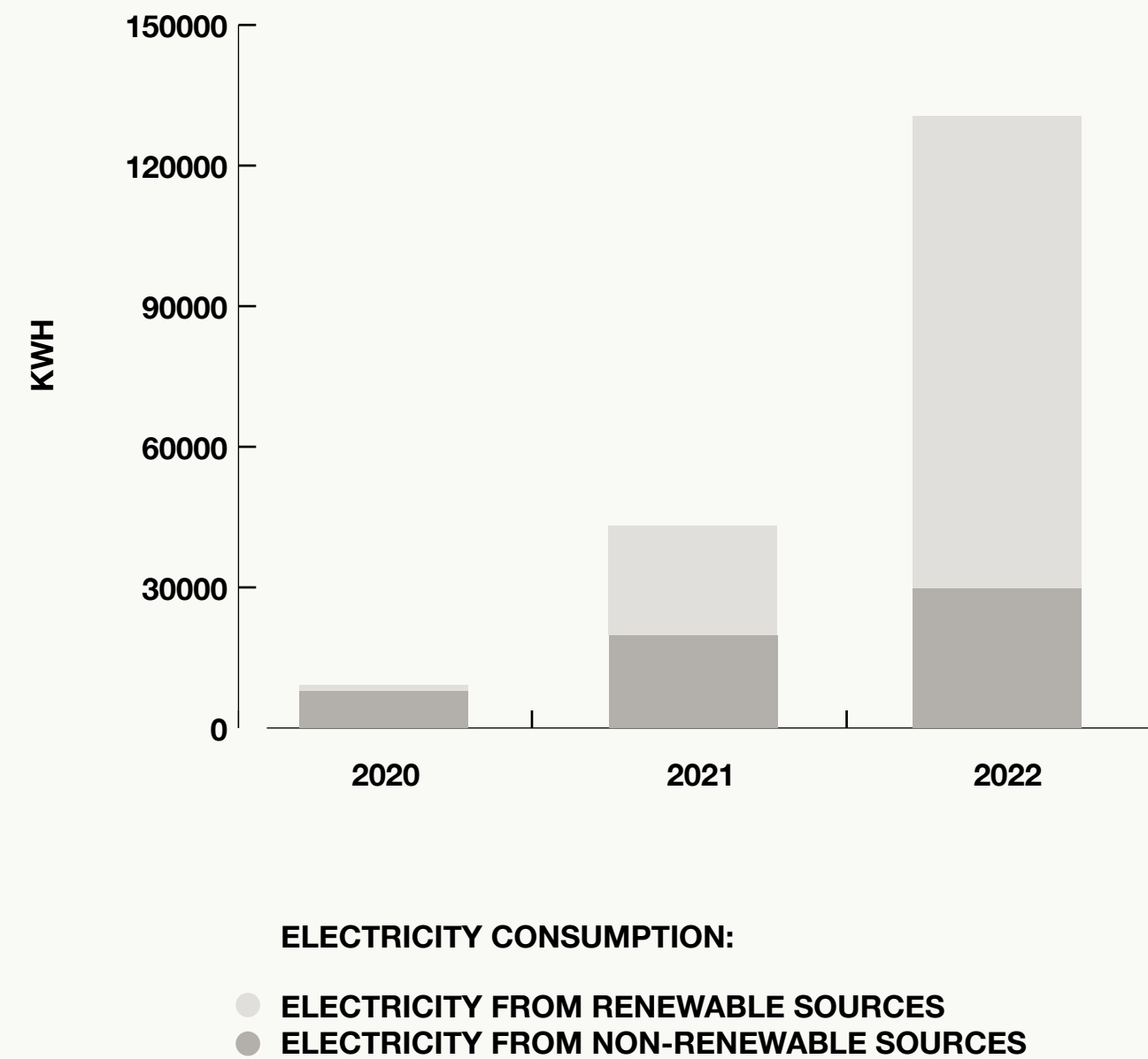
Regarding the composition of energy consumption, electricity represents 79.81% of the total, followed by natural consumption, which contributes to 19.13%. It is important to highlight that 61.67% of the energy consumed comes from renewable sources, reflecting our commitment to sustainability and reducing our dependence on non-renewable sources.



## 5.1.1 TOWARDS RENEWABLE ENERGY

Our retail expansion plan is accompanied by a commitment to continue moving towards the use of electricity from renewable sources and certified by the CNMC (National Markets and Competition Commission) to reduce greenhouse gas emissions from our facilities.

During 2022, we achieved significant progress in our energy transition, as 77.27% of the electrical consumption in our facilities came from renewable sources. This represents a 23.22% increase compared to the previous year and demonstrates our ongoing commitment to reducing our environmental footprint.



