



SA@ELLI

SOCIAL RESPONSIBILITY REPORT

2020

Letter from the Director

May you and your loved ones be in good health.

The Covid-19 pandemic in 2020 will undoubtedly go down in history, not only for challenging us but for the many ways in which we responsibly and creatively joined forces and supported the vital efforts of those who continue to support their families and the economy. We changed our processes to adapt to new ways of working and fulfill our purpose of providing excellence in service, design, and quality.

In our effort to take care of our employees, we took actions to guarantee the physical and mental wellbeing of our work team. We sent them home for two months, during which time we never neglected our obligations, commitment and responsibilities as a company to our employees.

Despite these circumstances, we strengthened our position as Mexico's leading manufacturer of 10-, 14- and 18-karat gold stud earrings.

This would not have been possible without the support of the members of the Board of Directors. Today, more than ever, we value the adaptability, loyalty, and professionalism of each of our employees who, despite the great challenges we faced this past year, made it possible for us to achieve these results. I thank them for the invaluable trust they place in us.



Lic. Juan Antonio de la Cerda Orozco
Chairman of the Board of Directors



COMPANY MANAGEMENT



Our products

SABELLI

SABELLI is a Mexican company with more than 30 years in the jewelry industry. It manufactures and markets jewelry in 9-, 10-, 14- and 18-karat gold, as well as in .925 silver.

Sabelli
KIDS®

Sabelli Kids is a brand launched in 2016 with a focus on jewelry for little girls made in gold with diamonds.

Mission

To be an honorable, competitive, futuristic, export-oriented, institutional, financially, and ecologically healthy company, with a social commitment that provides wellbeing to its employees, customers and shareholders.

Vision

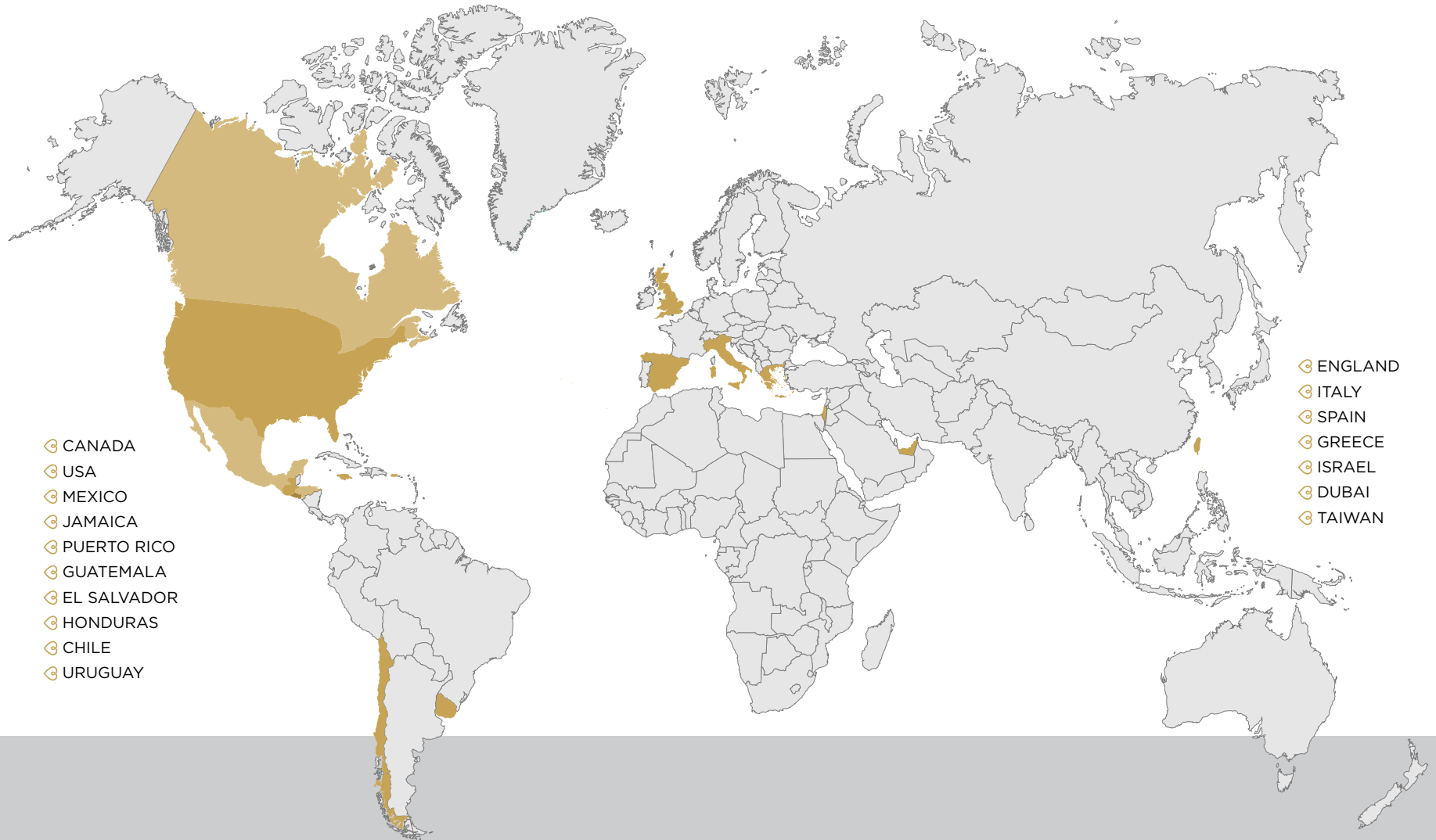
To compete internationally and to be leaders in the domestic market with our products, through excellence in service, design, and quality.

