



SABELLI

SOCIAL RESPONSABILITY REPORT

2021

LETTER FROM THE DIRECTOR

Notwithstanding such a challenging environment, we are taking advantage of the opportunities afforded to us by the global economy as well as the evolution stemming from the continuing pandemic. It is a pleasure to continue affirming our commitment and responsibility to our customers to contribute to sustainable development.

2021 yielded a range of achievements:

- We addressed social and ethical issues relevant to our operations.
- We included the use of renewable energies to reduce our carbon footprint.
- We continued to invest in our health and wellness portfolio for our collaborators.
- We encouraged the use of our collaborators' talent by investing in skills development, reinforcing safety measures, and promoting diversity and gender equity.

I can only thank each and every one of our more than 120 collaborators for their dedication and commitment. At Sabelli, we will maintain our vision to grow by generating new opportunities in such a way that, as we look ahead, we will continue to transform ourselves to embrace them and better serve our customers.



Lic. Juan Antonio de la Cerda Orozco

Chairman of the Board





Company
Management

Our Product

SABELLI

SABELLI is a Mexican company with over 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, specializing in girls' jewelry made in gold with diamonds.

Mission

To be an honorable, competitive, futuristic, exporting, institutional, financially and ecologically solid company with a social commitment that provides wellbeing to its collaborators, customers and shareholders.

Vision

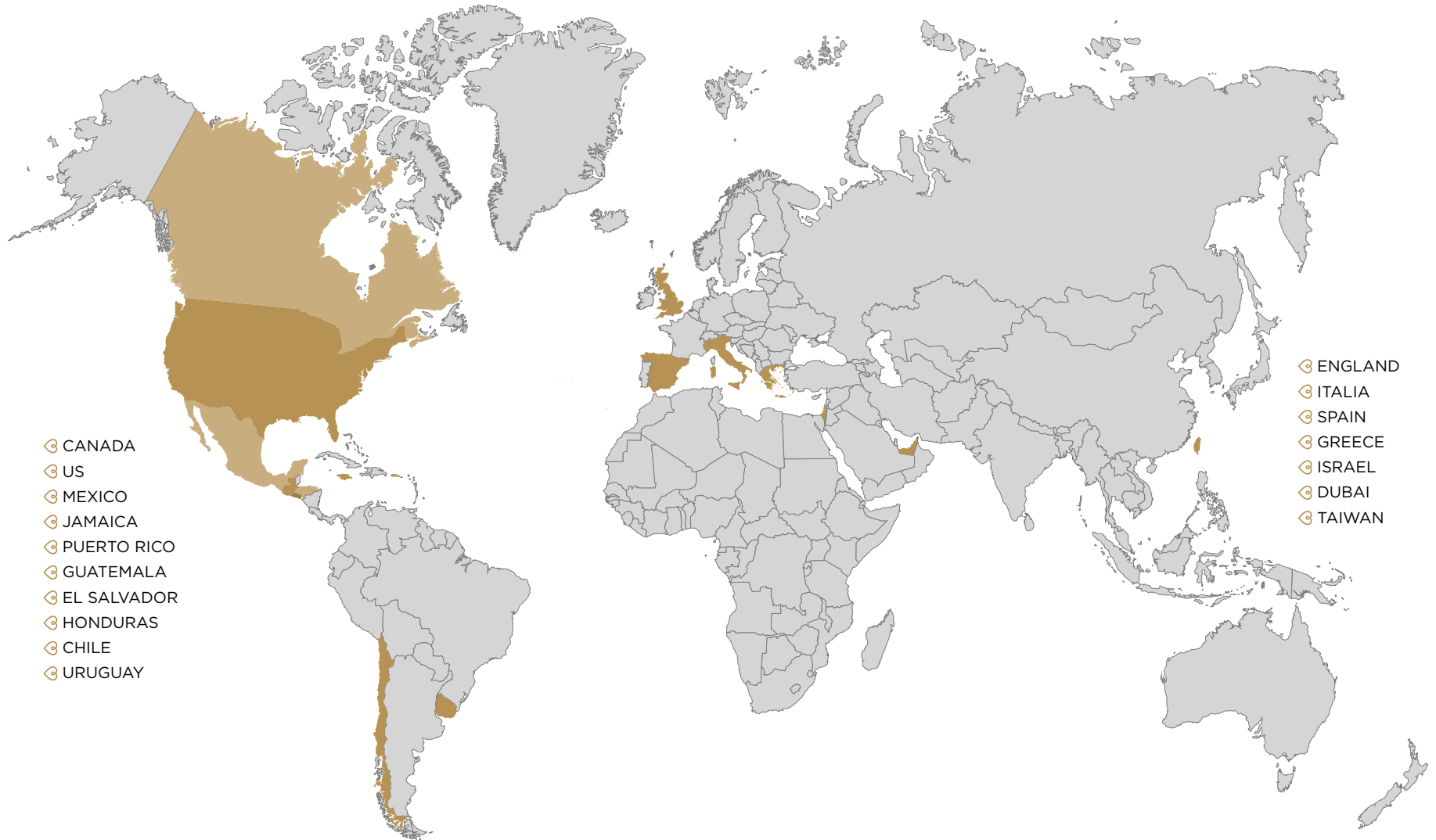
To compete internationally and lead the domestic market with our products through excellence in service, design and quality.