## 5.2 OUR CARBON FOOTPRINT

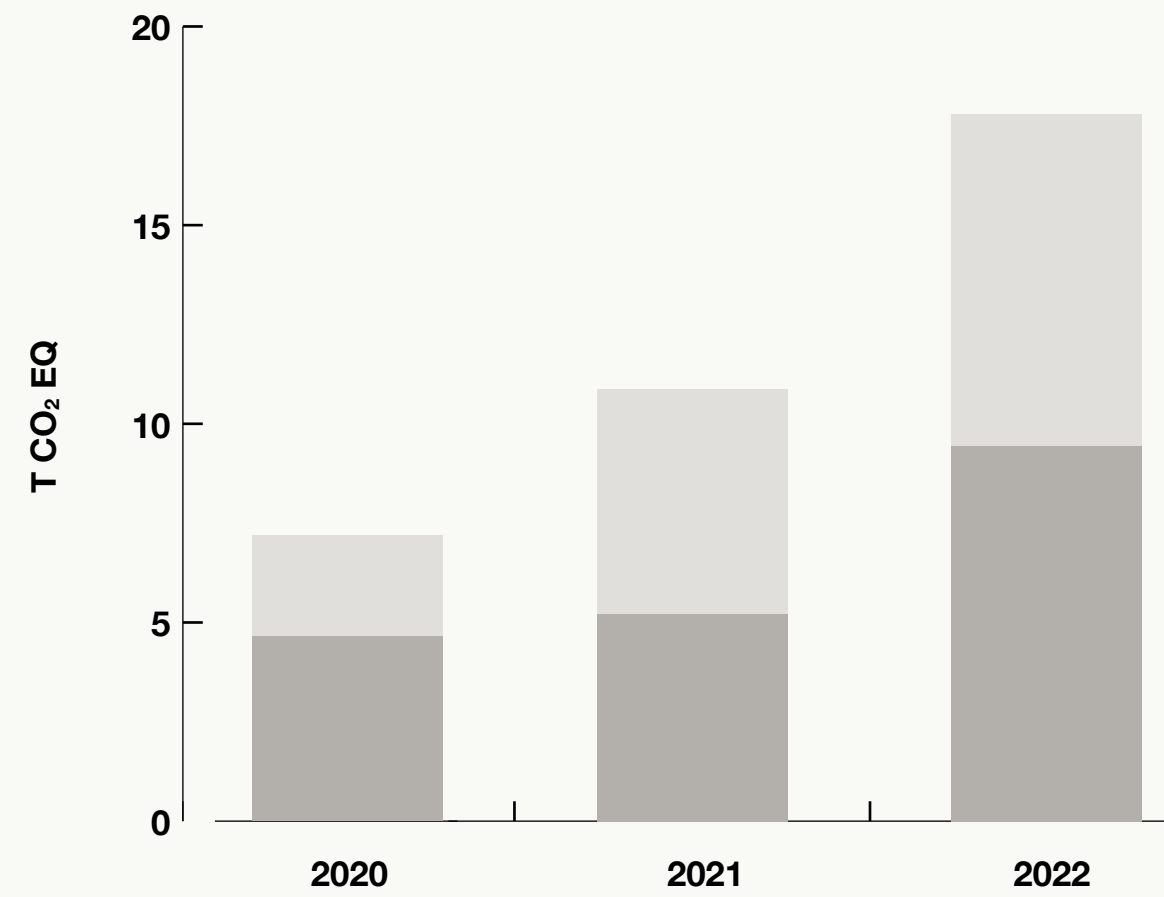
As our company continues to grow, we assume greater responsibility in facing the reality of climate change. Therefore, within our plan, it is essential to seek measures to favor the decarbonization of our business model.

In 2022, we have once again calculated our scope 1 and scope 2 emissions, which reached a total of 17.78 tons of CO<sub>2</sub> equivalent. This value represents a 63.42% compared to the previous year, mainly due to the retail expansion.

We are responsible for our emissions and consider it our responsibility to find solutions and alternatives to mitigate

the problem of climate change. Our main objective is to reduce our emissions, and in order to achieve this, we have taken concrete measures such as prioritizing the purchase of renewable electricity for all our facilities.

When renewable energy is not feasible, we are committed to offsetting our carbon footprint. In 2021, we achieved a key milestone by neutralizing all our milestones. And by 2023, we are also committed to neutralizing the emissions generated in 2022, using the recognized United Nations Carbon Offset Platform.



T CO<sub>2</sub> EQ SCOPE 1 AND 2:

- SCOPE 2
- SCOPE 1

<sup>9</sup> Scope 1 emissions are direct emissions of greenhouse gases associated with sources owned or controlled by SASMAT RETAIL S.L., such as emissions from boiler combustion, our own vehicles and fugitive emissions, among others.

<sup>10</sup> Scope 2 emissions are indirect emissions of greenhouse gases associated with the generation of electricity acquired and consumed by SASMAT RETAIL S.L..

## 5.3 KEY INFORMATION

<sup>11</sup> Includes fuel consumption of the company's own vehicles. Not determined for 2019 and 2020.

<sup>12</sup> Consumption is mainly due to the consumption of drinking water, cleaning and sanitary services, so that its discharge to the sewage networks is guaranteed.

<sup>13</sup> For those stores where it is not possible to access consumption or invoices, it has been calculated based on the average consumption per employee.

<sup>14</sup> Scope 1 emissions are calculated from the consumption of different types of fuel and emissions associated with occasional refrigerant leaks from air conditioning equipment and their corresponding emission factors. Sources of emission factors:

(01) Emission factors, version 23 of the Ministry for Ecological Transition and Demographic Challenge.

(02) Vehicle database of the Institute for Energy Diversification and Saving.