Values

Professionalism
Respect
Trust
Honesty
Consistency
Discipline
Quality



Present in



INTERNAL



EXTERNAL



We are aware that our operations may have an impact on different stakeholders, given that they are comprised of people who share some of the company's objectives and their decisions may affect business performance.

Dialogue and follow-up procedures

Ongoing dialogue with each of these groups allows us to identify their requirements, concerns, and contributions.

AVAILABLE RESOURCES

- ▶ Complaints and Suggestions Box at Our Facilities
- ▶ E-mail info@sabelli.com.mx
- ▶ Phone **+52 33 3669 0848**

REPORTING RESULTS

- Consistent, comprehensive and responsible through:
- ▶ Annual Social Responsibility Report on our website www.sabelli.com.mx



Corporate governance



Sabelli's corporate governance is represented by the Board of Directors as well as members independent of the company.

Based on their code of ethics and behavior, members act with transparency in information and responsible decision making to ensure that the company's mission, vision, and values are fulfilled and thereby extend them to the rest of the organization.

This promotes the creation of an organizational culture free from acts of corruption and conflicts of interest.

Code of Ethics and Conduct

Our code is based on a set of principles and values that guide our actions. It applies to **Sabelli S.A. de C.V.** directors, managers, and employees.

The purpose of the **Ethics Committee** is to ensure widespread dissemination of and compliance with the Code. That is, to keep it up to date, clarify doubts about its application, receive, and evaluate information related to Code violations. Members include the production manager, the human resources representative, and the person responsible for quality management.

There is a **complaint procedure** available on the website **www.sabelli.com.mx**, by e-mail (**info@sabelli.com.mx**) and a telephone line **+52 33 3669 0848**, as well as a complaints and suggestions box at Sabelli's facilities for employees, customers, suppliers, service providers, shareholders, directors, and other interested third parties to send their comments or reports of non-compliance with the Code.

To date, there have been NO reports of corruption cases or complaints.



Crime prevention, corruption, and bribery

Since 2014 we have had a **Model for the Prevention of Money Laundering and Financing of Terrorism** in accordance with the provisions of the Federal Law for the Prevention and Identification of Operations with Illicit Funds in Mexico. In addition, we conduct training on this matter to employees responsible for implementing this model.

Each of the provisions and/or prohibitions included in the model govern Sabelli's relationship with its customers, suppliers, service providers, contractors, and subcontractors.