Values

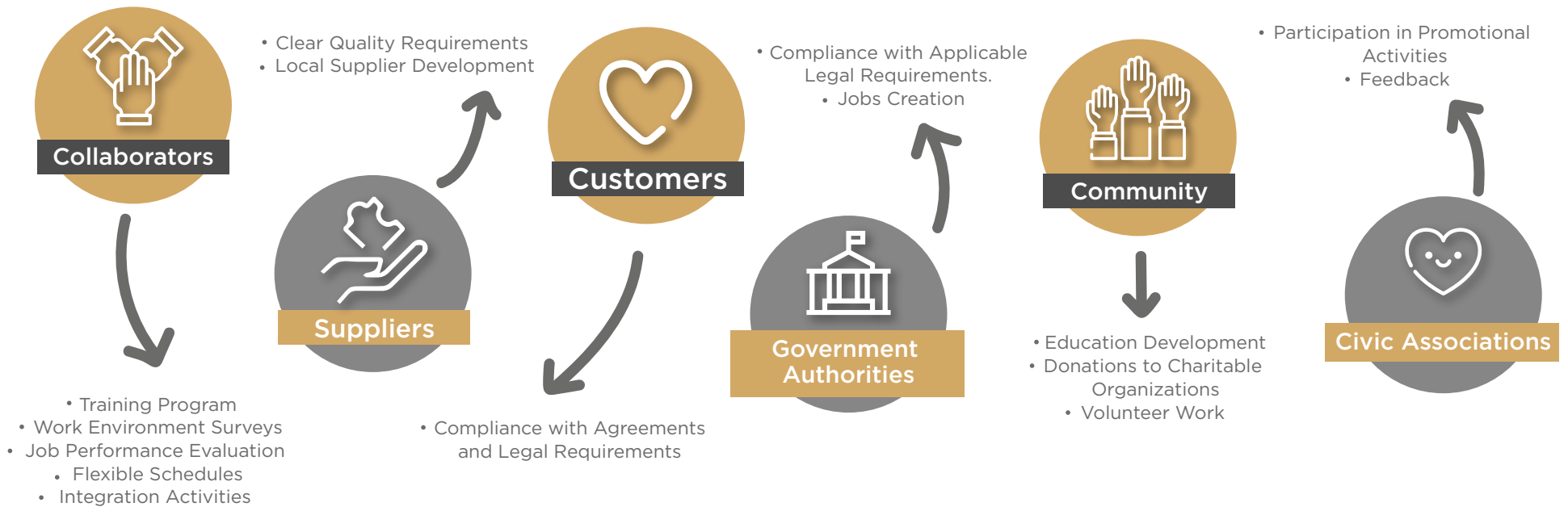
Professionalism
Respect
Trust
Honesty
Congruence
Discipline
Quality



Presentes en



Stakeholders



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

Dialogue and Monitoring Procedures

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

Means of Communication

- ▶ Complaints and suggestions mailbox at our facilities
- ▶ E-mail info@sabelli.com.mx
- ▶ Phone **+52 33 3669 0848**

Communication of Results

- ▶ Ongoing, integral and responsible via the Annual Social Responsibility Report on our website www.sabelli.com.mx



Corporate Governance and Corporate Social Responsibility Committee



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

Based on its code of ethics and conduct, they act with transparency in information and responsible decision-making to ensure that the company's mission, vision and values are fulfilled and thus extended to the rest of the organization.

This favors the establishment of an organizational culture free of corruption and conflicts of interest.