(03) IPCC Fifth Assessment Report.

<sup>15</sup> Scope 2 emissions are calculated based on electricity consumption and corresponding emission factors. Sources of emission factors: National Commission for Markets and Competition.

### ENERGY CONSUMPTION BY ENERGY TYPE

	2020	2021	2022
<b>TOTAL ENERGY CONSUMPTION (KWH)</b>	<b>34,756</b>	<b>71,211</b>	<b>163,616</b>
<b>NATURAL GAS (KWH)</b>	<b>25,537</b>	<b>26,903</b>	<b>31,298</b>
<b>OTHER FUELS (KWH)<sup>11</sup></b>		<b>1,177</b>	<b>1,742</b>
<b>ELECTRICITY (KWH)</b>	<b>9,219</b>	<b>43,131</b>	<b>130,575</b>
<b>ELECTRICITY FROM NON-RENEWABLE SOURCES (KWH)</b>	<b>7,761</b>	<b>19,819</b>	<b>29,680</b>
<b>ELECTRICITY FROM RENEWABLE SOURCES (KWH)</b>	<b>1,458</b>	<b>23,312</b>	<b>100,895</b>

### CARBON FOOTPRINT

	2020	2021	2022
<b>SCOPE 1 (T OF CO2 EQUIVALENT)<sup>14</sup></b>	<b>4.65</b>	<b>5.21</b>	<b>9.44</b>
<b>SCOPE 2 (T OF CO2 EQUIVALENT)<sup>15</sup></b>	<b>2.54</b>	<b>5.66</b>	<b>8.34</b>
<b>TOTAL: SCOPE 1 + SCOPE 2 (T OF CO2 EQUIVALENT)</b>	<b>7.19</b>	<b>10.88</b>	<b>17.78</b>

### WATER CONSUMPTION

	2020	2021	2022
<b>WATER CONSUMPTION (M<sup>3</sup>)<sup>12</sup></b>	<b>179</b>	<b>165</b>	<b>307<sup>13</sup></b>





# 6

# PRODUCT

- 6.1 Towards More Responsible Materials
- 6.2 Product health and safety
- 6.3 Supply chain
- 6.4 Packaging

## 6

**We strive to achieve a more responsible supply chain and actively address the challenges that lie ahead. This includes enhancing traceability, promoting responsible sourcing, and ultimately, creating jewelry in an environmentally conscious manner.**

# 6.1 TOWARDS MORE RESPONSIBLE MATERIALS

**NOTE:**

In the Chemical Vapor Deposition (CVD) process, a diamond seed (lab-grown diamond dust) is placed in a vacuum chamber that is heated at high temperature and filled with a carbon rich gas. This gas is ionized, letting the pure carbon slowly adhere to the diamond dust, atom by atom, layer by layer, which ultimately culminates in the creation of the diamond.

Regarding the High Pressure - High Temperature (HPHT) technique, the diamond seed (also lab-grown diamond dust) is placed on a piece of coal in high pressure and temperature conditions. This seed melts together with the coal, leading to a larger diamond forming around, that is finally cooled to discover the created diamond.

<sup>14</sup> Diamond is rated 10 on the Mohs Hardness Scale.

At SASMAT RETAIL we continue with our commitment to introduce more responsible materials that meet sustainability criteria to promote a circular economy, achieve a more responsible supply chain and meet the demands of our customers.

Our journey began in 2021 with our first Fine Jewelry collection, which contained 18K recycled gold and lab-grown diamonds. Since then, we have not stopped searching for innovative materials and processes, as well as recognized international tools and standards that allow us to certify the reduction of our product’s environmental and social impact.

## 6.1.1 RECYCLED METAL

By using recycled metals, we can avoid the use of new raw materials and reduce the social, ethical and environmental risks associated with the mining process.

Mining is a process with negative environmental impacts and is associated with significant adverse effects, including those related to human rights and other conflicts, such as the financing of armed conflict, abuses by security contractors, money laundering, corruption and non-payment of royalties.

The metals of recycled origin used in the manufacture of our jewelry come from smelters verified by the Chain of Custody standard of the Responsible Jewellery Council, the leading global organization responsible for the development of standards covering the entire value chain of the jewelry and watchmaking sector.

All of our jewels from the Fine Jewelry line contains recycled gold. Moreover, in order to continue moving towards more sustainable raw materials, in 2023 we will market our first recycled silver collection.

## 6.1.2 LAB-GROWN DIAMONDS

Diamonds are known as the hardest material on Earth, since they are characterized by their resistance to scratching and their ability to scratch other metals.

Considered “the world’s most precious gem”, there is no doubt that its brilliance and beauty are impressive; however, this does not justify the environmental and social damage caused by mining.

In recent years, awareness of how diamonds are sourced and the importance of creating a more ethical and sustainable value chain has grown, resulting in the creation of international standards such as the Kimberley Process, which aims to end the flow of conflict diamonds. Furthermore, a key innovation fuelled the creation of the first man-made diamonds: lab-grown diamonds.

Lab-grown diamonds allow us to exclude mining from the process and, therefore, the social risks associated with it. This is because lab-grown diamonds are made by replicating the way mined diamonds are created in nature, using technology that reproduces the natural growth process of diamonds without the negative human toll.