Implementing Compliance at Sabelli

Proper conduct and correct attitudes contribute to harmony in human and labor relations and with the community in general.

It is Sabelli's policy and fundamental principle that all its employees act in accordance with ethics, laws, regulations, and established procedures.



Our compliance includes:

- ▶ **Code of Ethics and Conduct and its corresponding Ethics Committee.**
- ▶ **Money Laundering and Terrorist Financing Prevention Model**
- ▶ **Complaints channel**
- ▶ **Internal training**
- ▶ **Critical risk assessments**
- ▶ **Internal control evaluations through**
- ▶ **External audits**

Today our compliance model is focused on labor compliance, critical risk management, and compliance with regulatory standards and relations with contractors, suppliers, shareholders, and others.

In terms of financial reporting, Sabelli conducts annual audits by an accounting firm based on a review of Sabelli's consolidated financial statements.

Regulatory Compliance

We ensure the existence and reliability of internal controls implemented by Sabelli to fully comply with the legal regulations to which it is subject.

We want to guide the entire jewelry industry towards a better future. We work in compliance with all legal regulations that apply to us to ensure compliance in all interactions between our employees and stakeholders related to our value chain.

To date, there have been no significant fines or non-monetary sanctions for non-compliance with environmental, tax, labor or human rights laws or regulations, among other applicable legal requirements.



ENVIRONMENT





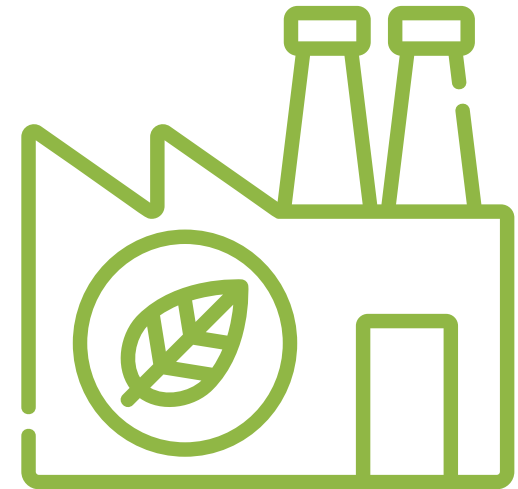
Environmental care and conservation

At Sabelli **we reaffirm** our commitment to the environment by implementing actions that contribute to mitigating the impact of climate change.

Sustainable sourcing of raw materials

We want to ensure that the raw materials we obtain come from sources that respect **the very nature** that has always safeguarded us.

That is why we seek suppliers who integrate this model into their business plan. By manufacturing our products **with the planet** in mind, we will achieve sustainable development.



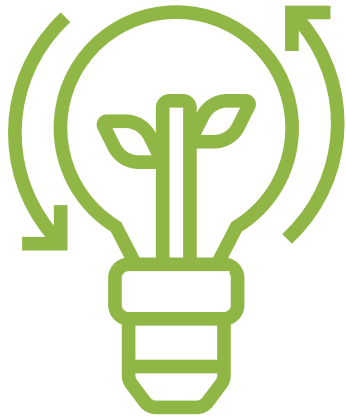
42.85%

of our direct input suppliers
are sustainable companies.



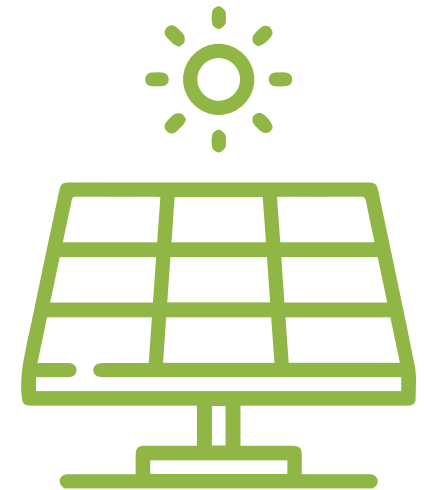
Our goal is to encourage
our local suppliers to
engage in these actions.