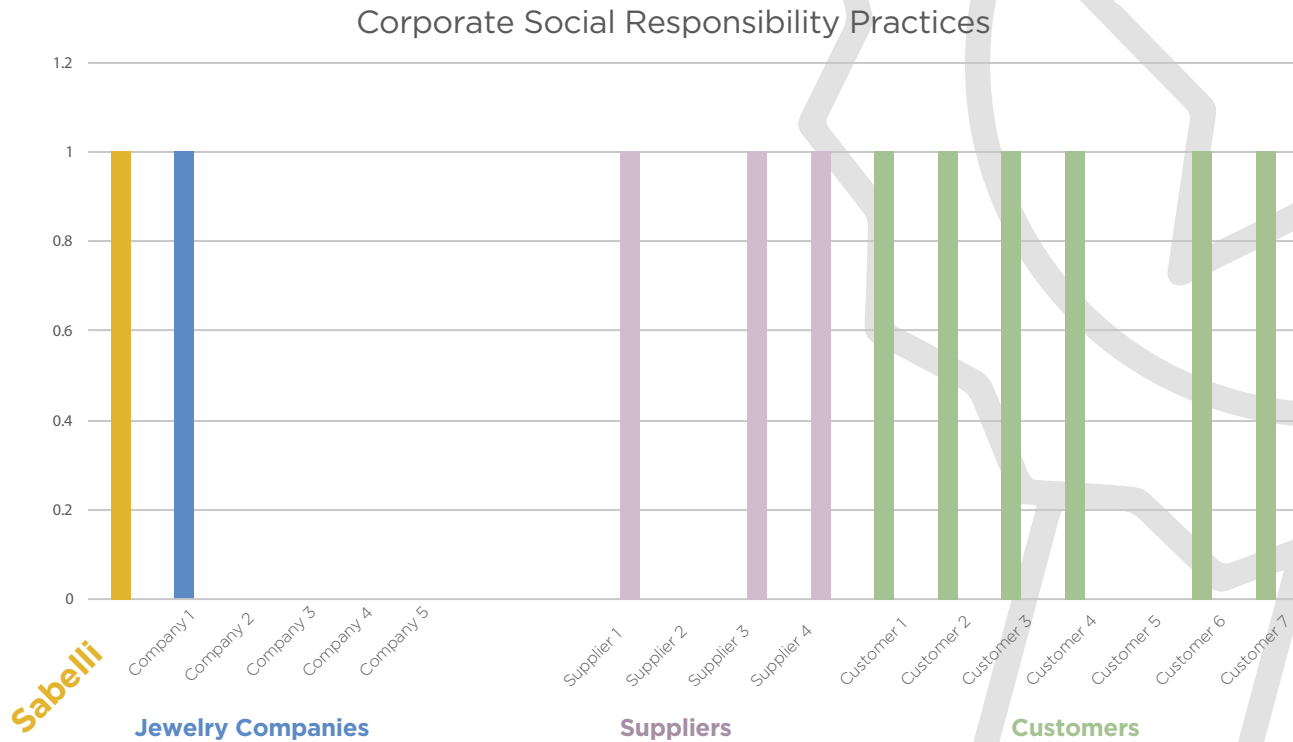
The corporate social responsibility operating committee has seven members focused on achieving the agreed social responsibility commitments.

Actions to Address Social, Ethical and Environmental Concerns



Area	Action	Benefits	Investment
Workplace quality of life	<ul style="list-style-type: none"> • Health campaigns • Celebration of festivities and cultural days • Family gatherings 	<ul style="list-style-type: none"> ○ Women heads of household support their families without neglecting their children ○ Prevention of occupational illnesses ○ Greater integration between collaborators and their families ○ Customer and collaborator loyalty 	<ul style="list-style-type: none"> • 206 palliative and preventive medicine visits • 51 individual psychotherapy sessions • 216 nutritional visits • 50+ hours in celebrations of festivities, customs, family and cultural events
Business ethics	<ul style="list-style-type: none"> • Third party audits • Certifications • Institutionalize corporate social responsibility 	<ul style="list-style-type: none"> ○ Enhanced corporate image ○ Continuous improvement ○ Increased profitability ○ Improved work environment ○ Implementation of actions for environmental care 	<ul style="list-style-type: none"> • 40+ hours in the implementation of business ethics mechanisms
Community involvement	<ul style="list-style-type: none"> • Support for educational development • Donation in kind to civic organizations • Corporate volunteer work 	<ul style="list-style-type: none"> ○ Community development ○ Increased awareness, integration and empathy of volunteer participants ○ Social engagement 	<ul style="list-style-type: none"> • 300 kilograms of food • 100+ people benefited • 860+ hours invested
Environmental care and preservation	<ul style="list-style-type: none"> • Water treatment and reuse • Waste separation and disposal at collection centers 	<ul style="list-style-type: none"> ○ Reduced consumption of natural resources ○ Continuous innovation to reduce waste generation and negative environmental impacts ○ New environmental culture among employees 	<ul style="list-style-type: none"> • 6,400 liters of water saved annually • 1,500 kilograms of separated waste

Performance Comparison



We are one of the few companies in the jewelry sector to have institutionalized social responsibility, which encourages us to continue growing in the implementation of these actions. This is why we use our direct input suppliers and customers with years of experience in socially responsible business as a benchmark to learn from them and improve every day.



Corporate Social Responsibility Awareness Raising

At Sabelli, we recognize that in order to effectively fulfill our social responsibility, we must pool the efforts of our partners, collaborators, suppliers and other stakeholders.

Therefore, within our annual training program, we have included a space to raise awareness that social responsibility means all of us.



Ethics-based
Culture

Polícies

All Sabelli policies are available on our website, and there is also a yearly procedure for employees to sign that they understand and are committed to these policies.

Human Rights Policy

We have established general guidelines to uphold the rights of our collaborators, stakeholders, the people in our value chain and the communities in which we operate in accordance with applicable legislation.



Personal Information Protection Policy

We define the legitimacy of processing personal information in order to guarantee privacy and avoid any security breach.