They are physically, optically and chemically equal to those grown under the earth’s surface. This is why the criteria for assessing their quality is the same: The 4 Cs (Color, Clarity, Cut and Carat).

In particular, our diamonds are created in the laboratory using Chemical Vapor Deposition and High Pressure - High Temperature techniques.

## 6.2 PRODUCT HEALTH AND SAFETY

Another key factor we consider when manufacturing our products is that they comply with health and product safety standards, especially those intended for more vulnerable groups such as children. With this in mind, in 2022 we updated our **Product Health and Safety Standard** in compliance with the most stringent requirements of product health and safety laws in the markets in which we operate.

All our jewelry suppliers must comply with the requirements of this standard. To ensure compliance with our standard, we work with internationally-recognized laboratories that verify proper application by performing analyses on jewelry items.

In 2022, we have not detected any type of non-compliance with the applicable product safety and health regulations in our analysis of the marketed jewelry items.

### Control areas of the product health and safety standard

(A)

#### **Restricted substances**

Substances whose manufacture, marketing or use is limited or prohibited because they may affect the health of users

(B)

#### **Safety parameters**

Jewelry design features that may present risks to the physical integrity of wearers

## 6.3 SUPPLY CHAIN

### 6.3.1 RESPONSIBLE SOURCING

We actively work to produce jewelry responsibly and create a positive impact on society and the environment. With this in mind, we have developed our responsible sourcing program based on compliance with our [Supplier Code of Conduct](#) and our [Responsible Sourcing Policy](#), with which every supplier must comply.

Our program is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected or High-Risk Areas.

- (1) **POLICY AND MANAGEMENT SYSTEM**
- (2) **RISK ANALYSIS**
- (3) **SUPPLIER AUDIT**
- (4) **ACTION PLAN**
- (5) **COMMUNICATIONS**



## 6.3 SUPPLY CHAIN

To ensure compliance with our responsible sourcing program, the Sustainability Department evaluates each potential supplier prior to becoming part of the SASMAT RETAIL supply chain and annually evaluates existing suppliers.

In addition, recognizing that traceability is the basis for identifying, measuring and reducing a company's overall environmental and social impact, we collect data on all of our purchase orders through our internal tools where direct suppliers break down the factories used in production and which refineries they source from (see [Traceability](#) for more information).

Based on the information collected, the identification, evaluation and prioritization of risks that may cause adverse impacts on workers, communities or the environment is carried out on a regular basis. In particular, the risk assessment includes:

- Identification of conflict-affected and high-risk areas
- Identification of risks at country level
- Identification of risks at supplier/product level

Based on the risk assessment, high-risk suppliers undergo an independent third-party audit in accordance with internationally-recognized standards previously approved by SASMAT RETAIL.

In 2022 all high-risk direct suppliers provided audit reports where no non-compliances considered as "Zero Tolerance" in our [Responsible Sourcing Policy](#) were identified.

<sup>15</sup> The standards approved by SASMAT RETAIL are RJC Code of Practice, SMETA and BSCI.

<sup>16</sup> SASMAT RETAIL has a Zero Tolerance stance against serious human rights abuses, direct or indirect support to non-state armed groups, and abuses by public or private security forces, as well as against bribery, fraud and money laundering.

## 100% AUDITED HIGH-RISK DIRECT SUPPLIERS

## 0 ZERO TOLERANCE CASES IDENTIFIED

However, as part of our responsible sourcing program, we have adequate response plans in place to prevent or mitigate potential risks, adverse impacts or any other non-compliance with company requirements. We accompany and grow together with our suppliers; therefore, we will only break ties with those suppliers associated with the most harmful impacts, as defined in our [Responsible Sourcing Policy](#). In all other cases, we are committed to taking the necessary measures to increase leverage, either individually or collaboratively, to prevent or mitigate risks.

## 6.3 SUPPLY CHAIN

### RUSSIAN SOURCING POLICY

Since the Russia-Ukraine conflict started on February 24, 2022 the United States and the European Union imposed sanctions against certain Russian individuals, Russian-owned entities and products originating from Russia. All suppliers to SASMAT RETAIL are of course required to comply with all laws in the respective countries in which we operate.

SASMAT RETAIL's Responsible Sourcing Programme is based on OECD Due Diligence Guidance and is designed to ensure that our supply chain complies with applicable laws and does not contribute to conflict or human rights abuses, such as those occurring now in Ukraine.

