

**SUSTAINABILITY
REPORT 2023**

SASMAT RETAIL

PDPAOLA

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ABOUT THIS REPORT

This report represents the third consecutive year in which SASMAT RETAIL S.L. and its brand PDPAOLA present their annual sustainability progress report. Coinciding with the culmination of our 2021-2023 Sustainability Strategy, this report marks a transition point towards a new roadmap that will come into effect in 2024. This transition also involves working towards alignment with the new European Corporate Sustainability Disclosure Directive (CSRD).

The CSRD, designed to harmonize the disclosure of information on social and environmental risks and opportunities, as well as the impact of our operations on people and the planet, establishes a crucial framework for our transparency and accountability practices. In response, we are currently in the process of assessing the European Sustainability Reporting Standards (ESRS) for integration into our future communications.

This report is not only a testament to our ongoing commitment to sustainability, but also an opportunity to share our achievements during the fiscal period from January 1 to December 31, 2023. At SASMAT RETAIL, we continue to work and collaborate towards a more responsible jewelry industry, and this report structured around the key pillars of our sustainability strategy has been prepared in accordance with the principles of stakeholder engagement, sustainability context, materiality and completeness.

This report includes information on SASMAT RETAIL S.L., including all its subsidiaries¹, 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

¹ SASMAT RETAIL UK LTD, SASMAT RETAIL FRANCE SAS and SASMAT RETAIL ITALIA SRL

A MESSAGE FROM OUR FOUNDERS

As we **conclude our 2021-2023 sustainability strategy**, it is time to reflect on the achievements made and challenges overcome. This strategy has been the cornerstone that allowed us to prioritize how we address our impacts on the environment and people.

From the outset, we understood that transformative alliances and partnerships are fundamental to finding solutions to current and future challenges in the jewelry sector. That is why, 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. In 2023, we took the next step and were audited against their Code of Practice standard. Being a **certified member of the RJC** not only validates our commitment to sustainability, but also ensures that our customers' purchasing decisions are supported by ethical and responsible business practices.

Throughout this period, we have introduced materials with sustainable criteria to promote a circular economy, achieve a more responsible supply chain and meet our customers' demands. This commitment, initiated in 2021 with the introduction of recycled gold and lab-grown diamonds, was expanded in 2023 **with our first recycled silver collection**. By incorporating these materials, we reduce the use of new raw materials and minimize the social, ethical and environmental risks associated with mining. By the end of 2023, 73% of our references included recycled content.

Our retail expansion strategy is progressing successfully, and by the end of 2023, we have consolidated the presence of **34 PDPAOLA stores** in 8 different markets. This strategy remains a top priority for the company, as we aim to further expand our presence globally. This milestone has been possible thanks to a solid operational performance and effective talent management, both internal and external, which has contributed significantly to the continued success of our growth.

At the conclusion of our first sustainability strategy, we can see how our actions have contributed not only to minimizing our impact on the environment and society, but also to strengthening our market position.

We have also witnessed significant changes in the legislative environment. Although these changes have required adaptations on our part, we have welcomed them, as we firmly believe that stricter and more unified regulations will contribute to significant change in our industry.

We now face the challenge of designing a new strategy that will enable us to adapt to a context marked by an unstable geopolitical situation, continuing economic challenges and increased legislative requirements in terms of sustainability, but with the confidence that the learnings and progress made over the past three years have prepared us for the next stage of our journey.

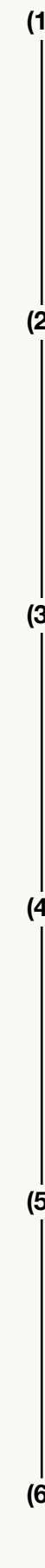
Paola & Humbert Sasplugas,
Founders & CEOs



1

2023 AT A GLANCE

2023 AT A GLANCE

- 
- (1) **FIRST RECYCLED SILVER COLLECTION**
 - (2) **RESPONSIBLE JEWELRY COUNCIL CODE OF PRACTICE AUDIT**
 - (3) **OPENING OF 24 STORES**
 - (4) **LAUNCH OF PDPACADEMY TRAINING PLATFORM**
 - (5) **OPENING OF PDPAOLA STORES IN 5 NEW COUNTRIES: ANDORRA, FRANCE, ITALY, PERU AND UNITED KINGDOM**
 - (6) **LAUNCH OF THE YOUNG TALENT PROGRAMME**

2023 AT A GLANCE

+800.000

UNITS

SOLD

2023 AT A GLANCE

214

WORKERS²

² Includes employees and self-employed workers or workers of other organizations dedicated full time to the needs of SASMAT RETAIL.

2023 AT A GLANCE

**+2.000
POINTS
OF SALE**

2023 AT A GLANCE

**+80 COUNTRIES
WITH A DIGITAL
PRESENCE**

2023 AT A GLANCE

**53 COUNTRIES
WITH A PHYSICAL
PRESENCE**

2023 AT A GLANCE

34

PDPAOLA

STORES



SASMAT RETAIL & PDPAOLA

- 2.1 Our Business Model
- 2.2 Our Mission
- 2.3 Vision and Values

2.1 OUR BUSINESS MODEL

Our business is global. We sell worldwide through our website and on other e-commerce platforms.

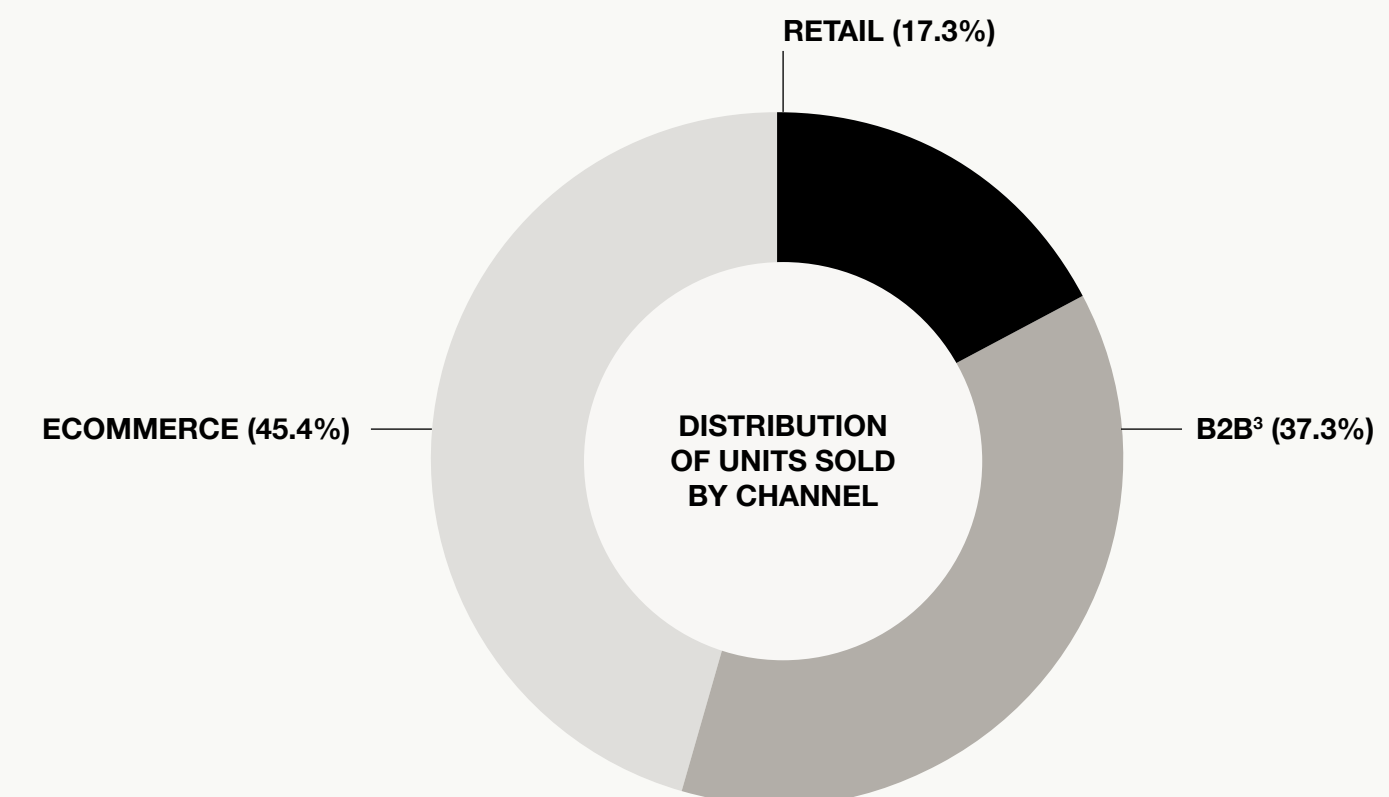
PDPAOLA was born as a Digital Native Brand and has expanded its market presence through a combination of online and offline channels. Since the opening of our first store in 2021, we have maintained steady growth, establishing a total of 34 stores distributed among Andorra, Saudi Arabia, Spain, France, Italy, Peru, Puerto Rico and the United Kingdom.

2023 marked a significant milestone with the opening of 24 new stores, 10 of which were located in the national market, while the other 14 expanded into international markets such as Andorra, France, Italy, Peru and the United Kingdom.

Looking ahead to 2024, we will embark on a new phase of expansion, taking our presence even further both nationally and internationally.

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.

We also have more than 2,000 international points of sale in more than 53 countries.



³ B2B refers to wholesale sales, which include franchise transactions. Ecommerce indicates sales made through our own website. Retail refers to PDPAOLA's own stores, not including franchised stores.

2.1 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 lab-grown diamonds.

OUR VALUE CHAIN

(1)	PRODUCT DESIGN AND DEVELOPMENT	Jewelry design in our Barcelona office
(2)	RAW MATERIALS	Raw materials sourcing
(3)	TRANSFORMATION OF RAW MATERIALS	Transformation of metals and stones
(4)	PRODUCT MANUFACTURE	Manufacture of jewelry pieces
(5)	TRANSPORT	Jewelry is transported to the distribution center
(6)	WAREHOUSE	Jewelry is stored at the distribution centers and customer orders are prepared
(7)	DISTRIBUTION	Our logistics partners deliver the jewelry to our customers or stores
(8)	USE	Our customers enjoy their PDPAOLA jewelry Nuestros clientes disfrutan de sus joyas PDPAOLA

2.2 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.



2.3 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.

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.

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.

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.



3

OUR APPROACH TO SUSTAINABILITY

3.1 Identification and dialogue with stakeholders

3.2 Materiality Analysis

3.3 Alignment with the SDGs

3

At SASMAT RETAIL, our vision of sustainability is intertwined with a holistic approach that encompasses social, economic and environmental aspects, permeating all facets of our business operation.

Our Sustainability Department, directly linked to SASMAT RETAIL's Management, assumes the responsibility of articulating and carrying out our Strategic Sustainability Plan.

During the year 2023, we have completed the implementation cycle of our first Sustainability Strategy for the period 2021-2023. After three years of continuous growth and execution, we have embarked on the development of our new strategy, which will be unveiled in 2024. This new strategic plan will mark a significant milestone, built on the foundations of our accumulated experience.