Code of Ethics and Conduct

Our code is based on a set of principles and values that guide our actions. It has been shared with all our employees and main suppliers.

The purpose of the **Ethics Committee** is to ensure that the code is broadly circulated and complied with. This includes keeping it updated, clarifying doubts about its application, receiving, recording and evaluating information related to its infringement. Members are the production manager, the human resources representative and the person responsible for quality management.

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

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





Fair Competition

Our code of ethics and conduct includes guidelines for the presentation of truthful information about our company, the execution of legal and good faith transactions and honest market practices that are complied with by each of our collaborators.

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 provisions of the Federal Law for the Prevention and Identification of Operations with Resources of Illicit Origin in Mexico. In addition, we provide training in this area to collaborators responsible for implementing this model.

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



Compliance with Regulations

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 collaborators act in accordance with ethics, laws, regulations and established procedures.



Our model includes:

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

This model focuses on workplace compliance, critical risk management, and compliance with regulatory standards and relations with contractors, suppliers, shareholders and others.

In terms of financial reporting, Sabelli is audited annually by an accounting firm that reviews Sabelli's consolidated financial statements.

We ensure the existence and reliability of internal controls established by Sabelli to comply with the different legal provisions to which it is subject.

We want to guide the entire jewelry industry towards a better future. We work in compliance with all applicable legal regulations to ensure compliance in all interactions of our collaborators and stakeholders involved in our value chain.

To date, there have been no significant fines nor non-monetary sanctions for non-compliance with laws or regulations in the environmental, tax, labor or human rights areas, among other applicable legal requirements.





Nature



Environmental Care and Preservation

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

Process Innovation

We work continuously to manufacture products in a sustainable manner, in part by investing in technology that allows us to do so.

As a result of this effort, after a process analysis, we have created tools that eliminate processes and obtained:

- 86.61% improvement in productivity
- 95% efficiency
- 62.83% reduction in CO2 emissions by reducing our energy consumption