Energy conservation



We raise awareness among our employees about energy conservation by keeping equipment turned off when not in use.

Our goal for 2021 is for 100% of our electrical power consumption to come from renewable energies.



We seek annual savings of



**94,750.21 KG
CO₂ emissions**

Waste

Currently over **30%** of our packaging is reused.

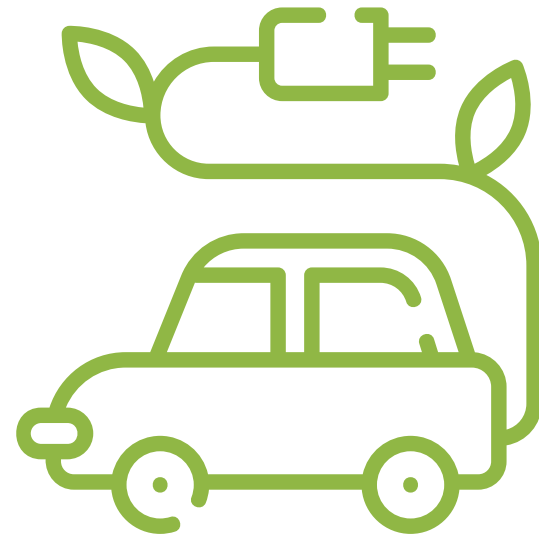
6.23% of waste is sent for recycling.



Sustainable transportation

We set up a transportation route for our personnel with our own vehicle, thus reducing CO2 emissions by **34.18%**.

By 2021, we will introduce an additional route that will benefit our workers and reduce CO2 generation.



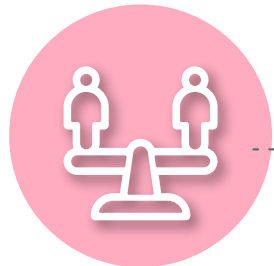
FAIR EMPLOYMENT





Fair wages and benefits

At Sabelli, our wages are higher than the minimum wage. We adhere at all times to the guidelines determined by Mexican law in this area. **There is no distinction between genders.**



Equal Opportunity

At Sabelli we value the equality of all people and respect the differences of each individual. That is why we are convinced that diversity enriches us and inclusion strengthens us as a community.

We are fully aware that all people should have equal opportunities because everyone has the same value and potential, regardless of gender, age, disability, background, religion, race, physical traits, or sexual orientation.

No cases of discrimination have been reported to date.



Hiring and turnover



AGE RANGE	ACTIVE PERSONNEL DURING 2020			NEW EMPLOYEES HIRING DURING 2020		
	F	M	Total	F	M	Total
18-30	73	8	81	19	2	21
31-50	39	9	48	8	2	10
+50	1	8	9	1	0	1

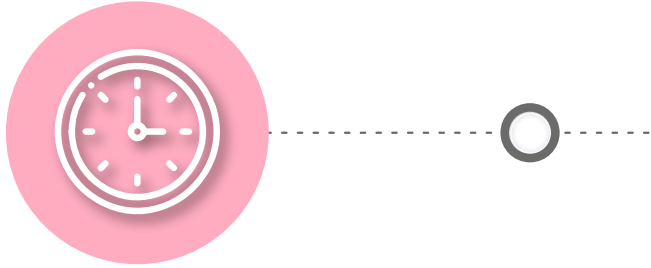
AGE RANGE	TOTAL NUMBER OF NEW EMPLOYEES WHO LEAVE BEFORE THE END OF THE FIRST YEAR OF EMPLOYMENT			RATE OF NEW EMPLOYEES 2020		
	F	M	Total	F	M	
18-30	19	1	20	20.65%	10%	
31-50	-	-	-	-	-	
+50	-	-	-	-	-	