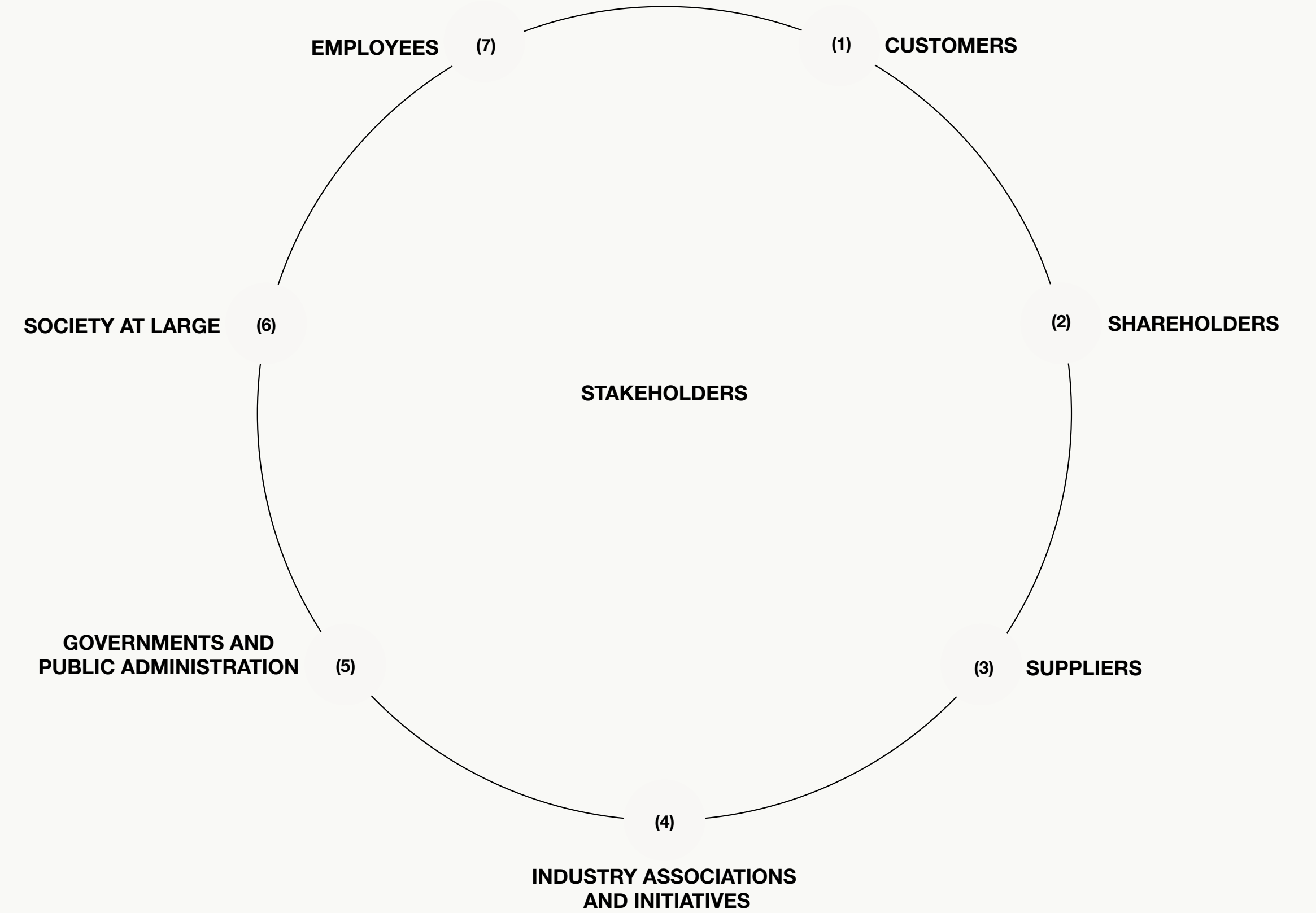
The roadmap we are laying out will establish a renewed starting point, integrating lessons learned and best practices identified during our previous sustainability cycle. We will focus on comprehensively addressing the risks and opportunities inherent in our business operations, while addressing the needs and expectations of our stakeholders.

Continuing to set clear and achievable goals, our new strategy will commit to promoting accountability in all our actions and fostering a culture of continuous evaluation of our sustainability progress.

3.1 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 needs and 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.



3.2 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.

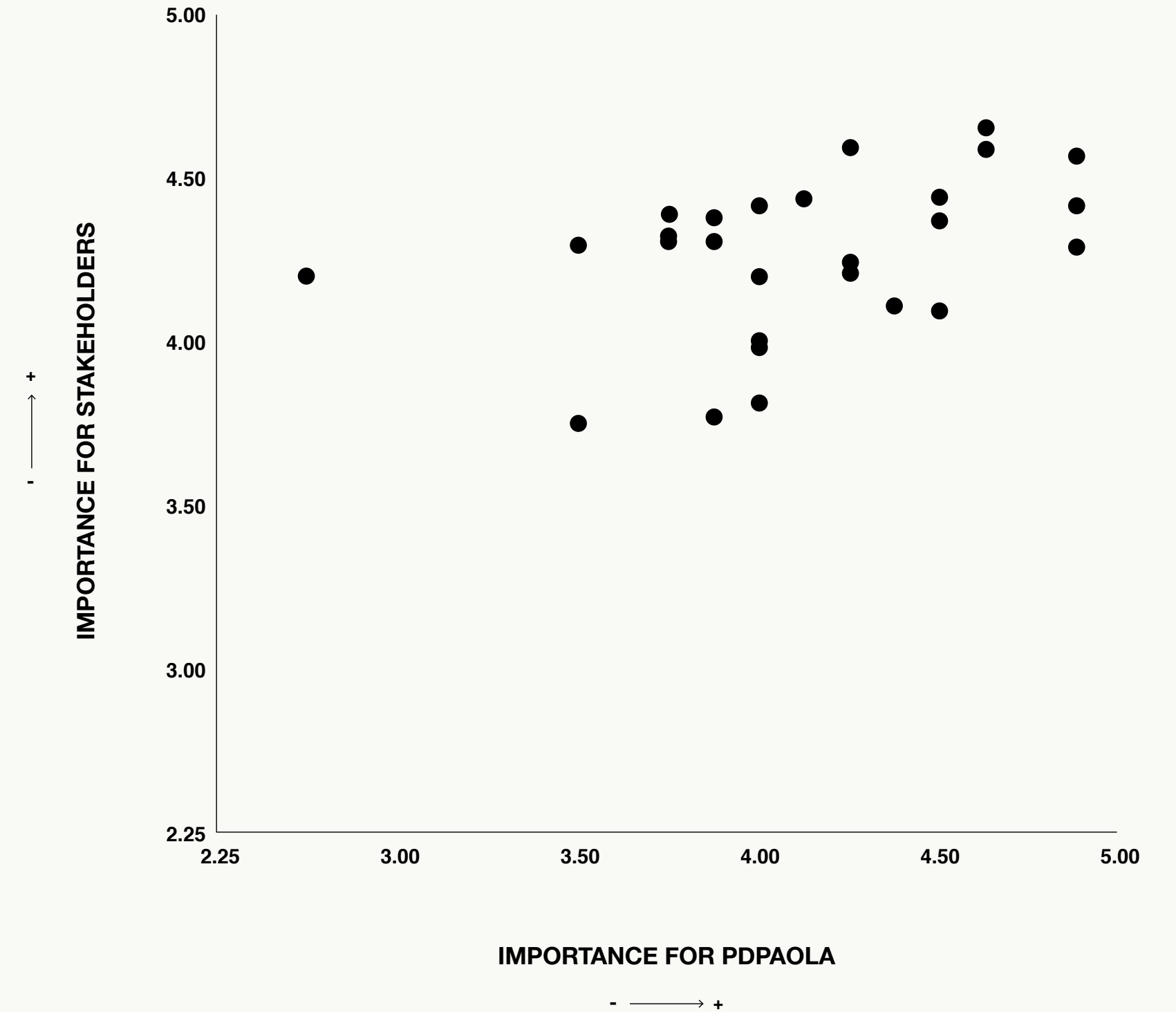
Throughout the materiality analysis, 28 aspects included in different topics such as Innovation and business model, Governance and leadership, Environment, Human capital and Social capital were evaluated.

3.2 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**




3.3 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.

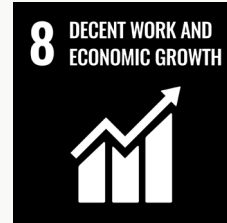
Our sustainability strategy is aligned with the following Sustainable Development Goals:




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.

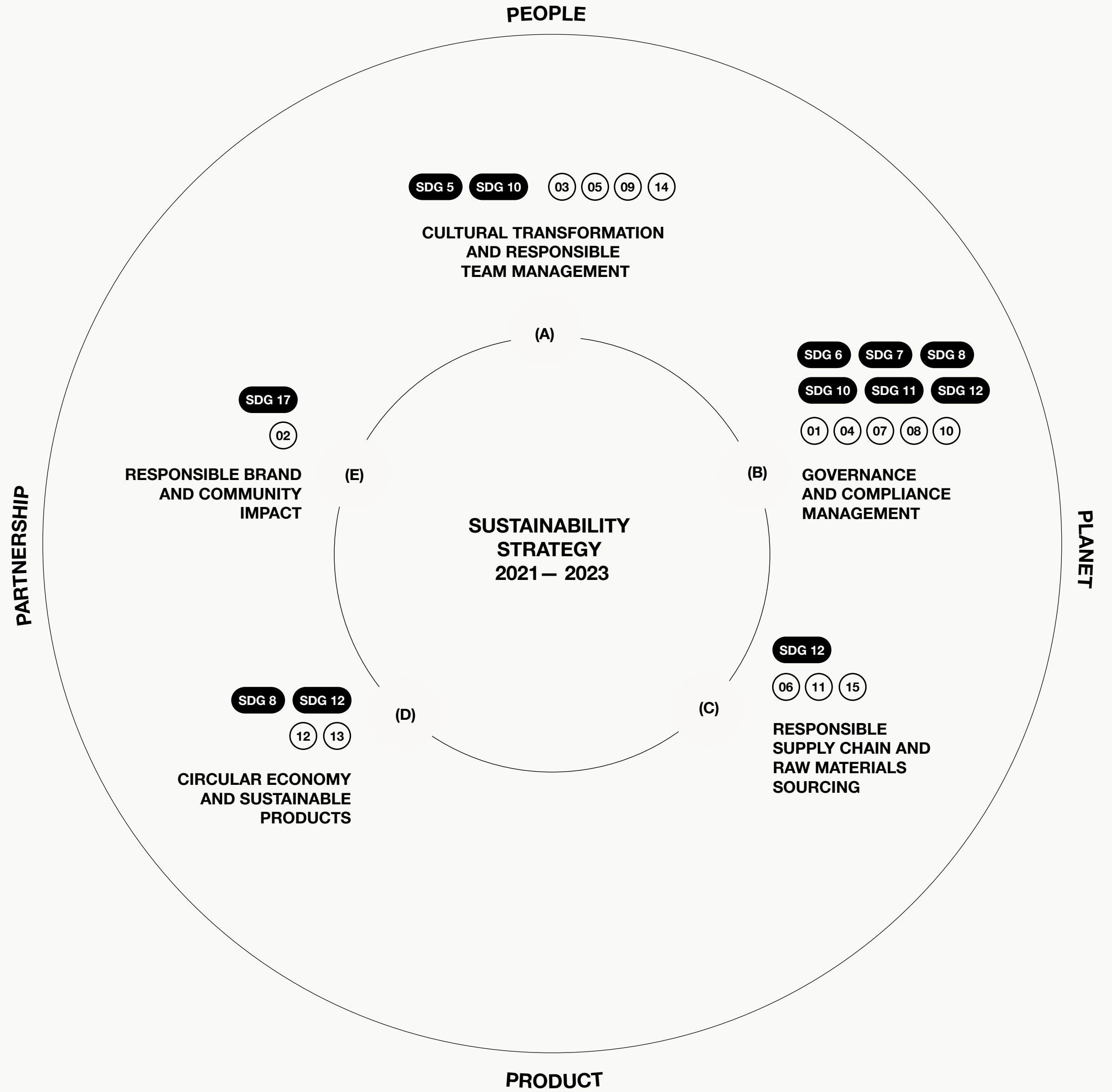


SDG 16
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.



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

- (01) COMPLIANCE
- (02) CUSTOMER SATISFACTION
- (03) DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES
- (04) ETHICAL CONDUCT AND ANTI-CORRUPTION
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- (15) TRACEABILITY AND ORIGIN OF RAW MATERIALS





4

ETHICAL CULTURE AND COMPLIANCE

4.1 Dedicated governance structure

4.2 Codes of Conduct and Corporate Policies

4

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.

4.1 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:



4.2 CODES OF CONDUCT AND CORPORATE POLICIES

OUR CODE OF CONDUCT (2021)⁴

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.

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.

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.

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)⁵

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.