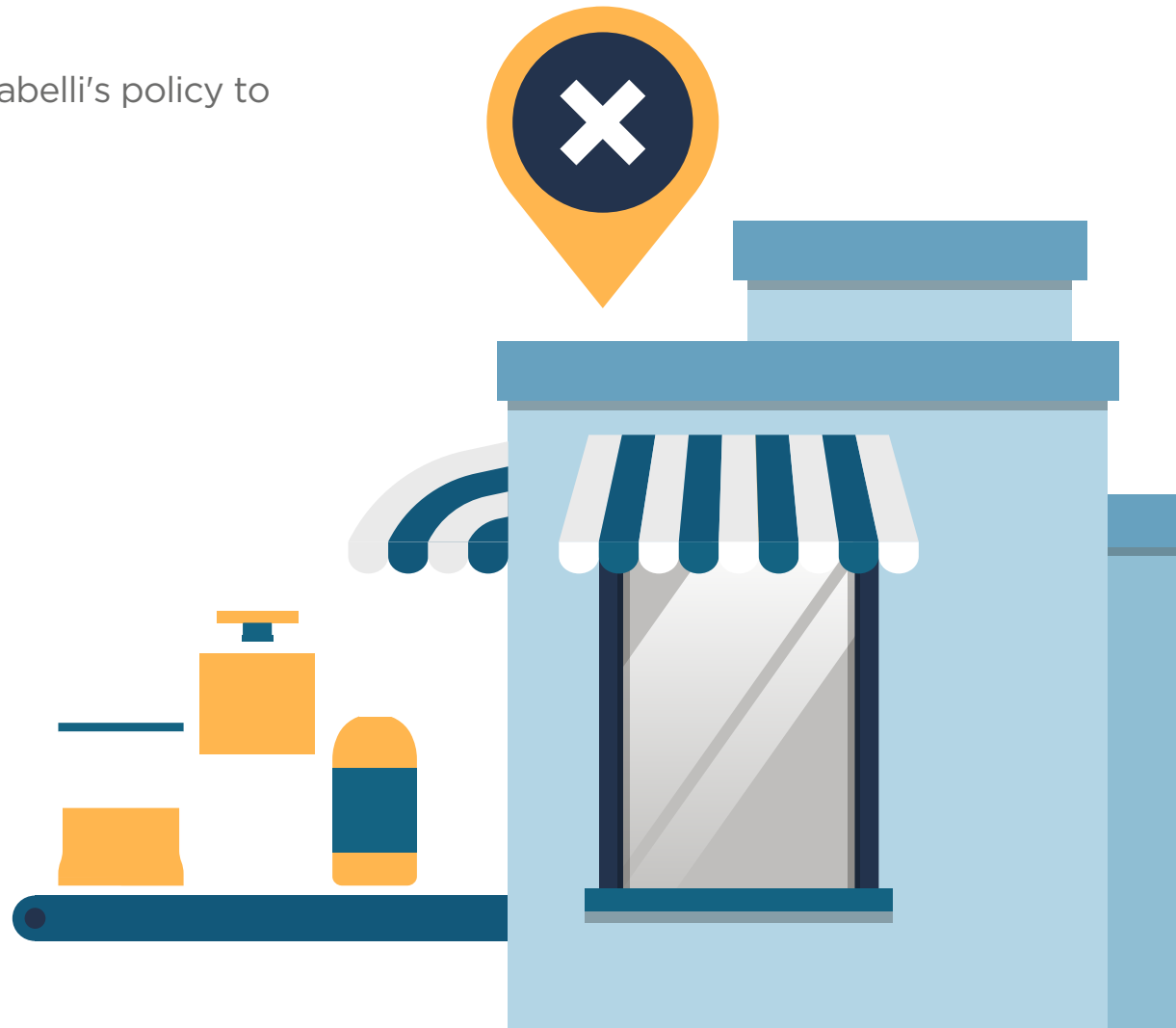
Sustainable Sourcing

At Sabelli we build serious relationships with our suppliers to create strategic and long-term alliances with mutual benefits, which over the years have enabled us to forge a well-integrated and successful value chain.

We support local sourcing; therefore, it is Sabelli's policy to prioritize sourcing in our community.


42.85%


of our direct input suppliers
are sustainable companies.







Supplier Development



 We launched a pilot project to evaluate our suppliers, starting with the smallest ones to identify strengths and areas of opportunity in order to help them develop their capabilities and constantly improve their sustainability performance.

 With this first pilot project, we believe there is an opportunity for transformation, and we will establish a line of work to address the challenges identified together with the supplier.

Some key supplier evaluation criteria:

-  Sustainable sourced materials
-  Environmental certifications, awards or distinctions
-  Use of recycled or recyclable materials with eco-design
-  Use of packaging materials that are separable, recyclable and recycled

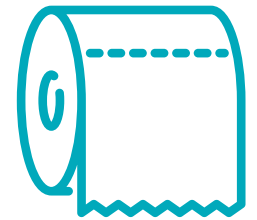
Green Purchasing and Office Supplies



At Sabelli, we encourage green purchasing based on environmental criteria. We also purchase sustainable office supplies such as ecological bond paper and compatible cartridges, thus saving non-renewable natural resources and reducing solid and hazardous waste.

Cutting Down on Paper

We use charts to make our employees aware of the importance of paper use and thus reduce paper usage.



Environmental Education



At Sabelli, we rely on talks to promote resource conservation. We invite our collaborators to improve their environmental habits. We have addressed all of our collaborators and visitors.





Caring for Water

Water is vital for the survival of ecosystems. That is why we are working on a strategy that includes two main lines of action: reuse and treatment.

1. Water Reuse:

During production processes, water is stored in tanks to be reused. Once a week, the water is replaced with clean water.

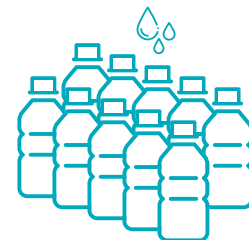
2. Water Treatment:

Subsequent to the reuse process, by means of decanting, the water is passed through filters before being discharged into the public sewage system.

With these actions, we obtain two benefits: a daily saving of 18 liters of drinking water, which is equivalent to 6,400 liters per year; and by decanting, the total amount of organic matter discharged into the municipal sewage system is reduced.