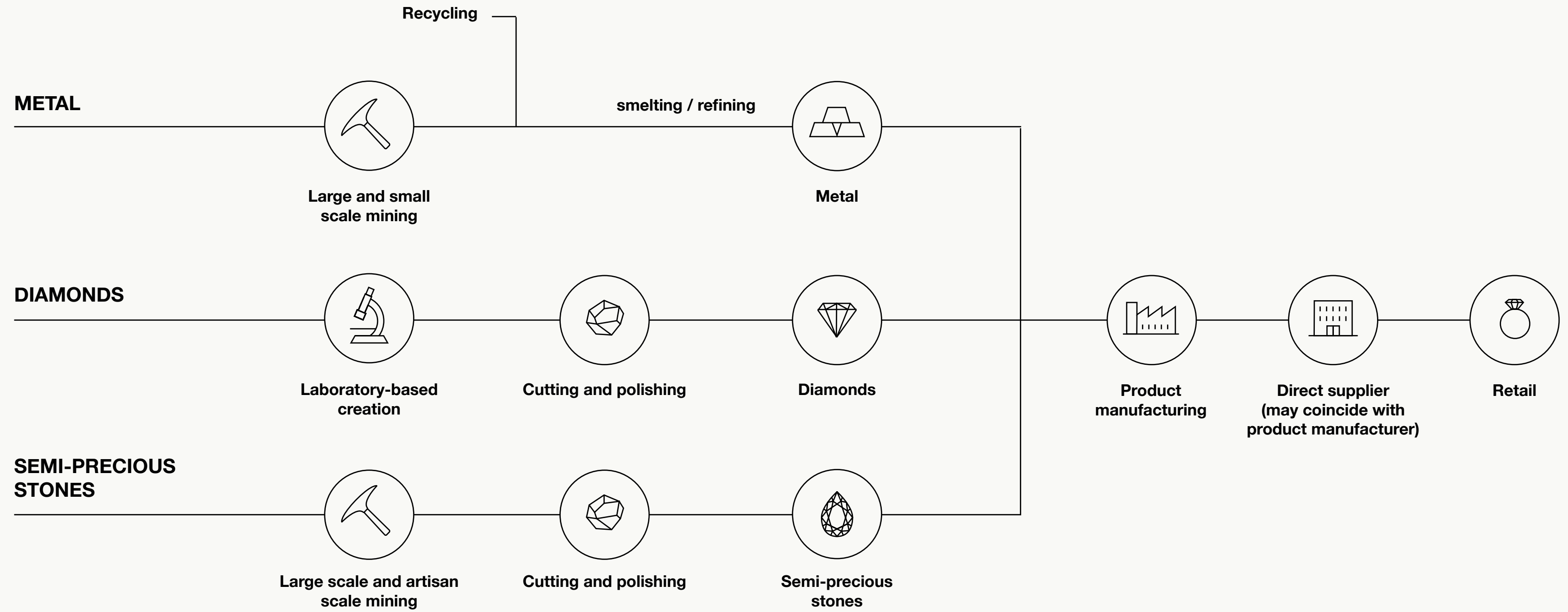
In accordance with OECD Due Diligence Guidance, SASMAT RETAIL has determined that purchasing precious metals (i.e., silver, gold and platinum) and gemstones from sanctioned Russian entities or individuals is indeed likely to contribute to the ongoing human rights abuses and conflict in Ukraine. SASMAT RETAIL has therefore halted all trade in precious metals and gemstones that originate from such sanctioned Russian sources, and requires their Suppliers to stop supplying the same to SASMAT RETAIL even though the country(s) in which the supplier operates may not have imposed sanctions on Russian precious metals and gemstones.

Compliance to this new policy is subject to verification in accordance with the Responsible Sourcing Programme, and will remain in effect until an international consensus is reached that the human right violations have ceased and SASMAT RETAIL notifies the Suppliers of the same.

# 6.3 SUPPLY CHAIN

## 6.3.3 TRACEABILITY

Traceability is the basis for identifying, measuring and reducing a company's overall environmental and social impact. However, traceability is one of the great challenges facing our industry. Traceability of the supply chain is incredibly difficult, given that the raw materials we use (metals and gems) come from different parts of the world and pass through multiple hands until they reach one of our pieces.





## 6.3 SUPPLY CHAIN

In this regard, we maintain an ongoing dialogue with our suppliers to ensure that they inform us of all the facilities and processes they use in the creation of each of our jewels before production begins.

We focus our efforts on knowing how, where and with what our jewelry is made, an essential step to building trust with our customers. Today, we use internal tools to map the suppliers that produce our goods, to collect information on facilities and raw materials, and ultimately to ensure a more responsible supply chain every day.

**5 SUPPLIERS WITH  
PURCHASE OF FINISHED  
JEWELRY PRODUCTS.**

**19 JEWELRY FACTORIES  
ASSOCIATED WITH  
SUPPLIERS WITH  
PURCHASE<sup>17</sup>.**

- (1) **ISSUING OF PURCHASE ORDER**  
The purchase order is issued, and in parallel the tool is provided to declare the facilities used in the production and the sources of the precious stone and metal supply.
- (2) **SUPPLIER DECLARATION**  
The supplier declares the facilities used in production and the sources of the precious stone and metal supply.
- (3) **VALIDATION OF INFORMATION**  
The sustainability department evaluates the information, evidence and documents received.
- (4) **APPROVAL AND PRODUCTION**  
The supplier declaration is approved and is developed with production.

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<sup>17</sup> Includes factories declared by suppliers with purchase. Includes the processes of manufacturing, assembling and finishing jewelry.

## 6.3 SUPPLY CHAIN



- Location of suppliers with purchase of finished jewelry products
- Location of jewelry factories associated with suppliers with purchase

## 6.4 PACKAGING

**We constantly strive to reduce the environmental impact of our packaging without compromising the quality of the user experience. To this end, we work in three main areas:**

### **DESIGN**

We optimize the volume of our packaging, which allows us to reduce the use of materials and waste generation, as well as optimize space and consequently minimize environmental impact during transportation. In particular, during 2022, we have worked on optimizing the volume of our shipping boxes.