ENVIRONMENTAL SUSTAINABILITY POLICY (2023)

This policy recognizes the importance of protecting the environment and preserving natural resources for future generations. In line with this commitment, the policy focuses on several key aspects of sustainability. This includes strict compliance with environmental regulations, efficient water and energy management, reducing waste and promoting recycling, as well as continually improving the environmental management system.

It also considers it crucial to minimize the use of hazardous substances in its operations and products and to source from suppliers who share a commitment to environmental sustainability and adhere to responsible sourcing practices.

In addition, priority is given to evaluating products from a life-cycle perspective in order to identify environmental impacts and opportunities for improvement.

BRIBERY PREVENTION POLICY (2023)

Regulates the prevention of bribery in all business practices and transactions conducted by SASMAT RETAIL and agents acting on its behalf, as well as protects employees from any penalty or adverse consequence for expressing in good faith their concern related to suspicion of 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 It is approved by the Board of Directors and published on the company's internal human resources platform.

⁵ 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](#)

5

PEOPLE

- 5.1 One Team, One Dream
- 5.2 Talent Management
 - 5.2.1 Quality Employment
 - 5.2.2 Talent Attraction and Retention
 - 5.2.3 Training and Education
- 5.3 Occupational Health and Safety
- 5.4 Diversity, Inclusion and Equal Opportunities
- 5.5 Key information

5.1 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.

We firmly believe in union and collaboration as fundamental pillars to achieve our objectives and promote a positive and enriching work environment.

For this reason, we have established various initiatives, both popular and corporate, to promote fellowship and integration among our collaborators. Events such as San Jordi, Halloween, Carnival and Christmas are special moments where we share experiences, celebrate cultural diversity and strengthen our bonds as a team.



In addition, since 2022, we have launched PDP Days, an annual event that has become a tradition in our company. PDP Days are not only an opportunity for learning and professional growth, but also a unique team-building experience. Through carefully designed activities and other initiatives, we seek to strengthen and reinforce our corporate culture, promoting collaboration, effective communication and teamwork.

**204
EMPLOYEES**

**+61.9% COMPARED
WITH 2022**

**19
NATIONALITIES**

**80% WOMEN
20% MEN**

**GENDER PARITY ON THE
MANAGEMENT BOARD:**

**27% WOMEN
72% MEN**

5.2 TALENT MANAGEMENT

5.2.1 QUALITY EMPLOYMENT

In our ongoing quest to be an organization that inspires pride in our employees, we are firmly committed to stable and sustainable long-term employment. We recognize that this commitment is reflected in our priority for permanent employment. However, in the interest of adapting to market dynamics and meeting the specific demands of our sector, we have noted a slight increase of 5.5% in temporary contracts during 2023.

It is crucial to note that these temporary contracts are used strategically to cover specific needs, such as periods of high demand or extended absences due to paternity or maternity leave. At all times, we strive to maintain a balance between employment stability and the flexibility needed to respond effectively to operational challenges.

In addition, although our primary focus remains the creation of full-time jobs, we have seen a 18.3% increase in part-time contracts compared to the previous year. This trend is mainly attributed to our expansion in the retail sector, where the need to adapt to flexible schedules and diverse personal circumstances of our employees is critical.

It is important to note that the majority of part-time employees opt for this modality to reconcile personal responsibilities, such as study or family care. However, we also employ part-time contracts at specific times of the year to cover peaks in demand, thus ensuring operational efficiency and customer satisfaction.

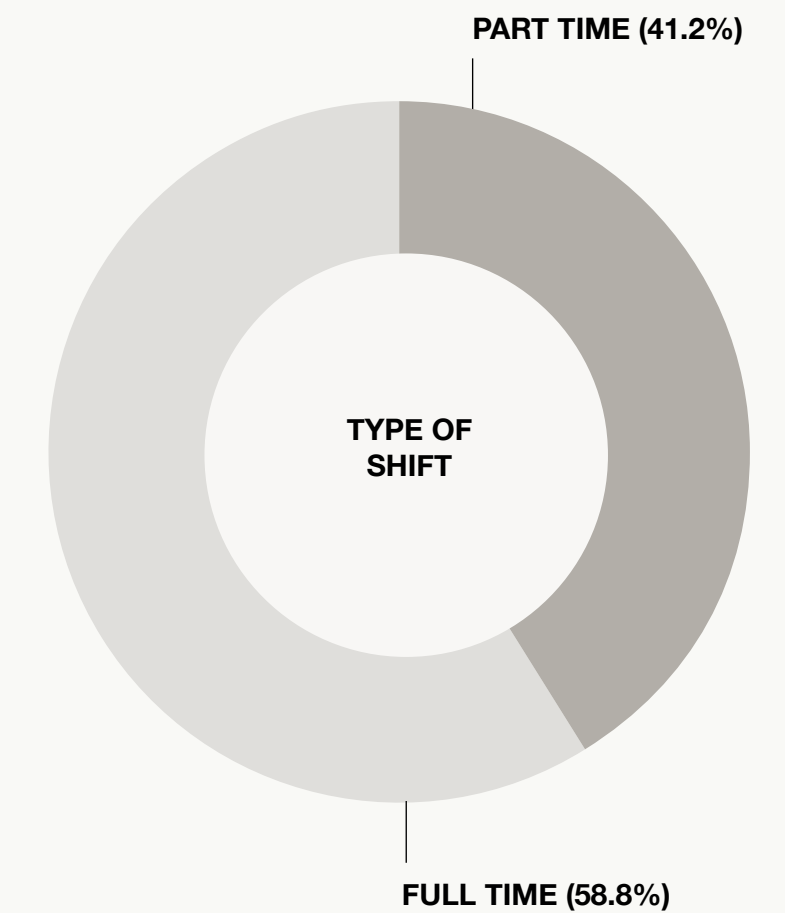
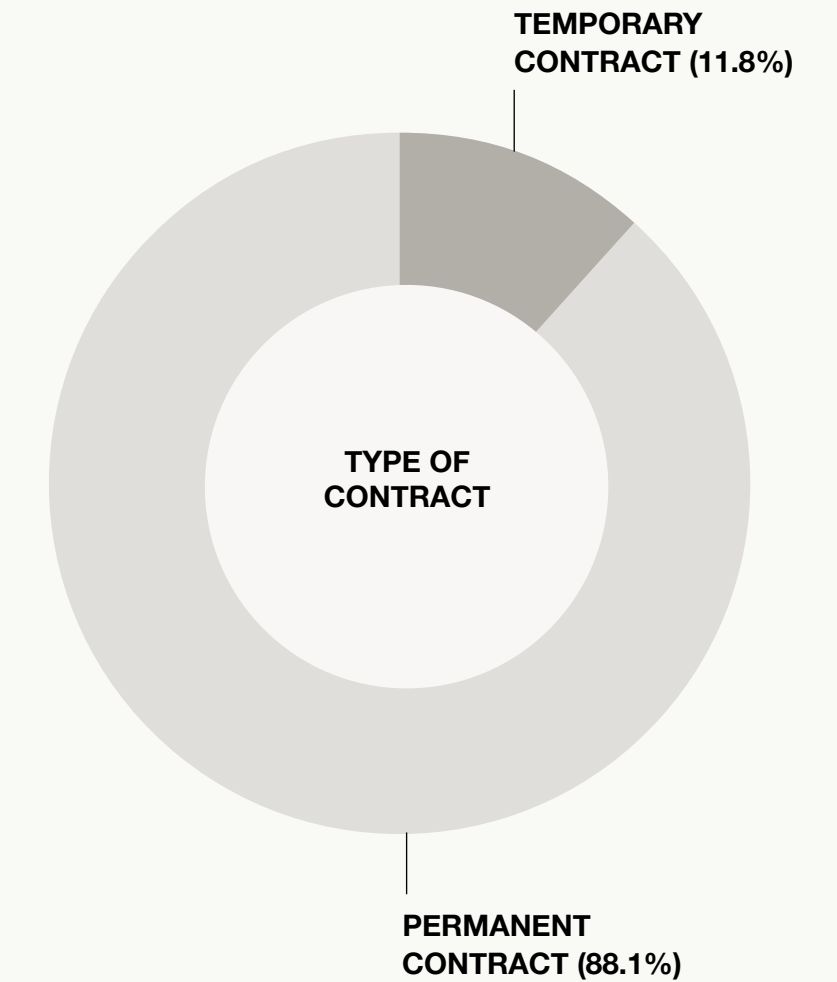
At SASMAT RETAIL we are constantly looking for improvements in the workplace, so in addition to complying with the measures established by current regulations, we continue to advance in initiatives to facilitate the work-life balance of our employees. Some of these improvements include the possibility of flexible working hours, the implementation of a hybrid model that combines on-site and remote working 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 in 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.

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.

As an additional measure, as of 2022, the possibility of enjoying up to 5 extra days is offered depending on the seniority of the person who has just become a mother or father.



5.2 TALENT MANAGEMENT

5.2.2 TALENT ATTRACTION AND RETENTION

Each year, we conduct a comprehensive assessment of the work environment through a survey designed to understand the satisfaction and well-being of our employees in various aspects, ranging from internal communication to professional development opportunities. Over the course of 2023, SASMAT RETAIL's overall employee satisfaction index stood at 69.62%, marking a change from the previous year's 83.18%. It is essential to highlight that during this period we experienced a notable increase in our workforce, which adds significant context to these results.