Daily saving of
18 liters
of drinking water



Equivalent to
12,960 bottles
of water
per year



Sustainable Packaging

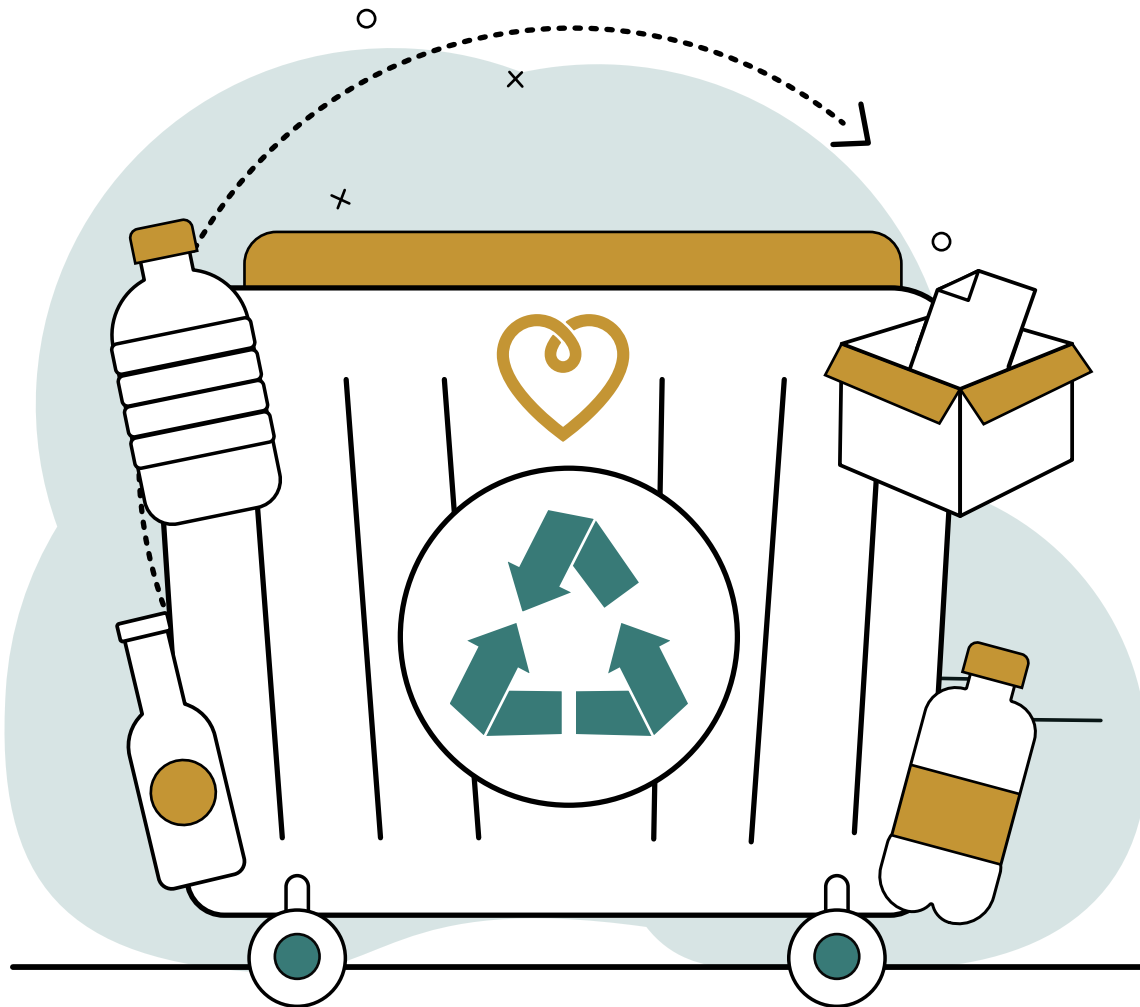
We seek to ensure that packaging materials used in our products can be simply recycled, and we also internally promote the reuse of materials and a reduction in their consumption.

With these actions we reduced waste generated by **3%**

Waste

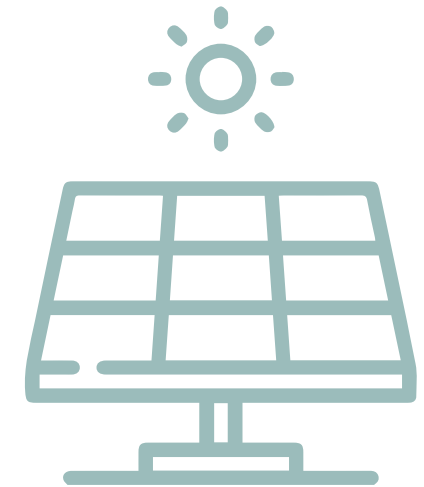
Currently more than **30%** of our packing is reused.

6.23% of waste is recycled.



Renewable Energy

We reached our goal!
In 2021, 100% of our electrical energy came from sunlight
with the installation of 202 solar panels.



We achieved a reduction of around



94,750 kg of
 CO_2 emissions

Ecosystem Regeneration

In Sabelli we are committed to the compensation and restoration of the environment, so we joined the campaign of an organized group from our town called "Limpiando Arandas." We adopted 20 trees on August 4, 2021.

With this action we seek to contribute to:

- Offset our CO2 footprint
- Reduce our environmental impact
- Regulate climate through the shade and transpiration they provide
- Lower high temperatures
- Increase water availability
- Prevent soil erosion
- Revive our region's ecosystems
- Preserve biodiversity



Sustainable Transportation

We provided transportation service with our own vehicle for our collaborators, thus reducing CO2 emissions by **34.18%**.

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



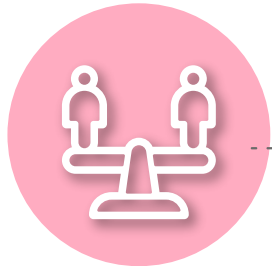


Fair Labor
Standards



Fair Wages and Benefits

At Sabelli, our salaries exceed the minimum wage. We adhere at all times to applicable Mexican law. **There is no distinction between genders.**



Equal Opportunity

At Sabelli we value equality of all people and respect each individual's differences. 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



ACTIVE PERSONNEL DURING 2021

AGE RANGE	F	M	Total
18-30	86	5	91
31-49	39	10	49
+50	2	9	11

NEW HIRES DURING 2021

F	M	Total
56	5	61
16	0	16
0	2	2

DEPARTURES 2021

AGE RANGE	F	M	Total
18-30	25	7	32
31-49	15	0	15
+50	0	0	0

RATE OF NEW EMPLOYEES 2021

F	M
37.08%	4.63%
10.59%	0%
0%	1.32%

The year ended with a 21% increase in workforce, benefiting 31 families in Arandas.