### **MORE SUSTAINABLE RAW MATERIALS**

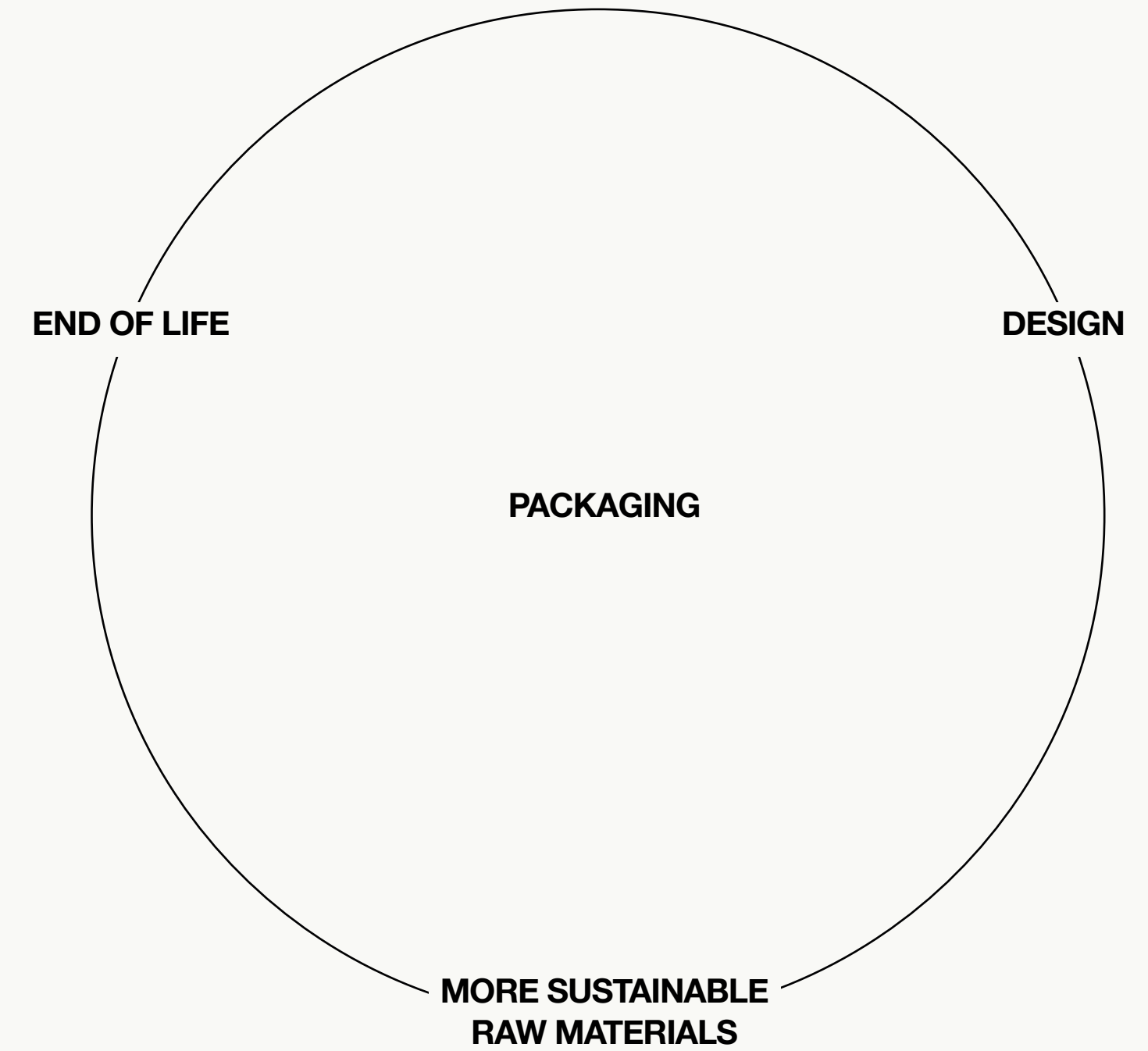
We use paper and cardboard certified by (FSC) or (PEFC). These organizations guarantee that the forests where our raw materials come from are managed responsibly, respecting the rights of workers and local communities, and conserving biodiversity.

**Towards plastic-free packaging:** Shipments from our website have been plastic-free since 2021, and we are working to ensure that shipments from other e-commerce platforms are also plastic-free.

In 2022, we have ensured that the polybags that protect our jewelry during transportation and distribution are made of recycled plastic and certified under the Global Recycled Standard.

### **END OF LIFE**

We work on selecting materials that can be easily separated and sorted, minimizing waste generation and natural resource extraction. To achieve this, we prioritize using single-material boxes and cases in light colors that allow for better recycling of materials.