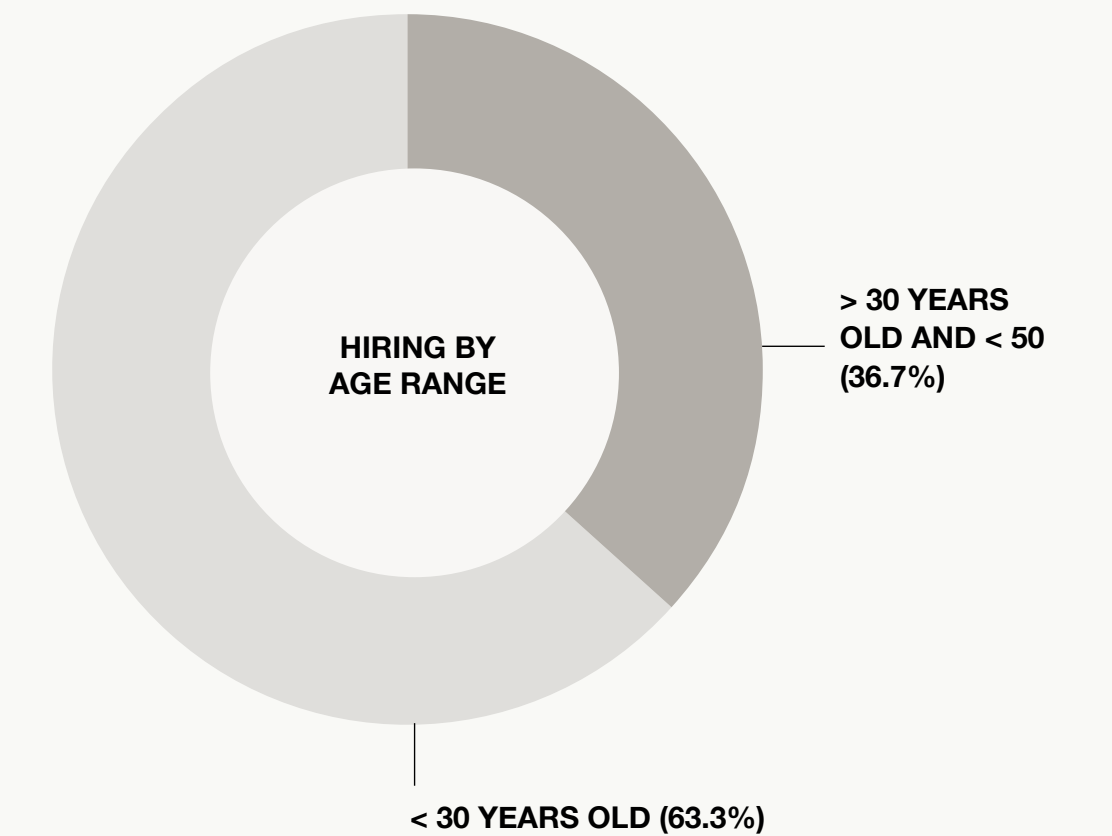
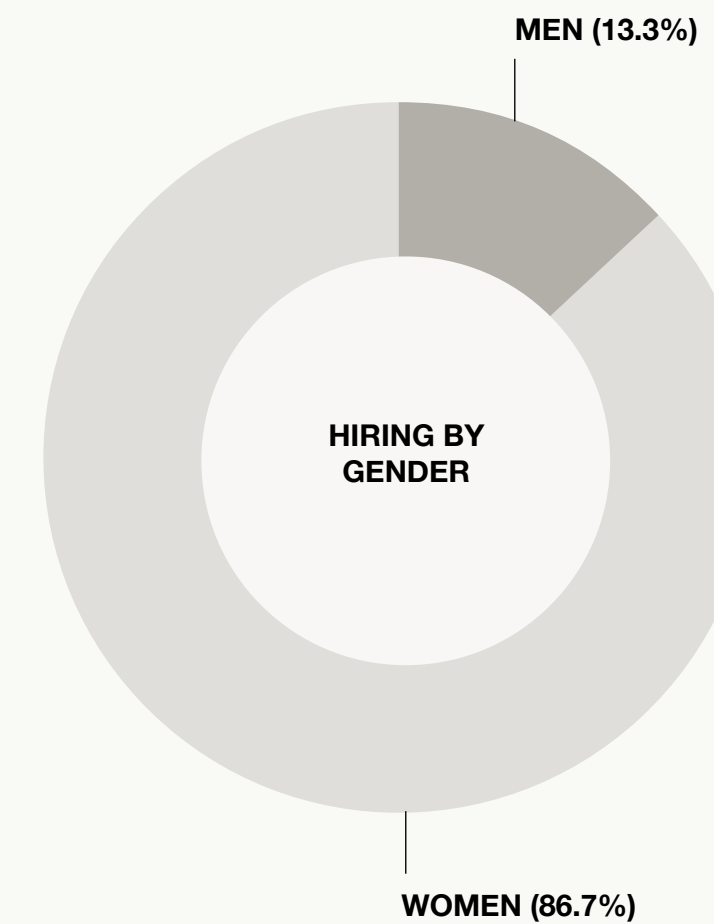
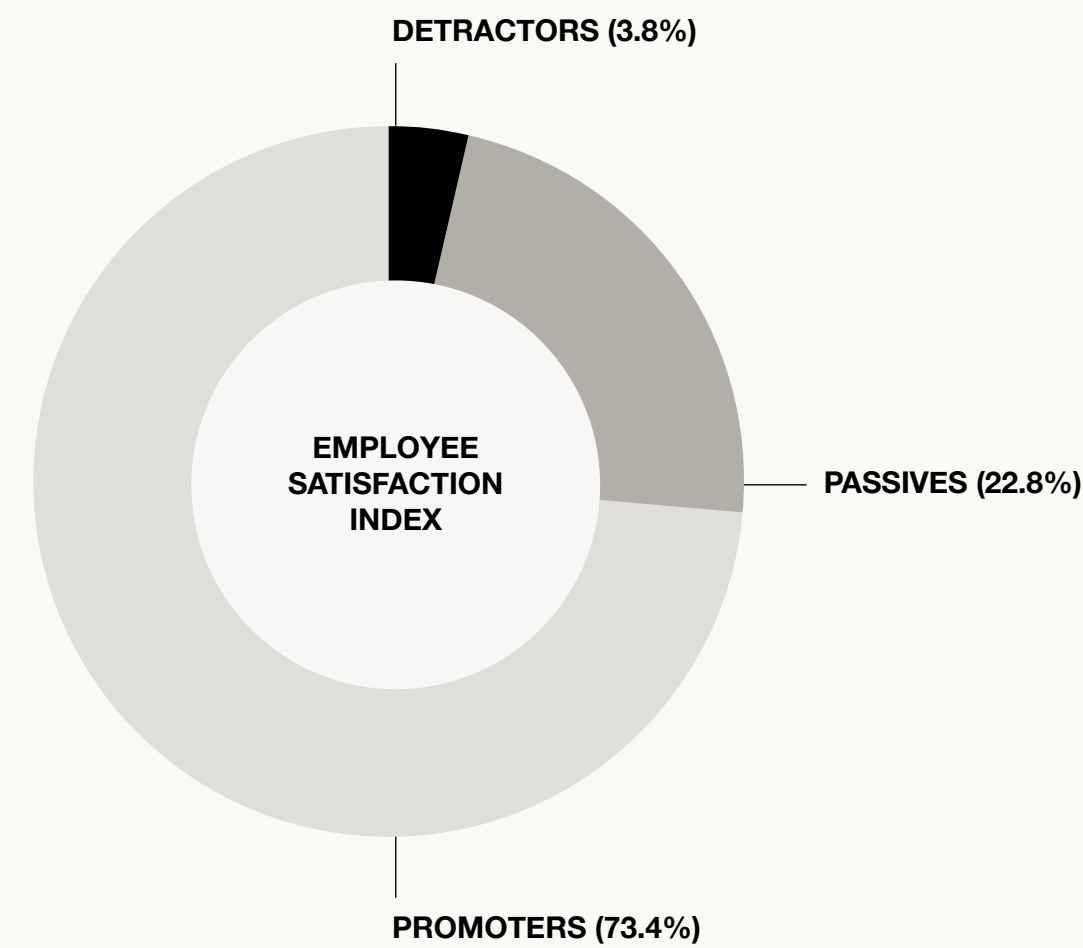
In the course of the year 2023, we inaugurated the Young Talent Program, a proposal focused on talented young people looking to explore their skills in the workplace. Our main purpose with this program is to provide a space for learning and development in a dynamic professional environment, while collaborating in the advancement and prosperity of our company.

The Young Talent Program had the participation of a total of 13 people. Of these, 23.08% officially joined our staff at the end of the year, while some continue to be actively involved in the program.

Our Careers platform is a key element of our talent acquisition strategy. We continually update available opportunities and provide interested parties with the opportunity to join our team. We assume 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 make extra maternity and paternity leave days available to our employees. Virtual canteen, teleworking option and greater flexibility in schedules to facilitate family reconciliation for office employees. Discounts on PDPAOLA products and other allied brands for all permanent employees and, for those residing in Spain, free medical insurance from the first year of the contract and a flexible compensation program.

As a result, in 2023 there was an increase of 61.9% over the previous year, reaching 204 employees at the end of the tax year. On the other hand, there were 10 terminations due to objective dismissal, which represent 10% of the total number of terminations.



5.2 TALENT MANAGEMENT

5.2.3 TRAINING AND EDUCATION

In 2023, we implemented PDPAOLA Academy, an internal training platform designed to enhance the development of skills and knowledge among our employees and collaborators. This initiative's main objective is to turn our team into brand experts, increase their efficiency in their daily tasks and ensure compliance with relevant regulatory standards. Through a wide variety of available courses, our team has the opportunity to expand their capabilities and stay updated in their field of work.

PDPAOLA Academy has become a fundamental pillar for the integration and motivation of new team members, facilitating their quick and effective adaptation to our organization. In addition, it has contributed significantly to the continuous growth of our staff over time.

This initiative has proven invaluable to both the company and our employees, promoting a constant learning environment and a sustained increase in the productivity of our team.

We continue to make progress in strengthening our corporate culture. Along these lines, we have developed a series of specific programs designed to ensure that our team is fully aware of the importance of respecting human rights, promoting equal opportunities in the workplace, and ensuring the protection of whistleblowers through effective consultation and reporting channels.

In addition, we address crucial issues such as occupational risk prevention, corporate sustainability and the fight against money laundering and the financing of terrorism.

It is important to highlight that we have implemented specialized trainings, especially aimed at the opening of new retail stores. These trainings focus on fundamental aspects such as the sales process, in-depth product knowledge and the development of effective commercial skills, among others.

On the other hand, we continue with our PDPtalks initiative, a valuable platform launched in 2022. Through these talks, we seek to share the experiences and knowledge of prominent personalities, addressing a wide range of topics ranging from self-improvement and entrepreneurship to influencing fashion and other relevant sectors, sports and motivation. PDPtalks represent a unique opportunity to foster the exchange of ideas and enrich our perspectives, both personally and professionally, in an inspiring and enriching environment.

5.3 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 company has a robust occupational health and safety management system based on a policy that lays the foundations for occupational accident prevention and establishes the steps to follow in the event of an occupational accident. The main objective is to guarantee an immediate and adequate response, minimizing risks to the health and well-being of workers, as well as the impact on the company's productivity.

The Human Resources Department acts as a reference for dealing with any issue related to Occupational Risk Prevention and relies on the External Prevention Services 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.

As part of the continuous improvement process, throughout 2023 relevant updates were made to the management system, with a highlight on the Emergency Plan update, designed to provide an effective response in any critical situation. To this end, the emergency response team has been defined and trained to act quickly in any eventuality and ensure everyone's safety. They have also received First Aid Training to provide basic assistance in cases of medical emergencies, thus contributing to the safety of our work environment.

We also conduct regular emergency drills at our headquarters and stores. These practices enable us to constantly evaluate and improve our response procedures in critical situations.

For specific situations such as robberies or other forms of violence, we develop a detailed Action Plan that prioritizes the safety of our personnel and clients in all our facilities.

With a focus on prevention, we offer our employees the possibility of Preventive Medical Checkups. This program is designed to comply with current regulations and ensure early detection and proactive management of potential health problems.

Our employees will have the opportunity to undergo Preventive Health Screenings at those locations where regulations require it.



5.3 OCCUPATIONAL HEALTH AND SAFETY

Since 2021, we have also made available to all our permanent employees in Spain a private medical insurance, through which our staff can join on an individual basis and on a completely voluntary basis. The medical insurance is covered by the company after 12 months of seniority and with a company discount for the first 12 months. We will consider extending coverage to other countries as we gain physical presence in those territories.

As a result of the efforts mentioned, in 2023 there were only two occupational injuries reported⁶.

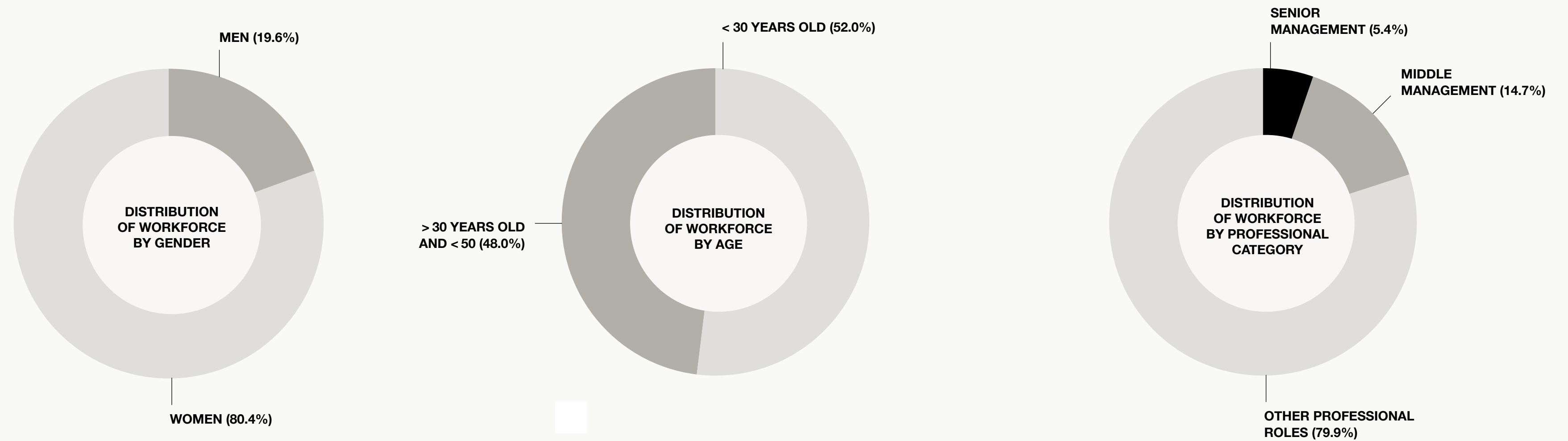
⁶ Work-related injury, illness or disease that results from any of the following: death, days off work, work restrictions or transfer to other positions, fainting or medical treatment beyond first aid; or serious injury or illness diagnosed by a physician or other licensed health care professional, even 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).