Workplace Inclusion

We reaffirm our commitment to create the best workplace through training and to promote respectful relationships, talent development, fairness in the workplace and a sense of belonging.

We maintain a protocol to prevent, address and eradicate workplace violence and a policy for the prevention of psychosocial risks.

Hierarchical Level by Gender



The workforce is significantly women whose participation in administrative and operational positions is highlighted by their commitment and responsibility.

Women have proven to be a fundamental pillar in the processes developed by Sabelli.



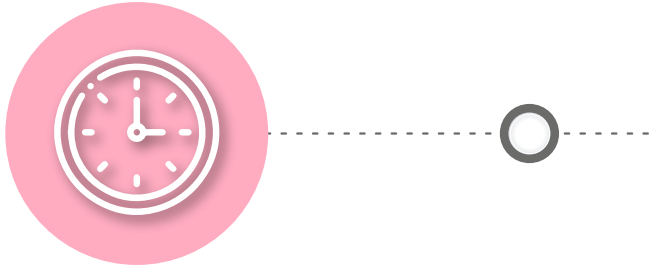


Reinstatement after Leaves of Absence

To support the family, we respect all maternity and paternity rights under Mexican labor law.

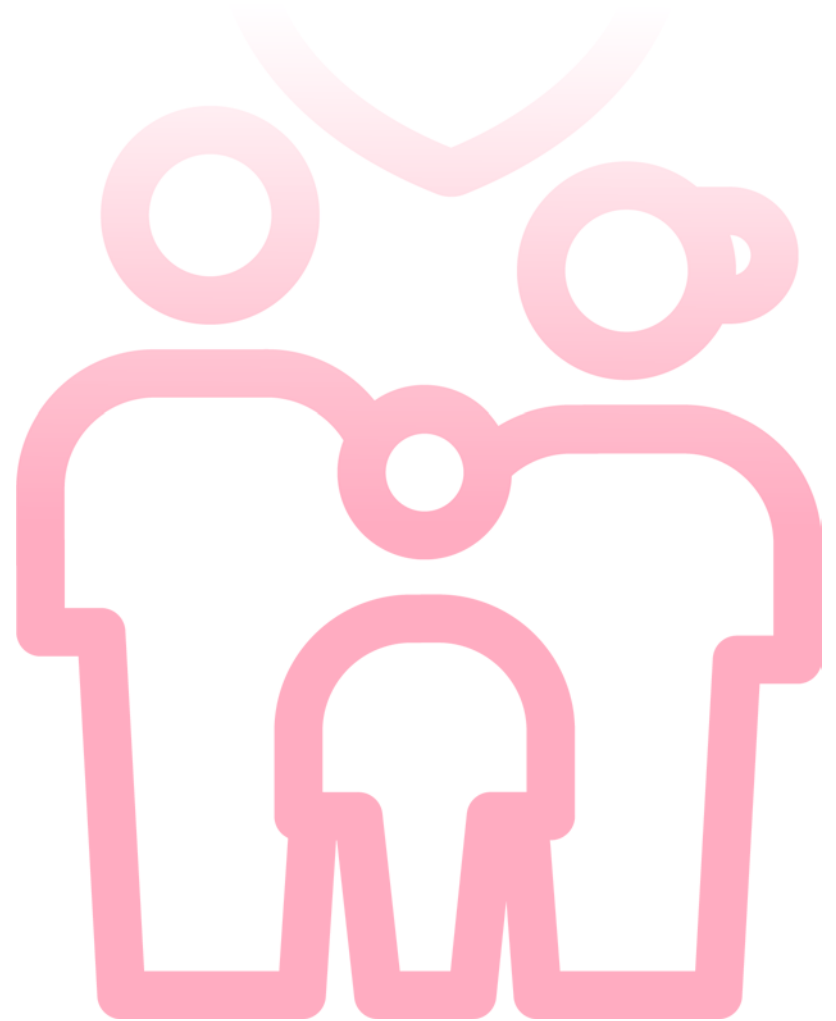


	Women	Men
Entitled to parental leave	4	1
Took parental leave	4	1
Returned to work after their parental leave period	0	1
Kept their job one year after returning to work	0	1
Reentry rate	0%	100%
Retention rate	0%	100%



Concentrated Schedule Work Program

Currently, some of our collaborators have benefited from these work schedules that allow them to spend more time caring for their children and family.



Risk Control



Our **health and safety** system is in charge of **wellness** management responsible for developing actions to prevent occupational illnesses, accidents and the number of accidents.

All health and safety actions are focused on all our collaborators regardless of gender, since our priority is to assure zero injuries to all our collaborators.

We reinforced the **reduction and management** of health risks through strict sanitary protocols in all facilities.

We also carried out an extensive awareness campaign on preventive health measures and self-care.





Nutrition

Nutrition is essential for physical, mental and social wellbeing; that is why at Sabelli we offer preventive services.