REINSTATEMENT AFTER LEAVES OF ABSENCE

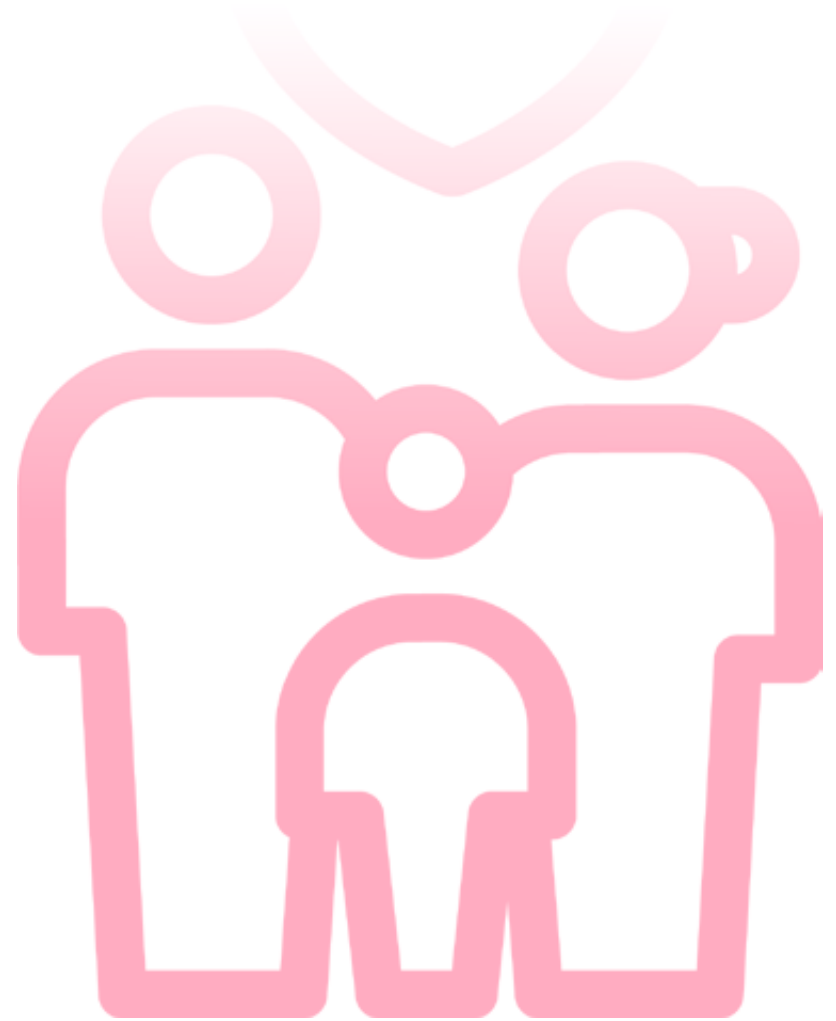
For family support, we respect all maternity and paternity-related rights under Mexican labor law, as well as additional considerations of flexible schedules that were implemented after the 2020 health crisis due to the lack of childcare facilities.

	Women
Entitled to parental leave	6
Took parental leave	6
Returned to work after their leave period	4
Kept their job one year after returning to work	4
Return rate	66%
Retention rate	66%



Flexible work schedules

Currently, we have benefited some of our employees with flexible work schedules that allow them to take time to care for their children and spend more time with their families.





Nutrition

Nutrition is the basis of physical, mental, and social well-being; that is why at Sabelli we offer prevention services.

We have a nutritionist on staff who helped to obtain the following results:

44.23%


Met their weight loss goal.

21.15%

Increased their muscle mass.

34.61%

Maintained their ideal weight.

A pregnant woman with long dark hair is sitting on a light-colored sofa. She is wearing a black long-sleeved shirt under blue denim overalls with brown leather straps. She is smiling and looking down at a silver laptop on her lap, with her hands on the keyboard. The background is a bright, modern living room with a window and a striped pillow.

In compliance with the health and safety measures issued by Mexican authorities, **+120** of our employees were sent home.

Upon resumption of activities, ***VULNERABLE GROUPS AT RISK OF HEALTH PROBLEMS*** were given the opportunity to work from home.

Risk management



Our **health and safety system** is in charge of the wellness management that allows us to track actions in the prevention of occupational diseases, accidents, and their number.