5.4 DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

At SASMAT RETAIL, we are proud to rely on a diverse team that amplifies our capabilities by leveraging the unique strengths and skills of each member. With representatives from 19 different nationalities, our workforce reflects an inclusive and multicultural culture that enriches our company with multiple perspectives.

Our selection and internal promotion policy is based on meritocracy, without imposing gender barriers or obstacles. We value talent and the ability to incorporate men or women in senior management, middle management or other professional positions. The distribution of our workforce in 2023 in terms of age, gender and professional category is presented below:



5.4 DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

In 2022, we ratified our commitment to equal opportunities and non-discrimination at SASMAT RETAIL by approving our new **Equality Plan**. This plan, the result of an exhaustive analysis of the company's current situation, focuses on implementing concrete measures to promote equality in key areas such as selection and hiring, classification, professional training, working conditions and female representation, among others.

During the same period, we introduced the **Harassment Prevention and Action Protocol**, designed to provide clear guidelines in the event that inappropriate behavior is identified, thus ensuring a safe and healthy work environment for all employees. This protocol has been widely disseminated among all employees and specific training sessions have been held to ensure its correct implementation.

Also during 2022, we established the **Equality Committee**, a team dedicated to overseeing the effective implementation of the Equality Plan and the Harassment Prevention and Action Protocol, as well as promoting a culture of equality throughout the company. The formation of this committee reflects our firm commitment to promoting equal opportunity and preventing harassment in our organization.

SASMAT RETAIL's Equality Plan, approved in 2022 with a four-year duration, includes a series of actions designed to promote real and tangible equality in our company. Among these measures is the annual preparation of the Remuneration Register.

Thus, this register was made in the first half of 2024, 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 32%, in favor of male workers.

In the case of **averages**, in the base salary, the gap between women and men is 7%, in favor of female workers. After the receipt of complementary salary and non-wage supplements, the gap in total remuneration is 33%, 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 2023. 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.

5.5 KEY INFORMATION⁷

DISTRIBUTION OF EMPLOYEES BY GENDER AND REGION

	2022		2023			
	SPAIN		SPAIN		REST OF EUROPE	
	WOMAN	MAN	WOMAN	MAN	WOMAN	MAN
TOTAL EMPLOYEES	96	30	126	37	38	3
PERMANENT EMPLOYEES	88	30	115	35	27	3
TEMPORARY EMPLOYEES	8	0	11	2	11	0
FULL-TIME EMPLOYEES	70	27	75	30	13	2
PART-TIME EMPLOYEES	26	3	51	7	25	1

⁷ Data obtained at the end of the reporting period.

5.5 KEY INFORMATION⁷

DISTRIBUTION OF WORKFORCE BY PROFESSIONAL CATEGORY, GENDER AND AGE

		2022		2023	
		N°	%	N°	%
TOTAL					
DISTRIBUTION BY GENDER	WOMEN	96	76,19%	164	80,39%
	MEN	30	23,81%	40	19,61%
DISTRIBUTION BY AGE	< 30 YEARS OLD	49	38,89%	106	51,96%
	BETWEEN 30 AND 50 YEARS OLD	76	60,32%	98	48,04%
	> 50 YEARS OLD	1	0,79%	0	0,00%
SENIOR MANAGEMENT					
DISTRIBUTION BY GENDER	WOMEN	4	36,36%	3	27,27%
	MEN	7	63,64%	8	72,73%
DISTRIBUTION BY AGE	< 30 YEARS OLD	1	9,09%	1	9,09%
	BETWEEN 30 AND 50 YEARS OLD	10	90,91%	10	90,91%
	> 50 YEARS OLD	0	0,00%	0	0,00%

		2022		2023	
		N°	%	N°	%
MIDDLE MANAGEMENT					
DISTRIBUTION BY GENDER	WOMEN	18	66,67%	20	66,67%
	MEN	9	33,33%	10	33,33%
DISTRIBUTION BY AGE	< 30 YEARS OLD	6	22,22%	5	16,67%
	BETWEEN 30 AND 50 YEARS OLD	20	74,07%	25	83,33%
	> 50 YEARS OLD	1	3,70%	0	0,00%
OTHER PROFESSIONALS					
DISTRIBUTION BY GENDER	WOMEN	74	84,09%	141	86,50%
	MEN	14	15,91%	22	13,50%
DISTRIBUTION BY AGE	< 30 YEARS OLD	42	47,73%	100	61,35%
	BETWEEN 30 AND 50 YEARS OLD	46	52,27%	63	38,65%
	> 50 YEARS OLD	0	0,00%	0	0,00%

⁷ Data obtained at the end of the reporting period.

5.5 KEY INFORMATION⁷

NON-EMPLOYEE WORKERS⁸

	2022	2023
NON-EMPLOYEE WORKERS	12	10

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

	2022				2023			
	PERMANENT CONTRACT		TEMPORARY CONTRACT		PERMANENT CONTRACT		TEMPORARY CONTRACT	
	N°	%	N°	%	N°	%	N°	%
DISTRIBUTION BY GENDER								
WOMEN	88	69,84%	8	6,35%	142	69,61%	22	10,78%
MEN	30	23,81%	0	0,00%	38	18,63%	2	0,98%
DISTRIBUTION BY AGE								
< 30 YEARS OLD	42	33,33%	7	5,56%	89	43,63%	17	8,33%
BETWEEN 30 AND 50 YEARS OLD	75	59,52%	1	0,79%	91	44,61%	7	3,43%
> 50 YEARS OLD	1	0,79%	0	0,00%	0	0,00%	0	0,00%
PROFESSIONAL CATEGORY								
SENIOR MANAGEMENT	11	8,73%	0	0,00%	11	5,39%	0	0,00%
MIDDLE MANAGEMENT	27	21,43%	0	0,00%	30	14,71%	0	0,00%
OTHER PROFESSIONALS ROLES	80	63,49%	8	6,35%	139	68,14%	24	11,76%

⁷ Data obtained at the end of the reporting period.

⁸ The most common types of non-employee workers are agency workers 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.

5.5 KEY INFORMATION⁷

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

	2022				2023			
	FULL TIME		PART TIME		FULL TIME		PART TIME	
	N°	%	N°	%	N°	%	N°	%
DISTRIBUTION BY GENDER								
WOMEN	70	55,56%	26	20,63%	88	43,14%	76	37,25%
MEN	27	21,43%	3	2,38%	32	15,69%	8	3,92%
DISTRIBUTION BY AGE								
< 30 YEARS OLD	28	22,22%	21	16,67%	42	20,59%	64	31,37%
BETWEEN 30 AND 50 YEARS OLD	68	53,97%	8	6,35%	78	38,24%	20	9,80%
> 50 YEARS OLD	1	0,79%	0	0,00%	0	0,00%	0	0,00%
DISTRIBUTION BY PROFESSIONAL CATEGORY								
SENIOR MANAGEMENT	11	8,73%	0	0,00%	11	5,39%	0	0,00%
MIDDLE MANAGEMENT	26	20,63%	1	0,79%	29	14,22%	1	0,49%
OTHER PROFESSIONALS ROLES	60	47,62%	28	22,22%	80	39,22%	83	40,69%

⁷ Data obtained at the end of the reporting period.

5.5 KEY INFORMATION⁷

DISTRIBUTION OF WORKFORCE IN NEW HIRES AND TURNOVER BY GENDER, AGE AND REGION

	2022				2023							
	SPAIN				SPAIN				REST OF EUROPE			
	NEW HIRES		TERMINATIONS		NEW HIRES		TERMINATIONS		NEW HIRES		TERMINATIONS	
	N°	%	N°	%	N°	%	N°	%	N°	%	N°	%
DISTRIBUTION BY GENDER												
WOMEN	70	78,26%	34	85,00%	66	55,00%	89	71,00%	38	31,67%	18	18,00%
MEN	27	21,74%	6	15,00%	13	10,83%	11	9,00%	3	2,50%	2	2,00%
DISTRIBUTION BY AGE												
< 30 YEARS OLD	44	47,83%	25	62,50%	54	45,00%	54	41,00%	22	18,33%	14	14,00%
BETWEEN 30 AND 50 YEARS OLD	48	52,17%	15	37,50%	25	20,83%	42	36,00%	19	15,83%	6	6,00%
> 50 YEARS OLD	0	0,00%	0	0,00%	0	0,00%	4	3,00%	0	0,00%	0	0,00%
PROFESSIONAL CATEGORY												
SENIOR MANAGEMENT	2	2,17%	0	0,00%	0	0,00%	0	0,00%	0	0,00%	0	0,00%
MIDDLE MANAGEMENT	13	14,13%	4	10,00%	9	7,50%	10	10,00%	4	3,33%	0	0,00%
OTHER PROFESSIONALS ROLES	77	83,70%	36	90,00%	70	58,33%	90	70,00%	37	30,83%	20	20,00%

⁷ Data obtained at the end of the reporting period.

5.5 KEY INFORMATION⁷

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENT

2022		2023			
SPAIN		SPAIN		REST OF EUROPE	
N° EMPLOYEES COVERED	% EMPLOYEES COVERED	N° EMPLOYEES COVERED	% EMPLOYEES COVERED	N° EMPLOYEES COVERED	% EMPLOYEES COVERED
126	100,00%	163	100%	22	53,66% ⁹

⁷ Data obtained at the end of the reporting period.

⁹ Employees not covered by a collective bargaining agreement belong to France and the United Kingdom, which do not have an associated collective bargaining agreement specific to our activity. In any case, the applicable regulations are complied with. As the number of employees increases in these markets, we will consider the implementation of a collective bargaining agreement with the country's employees.

EMPLOYEE SATISFACTION INDEX

2022	2023
83,18%	69,62%

5.5 KEY INFORMATION⁷

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	2022		2023	
	HOURS	AVERAGE	HOURS	AVERAGE
DISTRIBUTION BY GENDER				
WOMEN	1455,0	11,2	1362,3	5,4
MEN	360,0	10,0	481,8	9,6
PROFESSIONAL CATEGORY				
SENIOR MANAGEMENT	110,0	10,0	60,7	5,5
MIDDLE MANAGEMENT	457,0	14,7	379,0	9,5
OTHER PROFESSIONALS	1248,0	5,9	1481,5	5,9

⁷ Data obtained at the end of the reporting period.