7

# PARTNERSHIPS

- 7.1 Responsible Jewellery Council (RJC)
- 7.2 UN Global Compact

# 7

**We understand that transformative partnerships and associations are the only way to find comprehensive and innovative solutions to the current and future challenges the jewelry industry faces.**

## 7.1 RESPONSIBLE JEWELLERY COUNCIL (RJC)

In 2021, we joined the Responsible Jewellery Council (RJC), the leading global organization dedicated to setting standards across the jewelry and watch industry value chain. We encourage the adoption of RJC standards among our suppliers, including its Code of Practice (COP) and Chain of Custody (CoC). These standards enable us to improve our supply chain, guarantee ethical business practices and ensure responsible management by our suppliers.

### CODE OF PRACTICE (COP)

The COP is aligned with the OECD Due Diligence Guidance and the UN Guiding Principles on Business and Human Rights. By implementing the Code of Practice, members contribute to the United Nations 2030 agenda and the 17 Sustainable Development Goals.

### CHAIN OF CUSTODY

The COC Standard defines an approach for companies to handle and trade gold, silver and platinum-group metals in a traceable and responsibly-sourced manner. COC certification complements the RJC's COP certification.

## 7.2 UN GLOBAL COMPACT

We have been part of the [United Nations Global Compact](#) since 2021, showing our commitment to establishing ethical management based on the [Ten Principles of the Global Compact](#), to contribute to the achievement of the Sustainable Development Goals (SDGs) and to communicate our progress annually.

The Global Compact's Ten Principles are derived from United Nations declarations on human rights, labor, environment and anti-corruption, and enjoy universal consensus.

There are 17 Sustainable Development Goals (SDGs) with 169 specific targets to be achieved by 2030. We, as a private sector company, have a key role to play in this roadmap, being both a responsibility and an opportunity to align the SDGs with our sustainability strategy. For more information, see our [Alignment with the SDGs](#)

### WE SUPPORT



#### HUMAN RIGHTS

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.

**Principle 2:** Businesses should make sure that they are not complicit in human rights abuses.

#### LABOR RIGHTS

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Businesses should support the elimination of all forms of forced and compulsory labor.

**Principle 5:** Businesses should support the elimination of child labor.

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

#### ENVIRONMENT

**Principle 7:** Businesses should maintain a preventive approach that favors the environment.

**Principle 8:** Businesses should encourage initiatives that promote greater environmental responsibility.

**Principle 9:** Businesses should encourage the development and diffusion of environmentally-friendly technologies.

#### ANTICORRUPTION

**Principle 10:** Businesses should fight corruption in all its forms, including extortion and bribery.



8

# ANNEXES

- 8.1 GRI table of contents / Global Compact / SDGs
- 8.2 Most relevant contribution to the SDGs

# 8.1 GRI TABLE OF CONTENTS / GLOBAL COMPACT / SDGs

GRI	DESCRIPTION INDICATOR	SECTION
<b>GENERAL DISCLOSURES</b>		
<b>THE ORGANIZATION AND ITS REPORTING PRACTICES</b>		
2-1	Organizational details	<a href="#">SASMAT RETAIL &amp; PDPAOLA</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">About this Report</a>
2-3	Reporting period, frequency and contact point	<a href="#">About this Report</a> The date of publication of the sustainability report for this fiscal year is 18/10/2023.
2-4	Restatements of information	N/A
2-5	External assurance	This report is not subject to external verification.
<b>ACTIVITIES AND WORKERS</b>		
2-6	Activities, value chain and other business relationships	<a href="#">SASMAT RETAIL &amp; PDPAOLA</a> <a href="#">Supply chain</a>
2-7	Employees	<a href="#">Key information (people)</a>
2-8	Workers who are not employees	<a href="#">Key information (people)</a>
<b>STRATEGY, POLICIES AND PRACTICES</b>		
2-22	Statement on sustainable development strategy	<a href="#">A message from our founders</a>
2-23	Policy commitments	<a href="#">Ethical Culture and Compliance</a>
2-26	Mechanisms for seeking advice and raising concerns	SASMAT RETAIL encourages the communication of inquiries about the Codes of Conduct and Corporate Policies, as well as concerns about possible non-compliance, in order to be able to address the matter internally in an effective manner and provided that the informant considers that there is no risk of retaliation. For this purpose, the postal address of the offices and the e-mail address <a href="mailto:Ethics@pdpaola.com">Ethics@pdpaola.com</a> are made available to the interested parties.
2-27	Compliance with laws and regulations	No cases of significant non-compliance with applicable legislation have been reported.
2-28	Membership associations	<a href="#">Partnerships</a>
<b>STAKEHOLDER ENGAGEMENT</b>		
2-29	Approach to stakeholder engagement	<a href="#">Identification and dialogue with stakeholders</a>