All health and safety actions are directed to all our employees regardless of gender, since our priority is to have zero injuries in all employees.

We reinforced the **reduction and management** of health risks through strict sanitary protocols in all of our facilities. In addition, we initiated a work-from-home scheme for vulnerable personnel.

We also carried out an extensive awareness campaign on health prevention and self-care measures, and provided our employees with the necessary materials to deal with the **Covid-19** contingency.



Training



**“WE TRAIN TO ACHIEVE
CHANGES IN OUR
ORGANIZATIONAL
CULTURE”**

We train all our employees in the competencies needed to achieve changes in our organizational culture. To this end, we have ongoing training programs focused on institutional issues and in line with the profile and level of responsibility because we consider education and training to be the keys to success.

Likewise, in order to reinforce our commitment to promote employee development, we disseminate and follow up on the courses and the yearly training program through our direct managers.



NOM-017-STPS-2008
PERSONAL PROTECTIVE
EQUIPMENT



WATER TREATMENT



FIRE CONTROL
AND FIREFIGHTING



DON'T SKYP MEALS



HOW CAN I CHECK MY PAYROLL
RECEIPT BY E-MAIL AND
WHAT INFORMATION DOES
IT CONTAIN?



UNUSUAL TRANSACTION
DETECTION, ANALYSIS
AND REPORTING

+18

Hours invested in training
per person

+100

Employees trained



COMPANY PHILOSOPHY
(MISSION, VISION,
VALUES, POLICIES)



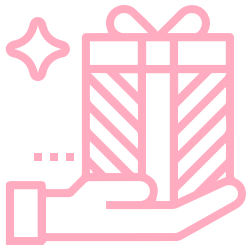
CUSTOMER IDENTIFICATION
FILES

Thanks to our employees

Social distancing prevented us from holding, as has become customary, our annual event with all Sabelli's 120 employees and their families.

However, in order to recognize their efforts and reinforce their motivation, we held a gathering at which we offered an aperitif and presented them with some gifts to encourage conviviality within the family.

This is one of the ways in which we wanted to express our gratitude for remaining with Sabelli during this difficult year and maintaining their trust in us.





Investment and employment generation

We want to contribute to our community's economic growth.

2020

10% Of our investment was directed to local suppliers

138 People employed by these companies

21%
LABOR

SERVICE PROVIDERS

Gas, fumigation, gasoline.

53.6%
LABOR

SUPPLIERS OF INDIRECT GOODS AND SUPPLIES

Stationery, PPE, supplies for dining room service such as meats, fruits and vegetables.

25.4%
LABOR

MAINTENANCE SUPPLIERS

Paint, spare parts.

HUMAN RIGHTS





Human rights and labor standards

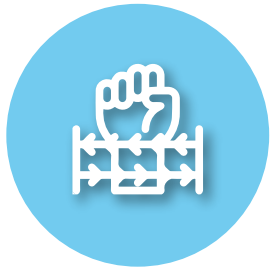
We guarantee the protection of human rights because we work in strict compliance with **Mexican** labor standards.

UNDER NO CIRCUMSTANCES DO WE HIRE MINORS
OR YOUNG PEOPLE UNDER THE AUTHORIZED WORKING AGE



Child labor

It should be noted that Sabelli has defined policies that stipulate **not** hiring child labor for any of its operations. To ensure that this precept is respected, in the recruitment process we request official documentation certifying that the candidates are of legal age.

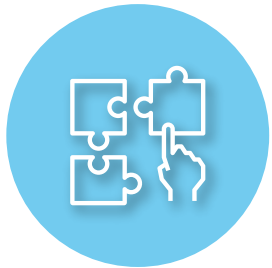


Forced labor

As expressly stated in our policies, Sabelli categorically rejects any kind of forced labor. In order to avoid them, we report the use of voluntary individual labor contracts.

We are externally audited by our main customers to verify that there is no forced or child labor in our production process and other aspects.

As of the date of this report, **no cases have been reported** that incur in this type of misconduct or represent any significant risk related to this type of practices.