6

PLANET

- 6.1 Energy Consumption
 - 6.1.1 Towards Renewable Energy
- 6.2 Our Carbon Footprint
- 6.3 Key information

6.1 ENERGY CONSUMPTION

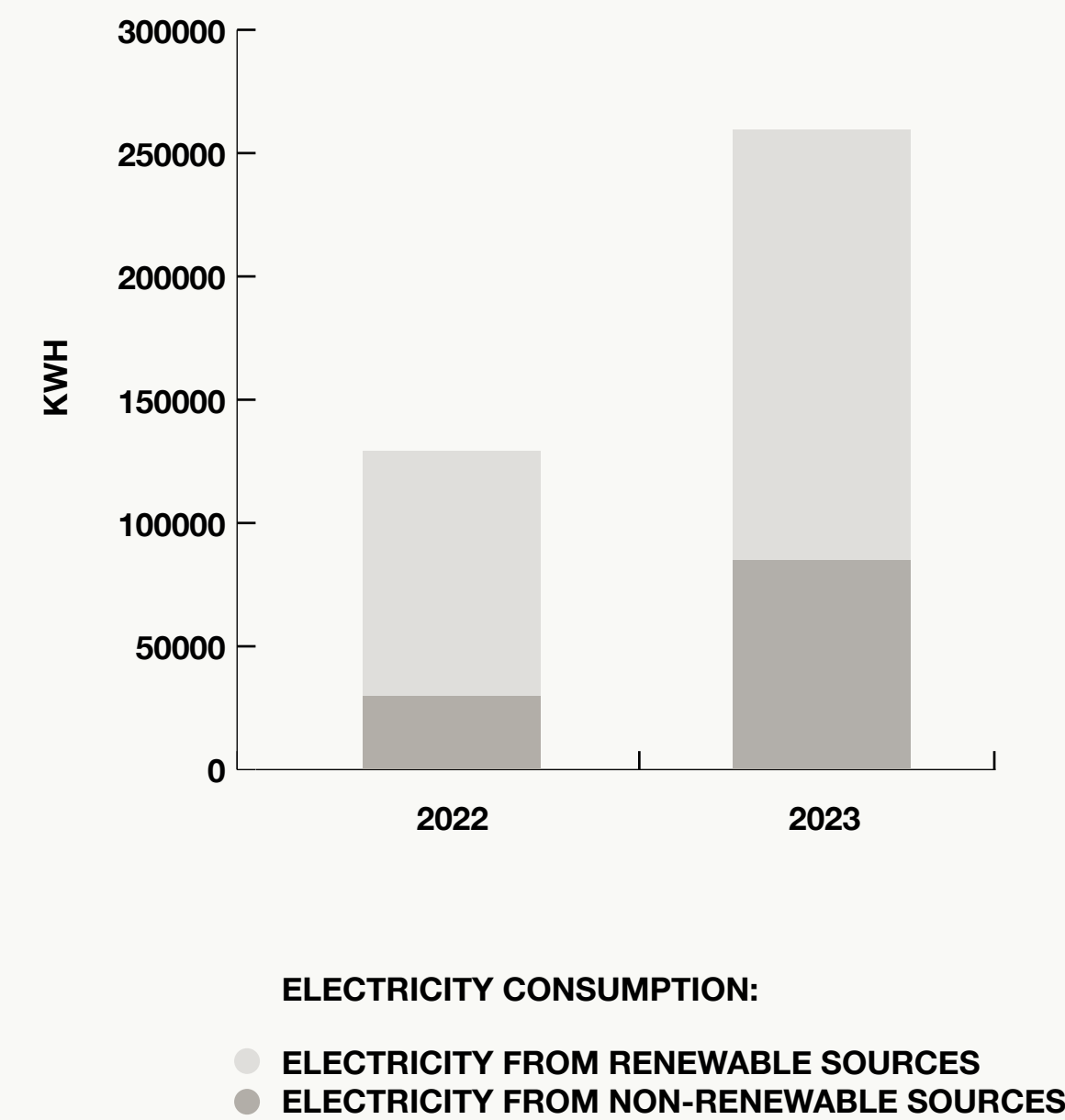
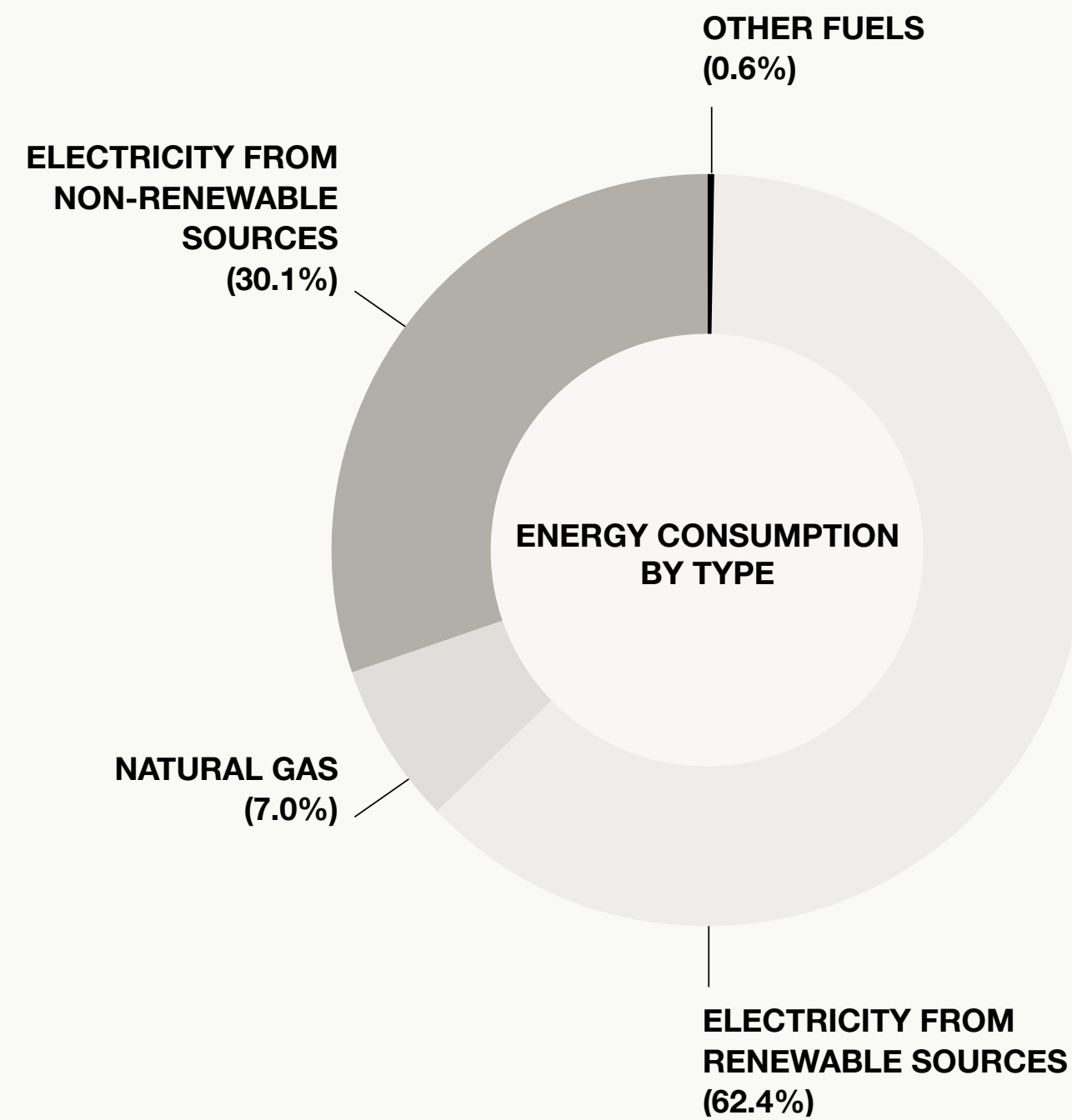
Total energy consumption in 2023, including our corporate headquarters and store, experienced a significant increase of 73.74% compared to the previous year, reaching a total of 175.719 KWh. This increase is mainly due to the opening of new stores during the reporting period.

Regarding the composition of energy consumption, electricity represents 92.44% of the total, followed by natural consumption, which contributes to 6.96%. It is important to highlight that 62.35% of the energy consumed comes from renewable sources, maintaining a similar proportion to the previous year.

6.1.1 TOWARDS RENEWABLE ENERGY

Our retail expansion plan is accompanied by a commitment to continue moving towards the use of electricity from renewable sources to reduce greenhouse gas emissions from our facilities.

During 2023, 67.45% of our facilities' electricity consumption was originated from renewable sources, marking a decrease of 9.82% compared to the previous year. This change is mainly attributed to the expansion of our stores. In order to improve this percentage, we will prioritize the purchase of renewable electricity in those markets where this is possible.



6.2 OUR CARBON FOOTPRINT

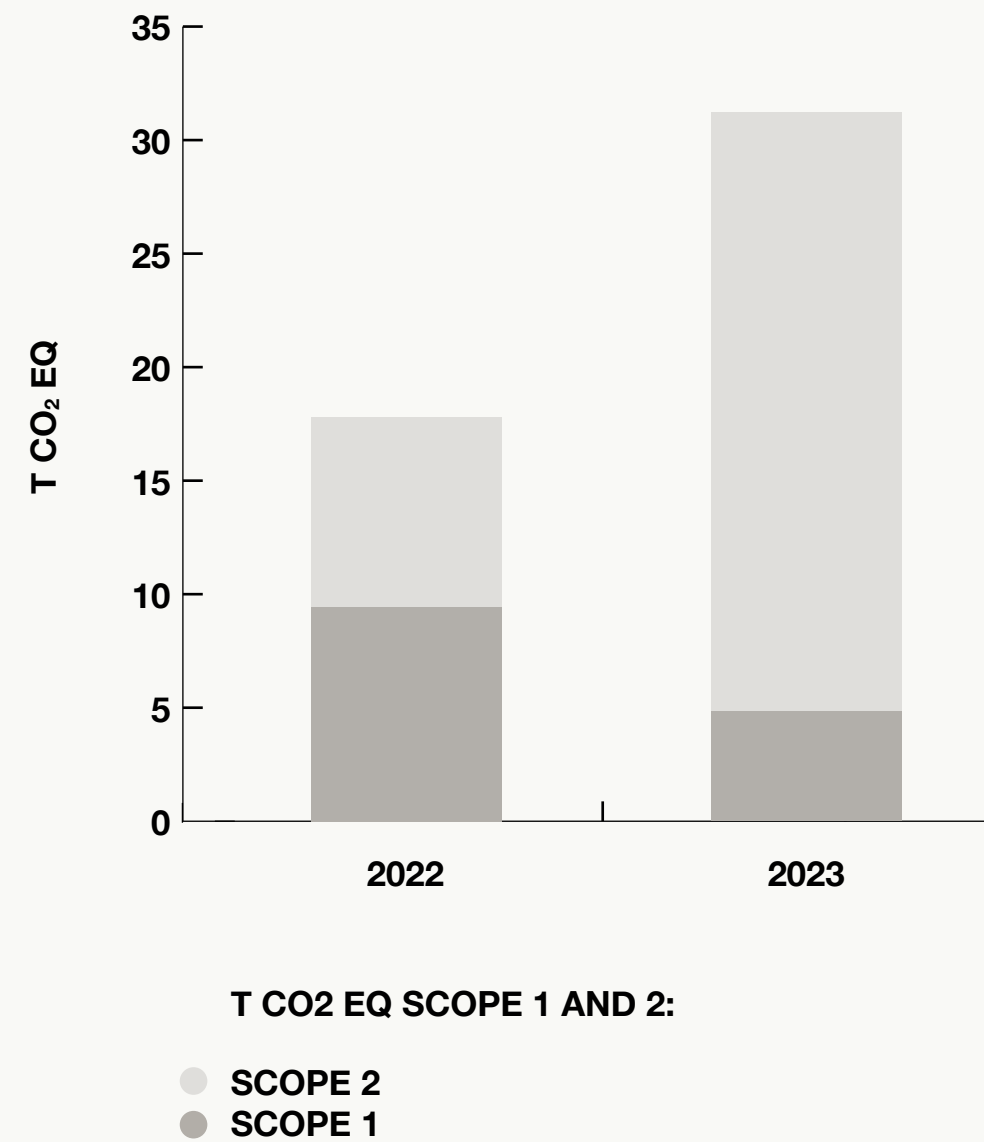
The current context is marked by the global recognition of climate change as an imminent reality that demands immediate action. In this scenario, our company assumes the responsibility of contributing to the decarbonization of our activity, intertwining business growth with the reduction of our carbon footprint and the transition towards an increasingly sustainable business model.

During the year 2023, we have again monitored our CO₂ emissions, both scope 1¹⁰ and scope 2¹¹. The results obtained show a total of 31.25 tons of CO₂ equivalent, which represents an increase of 75.54% over the previous year. This increase is mainly due to the expansion of our business in the retail sector.

Aware of the impact we generate on the environment, we assume the responsibility of reducing our CO₂ emissions. To this end, we have implemented concrete measures such as:

- Prioritizing the purchase of electrical energy from renewable sources in all our facilities.
- Offsetting our carbon footprint when it is not possible to obtain renewable energy. In this regard, in 2021 and 2022, we have managed to neutralize all our Scope 1 and 2 emissions. By 2023, we are committed to repeating this milestone using the recognized United Nations Carbon Footprint Offsetting Platform.

The decarbonization of our business model is an ongoing process and we continue to work to identify new opportunities for improvement and achieve solutions that will enable us to further reduce our carbon footprint.



¹⁰ 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, own vehicles or fugitive emissions among others.