# 8.1 GRI TABLE OF CONTENTS / GLOBAL COMPACT / SDGs

2-30	Collective bargaining agreements	<a href="#">Key information (people)</a>
<b>MATERIAL TOPICS</b>		
<b>DISCLOSURE ON MATERIAL TOPICS</b>		
3-1	Process to determine material topics	<a href="#">Materiality Analysis</a>
3-2	List of material topics	<a href="#">Materiality Analysis</a>
<b>ECONOMICS</b>		
<b>ANTICORRUPTION</b>		
205-3	Confirmed incidents of corruption and actions taken	No corruption cases have been confirmed in 2022
<b>ENVIRONMENT</b>		
<b>ENERGY</b>		
302-1	Energy consumption within the organization	<a href="#">Energy consumption</a> <a href="#">Key information (planet)</a>
<b>WATER AND EFFLUENTS</b>		
303-5a	Water consumption	<a href="#">Key information (planet)</a>
<b>EMISSIONS</b>		
305-1	Direct (Scope 1) GHG emissions	<a href="#">Our carbon footprint</a> <a href="#">Key information (planet)</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Our carbon footprint</a> <a href="#">Key information (planet)</a>
<b>SOCIETY</b>		
<b>EMPLOYMENT</b>		
401-1	New employee hires and staff turnover	<a href="#">Key information (people)</a>
<b>EMPLOYEE-COMPANY RELATIONS</b>		
402-1	Minimum notice periods regarding operational changes	All operational changes are at least implemented by means of the minimum legal notice in the respective countries.
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
403-5	Worker training on occupational health and safety	<a href="#">Occupational health and safety</a>




# 8.1 GRI TABLE OF CONTENTS / GLOBAL COMPACT / SDGs

403-6	Promotion of worker health	Occupational health and safety
<b>TRAINING AND EDUCATION</b>		
404-1	Average hours of training per year per employee	Key information (people)
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>		
405-1B	Diversity of governance bodies and employees	Key information (people)
405-2	Ratio of basic salary and remuneration for women to men	Diversity, inclusion and equal opportunities
<b>NON-DISCRIMINATION</b>		
406-1	Incidents of discrimination and corrective actions taken	No discrimination cases have been detected in 2022
<b>SUPPLIER SOCIAL EVALUATION</b>		
414-1	New suppliers that were screened using social criteria	Responsible sourcing
<b>CUSTOMER HEALTH AND SAFETY</b>		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no cases of non-compliance in this area

## 8.2 MOST RELEVANT CONTRIBUTION TO THE SDGS

SDG	CHALLENGE	DESCRIPTION OF THE CHALLENGE	SECTION
	5.1	End all forms of discrimination against all women and girls worldwide.	<a href="#">Ethical culture and compliance</a> <a href="#">Supply chain</a> <a href="#">Diversity, inclusion and equal opportunities</a>
	5.2	Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking, and sexual and other forms of exploitation.	<a href="#">Our community</a>
	5.5	Ensure women’s full and effective participation and equal leadership opportunities at all decision-making levels in political, economic and public life.	<a href="#">Ethical culture and compliance</a> <a href="#">Diversity, inclusion and equal opportunities</a>
	7.2	By 2030, significantly increase the share of renewable energy in the overall energy mix.	<a href="#">Towards renewable energy</a>
	8.7	Take immediate and effective measures to eradicate forced labor, end modern forms of slavery and human trafficking, and ensure the prohibition and elimination of the worst forms of child labor (including the recruitment and use of child soldiers), and by 2025, end child labor in all its forms.	<a href="#">Ethical culture and compliance</a> <a href="#">Supply chain</a>
	8.8	Protect labor rights and promote a safe and secure working environment for all workers, including migrant workers, in particular migrant women and those in precarious employment.	<a href="#">Ethical culture and compliance</a> <a href="#">Supply chain</a> <a href="#">Occupational health and safety</a>
	10.2	By 2030, foster and promote the social, economic and political inclusion of all people, regardless of age, gender, disability, race, ethnicity, origin, religion and economic or other status.	<a href="#">Ethical culture and compliance</a> <a href="#">Diversity, inclusion and equal opportunities</a>
	10.3	Ensure equal opportunities and reduce inequality of outcomes, including by eliminating discriminatory laws, policies and practices, and promoting appropriate legislation, policies and measures in this regard.	<a href="#">Ethical culture and compliance</a> <a href="#">Diversity, inclusion and equal opportunities</a>
	10.4	Adopt policies, especially fiscal, wage and social protection policies, progressively achieving greater equality.	<a href="#">Diversity, inclusion and equal opportunities</a>

## 8.2 MOST RELEVANT CONTRIBUTION TO THE SDGS

	12.2	Achieve sustainable management and efficient use of natural resources by 2030	<a href="#">Towards more responsible materials</a> <a href="#">Packaging</a>
	12.4	By 2020, achieve the environmentally-sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse effects on human health and the environment	<a href="#">Product health and safety</a>
	16.2	End abuse, exploitation, trafficking and all forms of violence and torture against children.	<a href="#">Ethical culture and compliance</a> <a href="#">Supply chain</a>
	16.4	By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets, and combat all forms of organized crime.	<a href="#">Ethical culture and compliance</a> <a href="#">Supply chain</a>
	16.5	Significantly reduce corruption and bribery in all its forms	<a href="#">Ethical culture and compliance</a> <a href="#">Supply chain</a>
	17.16	Improve the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources to support the achievement of the Sustainable Development Goals in all countries, particularly developing countries.	<a href="#">Responsible Jewellery Council (RJC)</a> <a href="#">UN Global Compact</a>
	17.17	Foster and promote effective partnerships in the public, public-private and civil society spheres, taking advantage of the experience and strategies for obtaining resources from partnerships.	<a href="#">Responsible Jewellery Council (RJC)</a> <a href="#">UN Global Compact</a>

SUSTAINABILITY  
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