Freedom of association

We have a collective bargaining agreement with the Confederación Revolucionaria de Obreros y Campesinos union. However, employees are free to belong to any association or union of their choice.

SOCIETY

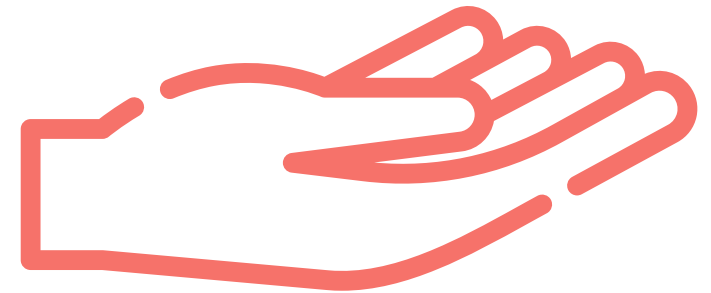


Community affairs

At Sabelli, we seek to improve the quality of life of the community in which we operate. Our management begins by identifying issues of social, ethical and environmental interest by approaching and interacting with representative groups. Thus, we establish specific objectives and actions to address, as these affect us directly or indirectly.

We are committed to supporting civil society organizations so that they can continue their work to help the most vulnerable groups and contribute to their wellbeing.

- ♥ Casa hogar Portal de Belén del Niño Jesús, benefiting 30 children in the community.
- ♥ Rehabilitation center against addictions Jóvenes por Vivir Arandas, A.C., with an average of 150 interns.
- ♥ Home for te elderly, Asociación Civil Paula Navarro, A.C., benefiting 30 senior citizens.
- ♥ Inadej, Instituto Alteño para el Desarrollo de Jalisco.



Association membership

Sabelli is a member of the **Responsible Jewellery Council (RJC)** whose objective is to increase responsible business practices to strengthen consumer confidence in the jewelry industry applicable in 27 countries.



RESPONSIBLE
JEWELLERY
COUNCIL

CERTIFIED MEMBER

0000 1318



RESPONSIBLE
JEWELRY
COUNCIL

LEAD WITH PURPOSE · INSPIRE WITH TRUST
CONTRIBUTE TO DEVELOPMENT

BY THE AUTHORITY OF THE COUNCIL

SABELLI SA DE CV

IS A CERTIFIED MEMBER

NUMBER: 0000 1318
DURATION: 3 Year
PERIOD: July 01, 2018 - July 01, 2021
STANDARD: Code of Practices 2013

Handwritten signature of David Bouffard.

DAVID BOUFFARD
CHAIRMAN

Handwritten signature of Iris van der Veken.

IRIS VAN DER VEKEN
EXECUTIVE DIRECTOR



CODE
OF
PRACTICES

Certificate revision date: 5 May 2020 1 of 4

We also belong to the **Jalisco Jewelry Chamber and Quality Group.**

This allows us to present our products in and out of the country guaranteeing the fulfillment of the quality requirements established domestically and internationally.



JCK Virtual
Las Vegas
August

EXPO JOYA
CDMX
January

VICENZAORO
Vicenza, Italia
January

Domestic and international trade fairs attended in 2020.



Fair competition

Our Code of Ethics and Conduct includes guidelines for accurate reporting about our company, conducting legal and bona fide transactions, and honest market practices that are adhered to by each of our employees.

PRODUCT LIABILITY



Provenance statement

At Sabelli we follow the Kimberley Process scheme to ensure that all diamonds we supply to our customers are conflict free and that we only work with suppliers who can provide assurances to that effect.

We do not use any metals in our products that are sourced from conflict zones, as required by the Dodd Frank Act. We are able to source metals from suppliers and use only those that comply with Signet's Responsible Sourcing Protocols (SRSP).

Sabelli ensures that all of its sourcing claims are fully valid along with the evidence available to support those claims.



About this report

Starting in 2018, we report the most relevant social responsibility initiatives and achievements on our website.

<http://www.sabelli.com.mx/>





SABELLI

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