¹¹ Scope 2 emissions are indirect greenhouse gas emissions associated with the generation of electricity purchased and consumed by SASMAT RETAIL S.L.

6.3 KEY INFORMATION

¹² Includes fuel consumption of the company's own vehicles.

¹³ Consumption is mainly due to the consumption of drinking water, cleaning and sanitary services, so that its discharge to the sewage networks is guaranteed.

¹⁴ For those stores where it is not possible to access consumption or invoices, it has been calculated based on the average consumption per employee.

¹⁵ 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.

¹⁶ Scope 2 emissions are calculated based on electricity consumption and corresponding emission factors. Sources of emission factors: National Commission for Markets and Competition.

(01) CNMC (Comisión Nacional de los Mercados y la Competencia)

(02) ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale)

ENERGY CONSUMPTION BY ENERGY TYPE

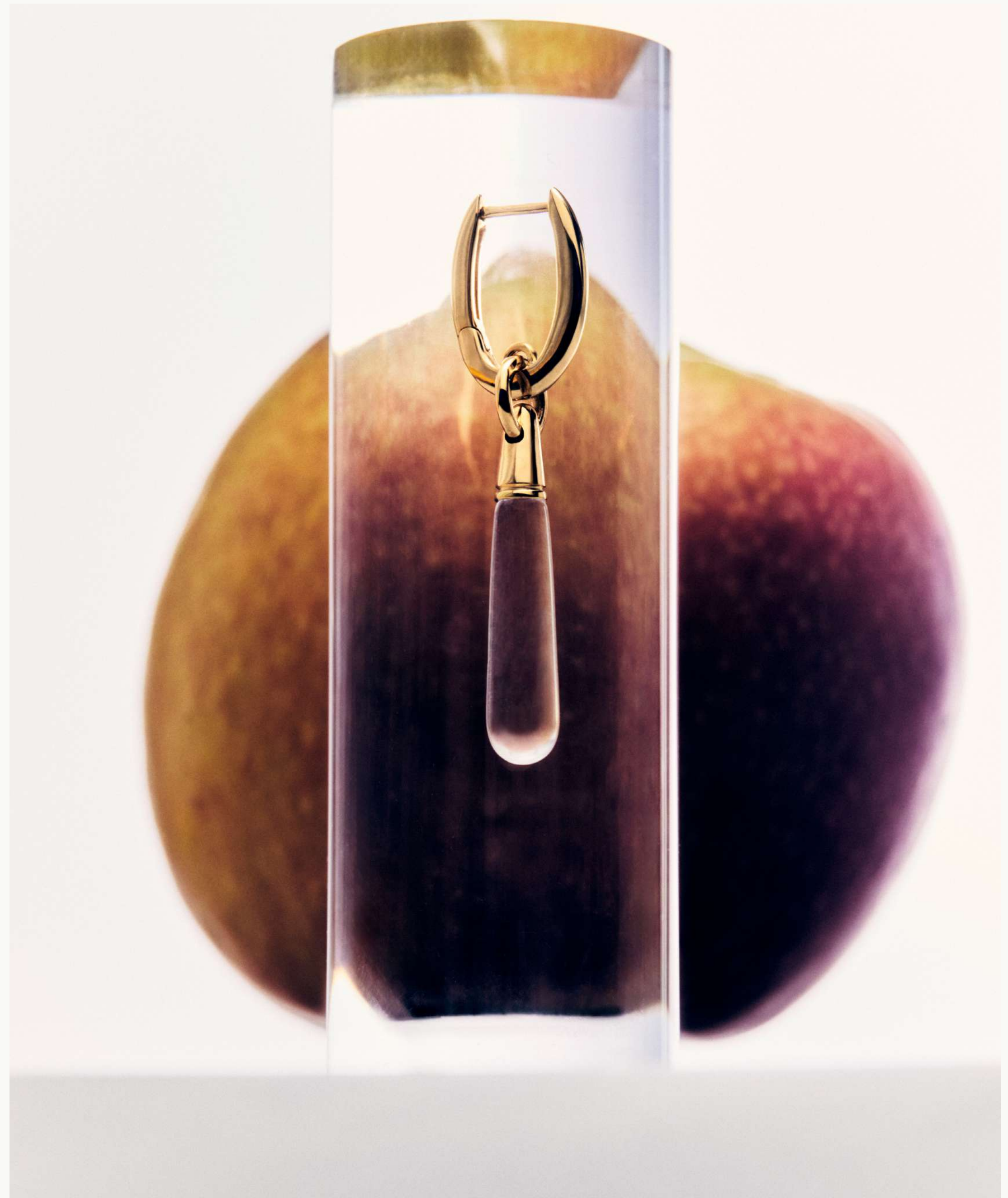
	2022	2023
TOTAL ENERGY CONSUMPTION (kWh)	162.208	281.820
NATURAL GAS (kWh)	31.298	19.622
OTHER FUELS (kWh)¹²	1.742	1.673
ELECTRICITY (kWh)	129.168	260.525
ELECTRICITY FROM NON-RENEWABLE SOURCES (kWh)	29.680	84.807
ELECTRICITY FROM RENEWABLE SOURCES (kWh)	99.487	175.719

CARBON FOOTPRINT

	2022	2023
SCOPE 1 (T OF CO₂ EQUIVALENT)¹⁵	9.44	4,84
SCOPE 2 (T OF CO₂ EQUIVALENT)¹⁶	8.34	26,41
TOTAL: SCOPE 1 + SCOPE 2 (T OF CO₂ EQUIVALENT)	17.78	31,25

WATER CONSUMPTION

	2022	2023
WATER CONSUMPTION (m³)^{13,14}	307	619



7

PRODUCT

7.1 Towards More Responsible Materials

7.1.1 Recycled Metal

7.1.2 Lab-Grown Diamonds

7.2 Product Health and Safety

7.3 Supply Chain

7.3.1 Responsible Sourcing

7.3.2 Traceability

7.4 Packaging

7.1 TOWARDS MORE RESPONSIBLE MATERIALS

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.

7.1.1 RECYCLED METAL

In 2023, the launch of our first recycled silver collection took place, marking a milestone in our constant search for materials with sustainability criteria and following up on the initiative started in 2021 with the introduction of our first 18K recycled gold collection. 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 the environmental and social impact of our product.

This approach responds to the growing demand for more sustainable production and allows us to offer high quality products that reduce the environmental and social impact, without sacrificing the design or aesthetics of our collections.

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 recognized organizations¹⁷, mainly but not limited to 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.

In 2023, all gold references were produced with recycled content, thus maintaining the trend observed in 2022. In addition, during this period, recycled silver was introduced, achieving that by the end of the year 65% of references composed of this metal contain recycled materials. As a result, the total number of references with recycled content in 2023 amounts to 73%.

SUPPLIER REQUIREMENTS TO GUARANTEE THE RECYCLED ORIGIN OF THE METAL:

- The supplier must be certified by one of the recognized certification systems 16 and provide the material transfer document to guarantee the recycled origin of the material at the product level or
- The supplier must provide the refinery certificate to one of the recognized certification systems 16, the material transfer document from the refinery to the jewelry manufacturer and a declaration of conformity signed by the jewelry manufacturer guaranteeing the use of recycled metal.

¹⁷ The standards recognized by SASMAT RETAIL to guarantee the recycled origin of metals in the refineries from which it sources are Responsible Jewellery Council - Chain of custody, Intertek recycled content verification, SCS recycled content certification and GRS / RCS standard.

73%
**TOTAL REFERENCES
WITH RECYCLED
CONTENT**

100%
**GOLD REFERENCES
WITH RECYCLED
CONTENT IN 2023**

65%
**SILVER REFERENCES
WITH RECYCLED
CONTENT IN 2023**

7.1 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 labgrown 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.

7.1.2 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 metals¹⁸.

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.

¹⁸ Diamond is rated 10 on the Mohs Hardness Scale.

7.2 PRODUCT HEALTH AND SAFETY

Products that meet the highest standards for the health and safety of people is a priority. That is why we have developed our Product Health and Safety Standard in compliance with product health and safety laws in the markets in which the company sells its products.

In 2023 we have updated our compliance standard to the more stringent requirements of product health and safety laws in the markets in which we operate. We have also adopted in our standard the list of restricted substances in packaging developed by the Apparel and Footwear International RSL Management Group (AFIRM) in order to continue to reduce the use and impact of harmful substances in our supply chain.

All our jewelry and packaging 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 the different products.

In 2023, 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

7.3 SUPPLY CHAIN

7.3.1 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 and has been audited under the Code of Practice of the Responsible Jewelry Council (see [Responsible Jewellery Council \(RJC\)](#) for more information).

(1) POLICY AND MANAGEMENT SYSTEMS

Supply chain policy
Management systems
Information gathering
Supplier participation
Grievance mechanism

(2) RISK ANALYSIS

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

(3) RISK MANAGEMENT

Supplier audits. High-risk direct suppliers undergo an independent third-party audit.

Action plan. Implementation of appropriate response plans to prevent or mitigate potential risks and/or actual adverse impacts.

(4) DUE DILIGENCE VERIFICATION

Independent audit performed by approved auditors of the Responsible Jewelry Council

(5) COMMUNICATION

Publicly report annually on supply chain due diligence policies, practices and results.

7.3 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.¹⁹

¹⁹ The standards approved by SASMAT RETAIL are RJC Code of Practice, SMETA and BSCI.

²⁰ 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.

In 2023 all high-risk direct suppliers provided audit reports where no non-compliances considered as “Zero Tolerance” in our [Responsible Sourcing Policy](#) were identified.²⁰

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.

100%
DIRECT SUPPLIER
MEMBERS OF THE RJC

100%
AUDITED HIGH-RISK
DIRECT SUPPLIERS

0
ZERO TOLERANCE
CASES IDENTIFIED

7.3 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.

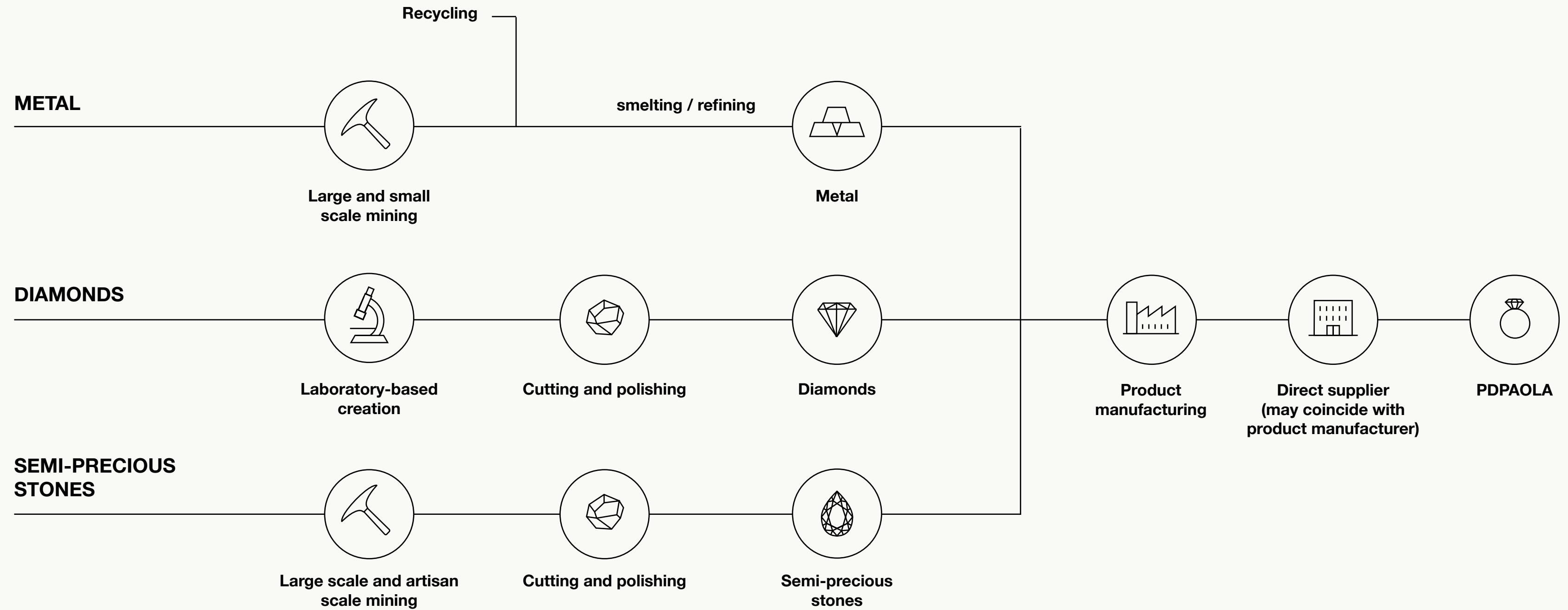
In accordance with OECD Due Diligence Guidance, SASMAT RETAIL has determined that purchasing precious metals (i.e., silver, gold and platinum) and gemstones from sanctioned Russian entities or individuals is indeed likely to contribute to the ongoing human rights abuses and conflict in Ukraine. SASMAT 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.

7.3 SUPPLY CHAIN

7.3.2 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.



7.3 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.

- (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.

²¹ Includes factories declared by suppliers with purchase. Includes the processes of manufacturing, assembling and finishing jewelry.

²² 7 of the 27 factories listed overlap with direct suppliers.

10 SUPPLIERS WITH PURCHASE OF FINISHED JEWELRY PRODUCTS.

27 SUPPLIERS WITH PURCHASE OF FINISHED JEWELRY PRODUCTS^{21,22}.

19 METAL SUPPLIERS

7.3 SUPPLY CHAIN



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

7.4 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.

MORE SUSTAINABLE RAW MATERIALS

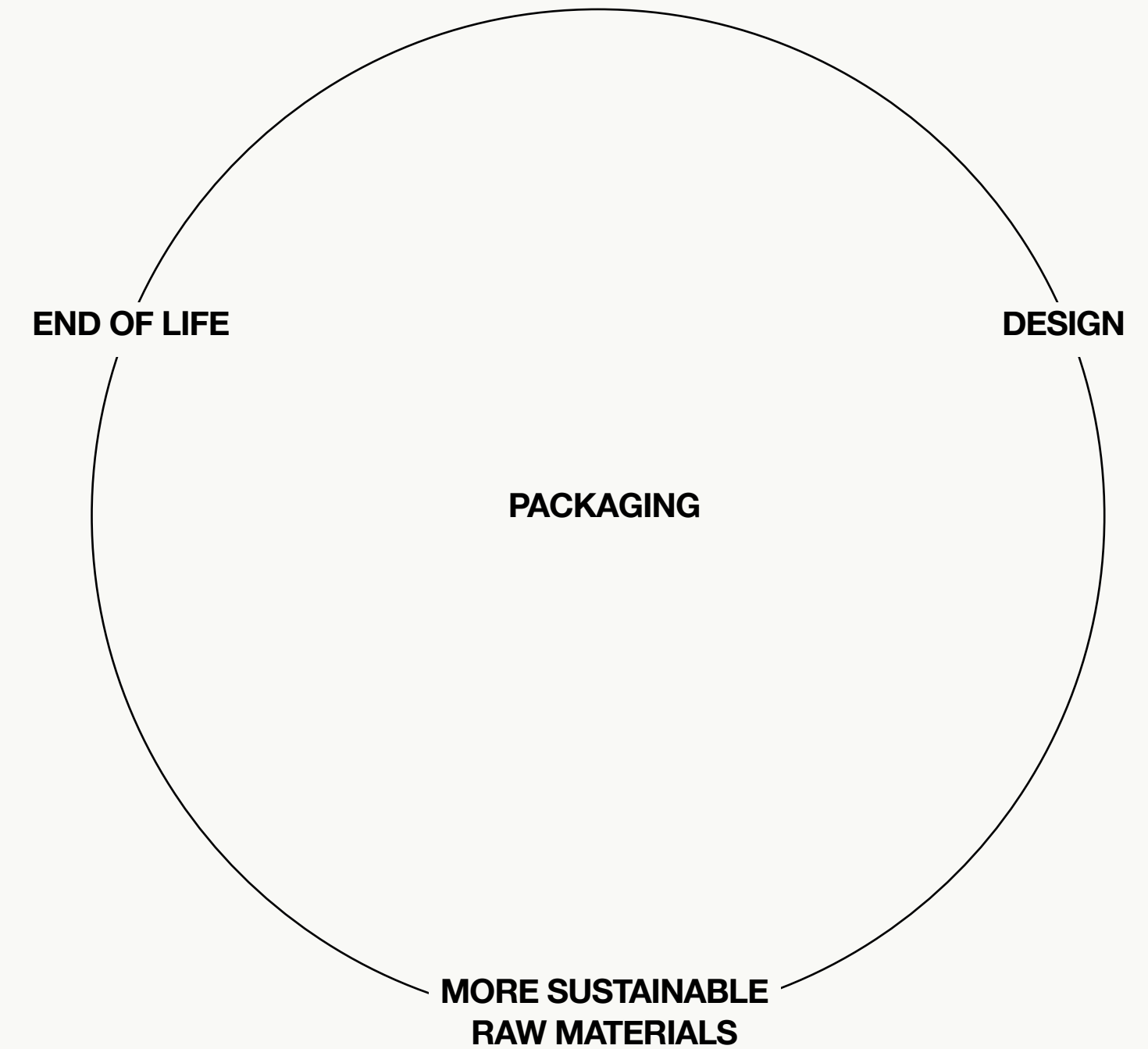
We use paper and cardboard certified by (FSC) or (PEFC). These organizations guarantee that the forests where our raw materials come from are managed responsibly, respecting the rights of workers and local communities, and conserving biodiversity.

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.

From 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.





8

PARTNERSHIPS

- 8.1 Responsible Jewellery Council (RJC)
- 8.2 UN Global Compact

8.1 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.

In November 2023 we decided to audit our progress against the Code of Practice standard, as part of our commitment to excellence in ethical and sustainable business practices. The result would not be revealed until March 8, 2024, outside the reporting period, with the best possible rating, 3 years of certification.

Since then, we have been part of more than 1,400 companies and a joint commitment to:

- Improve legal and regulatory compliance, strengthen public reporting and ensure a commitment to responsible business practices
- Increase the use of due diligence in supply chains to uphold human rights, support community development, promote anti-corruption and manage sourcing risks.
- Better comply with international labor agreements and ensure responsible working conditions.
- Protect the health and safety of people and the environment, and make efficient use of natural resources.
- Control and adequately disclose product information to avoid misleading marketing practices.
- Ensure responsible exploration and mining practices that protect communities and potentially affected environments from adverse impacts.

This milestone underscores our commitment to positive impact, where becoming more sustainable every day is a consequence of our business model and allows us to offer customers the assurance that their purchasing choices support ethical, more sustainable and socially responsible business practices. Certification not only validates our commitment, but also empowers customers to make informed and ethical decisions in their jewelry purchases.



8.2 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.

ANNEXES

- I GRI table of contents
- II UN Global Compact

I. GRI TABLE OF CONTENTS

GRI	DESCRIPTION INDICATOR	SECTION
GENERAL DISCLOSURES		
THE ORGANIZATION AND ITS REPORTING PRACTICES		
2-1	Organizational details	SASMAT RETAIL & PDPAOLA
2-2	Entities included in the organization's sustainability reporting	About this Report The company only audits the financial accounts of SASMAT RETAIL S.L. in accordance with the applicable regulations. However, this report incorporates the information of SASMAT RETAIL S.L. and its subsidiaries SASMAT RETAIL UK LTD, SASMAT RETAIL FRANCE SAS and SASMAT RETAIL ITALIA SRL.
2-3	Reporting period, frequency and contact point	About this Report The date of publication of the sustainability report for this fiscal year is 17/06/2024.
2-4	Restatements of information	No updates to the information presented in previous reporting periods are presented.
2-5	External assurance	This report is not subject to external verification.
ACTIVITIES AND WORKERS		
2-6	Activities, value chain and other business relationships	SASMAT RETAIL & PDPAOLA Supply chain
2-7	Employees	Key information (people)
2-8	Workers who are not employees	Key information (people)
STRATEGY, POLICIES AND PRACTICES		
2-22	Statement on sustainable development strategy	A message from our founders
2-23	Policy commitments	Ethical Culture and Compliance
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 Ethics@pdpaola.com 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.



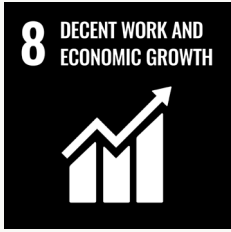

I. GRI TABLE OF CONTENTS / GLOBAL COMPACT / SDGs

2-28	Membership associations	Partnerships
STAKEHOLDER ENGAGEMENT		
2-29	Approach to stakeholder engagement	Identification and dialogue with stakeholders
2-30	Collective bargaining agreements	Key information (people)
MATERIAL TOPICS		
DISCLOSURE ON MATERIAL TOPICS		
3-1	Process to determine material topics	Materiality Analysis
3-2	List of material topics	Materiality Analysis
ECONOMICS		
ANTICORRUPTION		
205-3	Confirmed incidents of corruption and actions taken	No corruption cases have been confirmed in 2023
ENVIRONMENT		
ENERGY		
302-1	Energy consumption within the organization	Energy consumption
		Key information (planet)
WATER AND EFFLUENTS		
303-5a	Water consumption	Key information (planet)
EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	Our carbon footprint
		Key information (planet)
305-2	Energy indirect (Scope 2) GHG emissions	Our carbon footprint
		Key information (planet)
SOCIETY		
EMPLOYMENT		
401-1	New employee hires and staff turnover	Key information (people)
401-2	Benefits for full-time employees not provided to part-time or temporary employees	Talent attraction and retention




I. GRI TABLE OF CONTENTS / GLOBAL COMPACT / SDGs

EMPLOYEE-COMPANY RELATIONS		
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.
OCCUPATIONAL HEALTH AND SAFETY		
403-5	Worker training on occupational health and safety	<u>Occupational health and safety</u>
403-6	Promotion of worker health	<u>Occupational health and safety</u>
TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	<u>Key information (people)</u>
DIVERSITY AND EQUAL OPPORTUNITIES		
405-1b	Diversity of governance bodies and employees	<u>Key information (people)</u>
405-2	Ratio of basic salary and remuneration for women to men	<u>Diversity, inclusion and equal opportunities</u>
NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	No discrimination cases have been detected in 2023
SUPPLIER SOCIAL EVALUATION		
414-1	New suppliers that were screened using social criteria	<u>Responsible sourcing</u>
CUSTOMER HEALTH AND SAFETY		
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

II. 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.	Ethical culture and compliance Supply chain Diversity, inclusion and equal opportunities
	5.5	Ensure women's full and effective participation and equal leadership opportunities at all decision-making levels in political, economic and public life.	Ethical culture and compliance Diversity, inclusion and equal opportunities
	7.2	By 2030, significantly increase the share of renewable energy in the overall energy mix.	Towards renewable energy
	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.	Ethical culture and compliance Supply chain
	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.	Ethical culture and compliance Supply chain Occupational health and safety
	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.	Ethical culture and compliance Diversity, inclusion and equal opportunities
	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.	Ethical culture and compliance Diversity, inclusion and equal opportunities
	10.4	Adopt policies, especially fiscal, wage and social protection policies, progressively achieving greater equality.	Diversity, inclusion and equal opportunities

II. MOST RELEVANT CONTRIBUTION TO THE SDGS

	12.2	Achieve sustainable management and efficient use of natural resources by 2030	Towards more responsible materials Packaging
	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	Product health and safety
	16.2	End abuse, exploitation, trafficking and all forms of violence and torture against children.	Ethical culture and compliance Supply chain
	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.	Ethical culture and compliance Supply chain
	16.5	Significantly reduce corruption and bribery in all its forms	Ethical culture and compliance Supply chain
	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.	Responsible Jewellery Council (RJC) UN Global Compact
	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.	Responsible Jewellery Council (RJC) UN Global Compact

SUSTAINABILITY
REPORT 2023
SASMAT RETAIL

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