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

216

nutritional consultations for patients with diabetes, pregnancy, overweight, obesity, and malnutrition

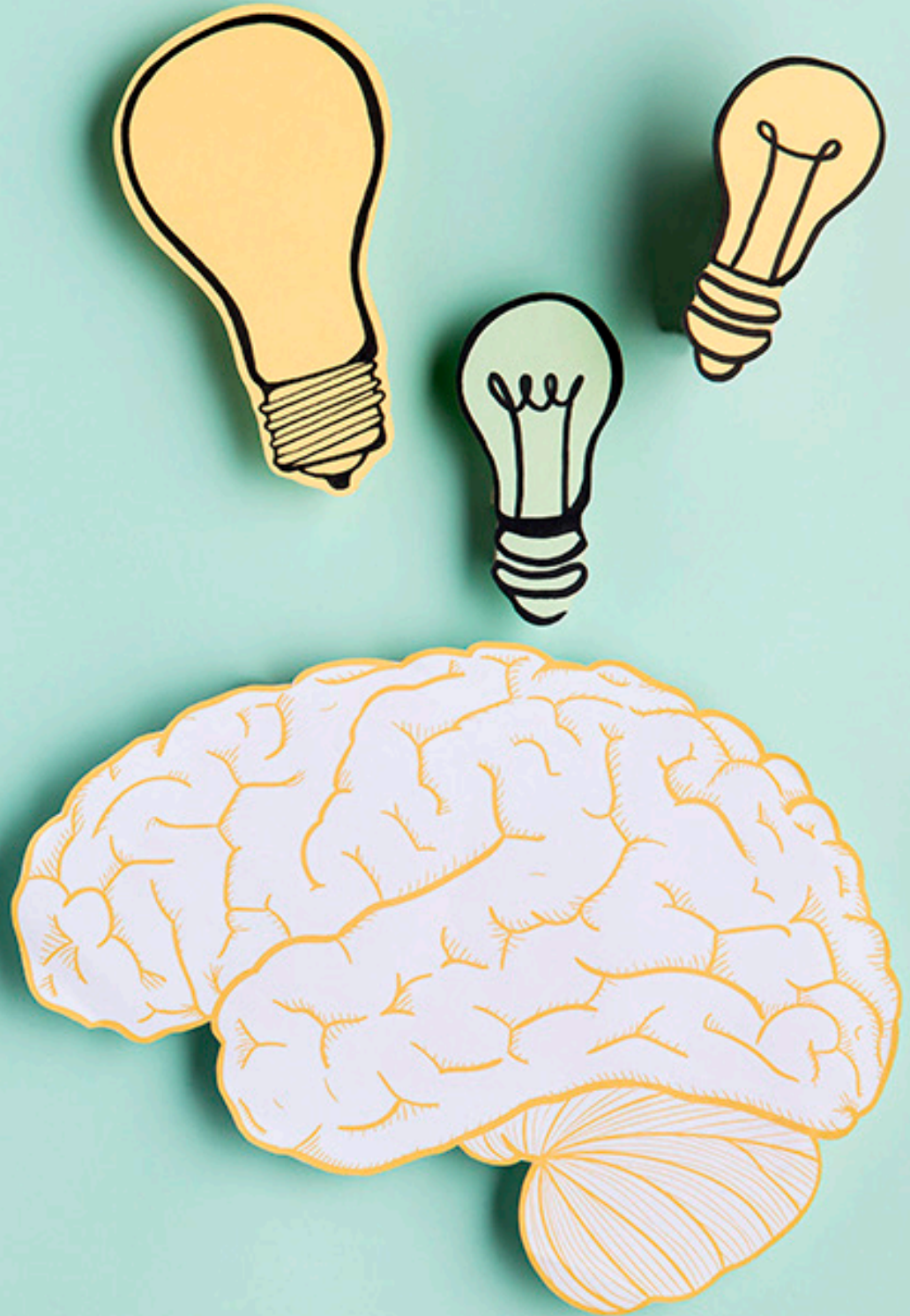
Mental Health

51 INDIVIDUAL SESSIONS

PSYCHOSOCIAL RISK
FACTORS AWARENESS
TRAINING **2**

2 SOFT SKILLS TRAINING

LEADERSHIP
DEVELOPMENT
TRAINING **2**





Preventive Health



184 Covid tests performed
58 positive patients
No deaths due to this cause

16 Pap smears

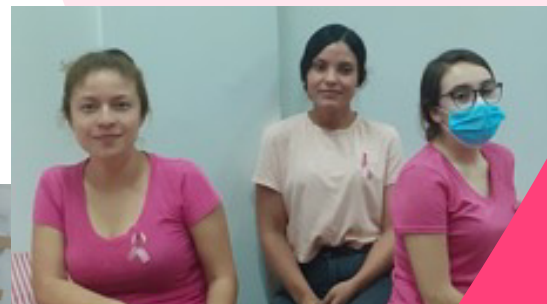
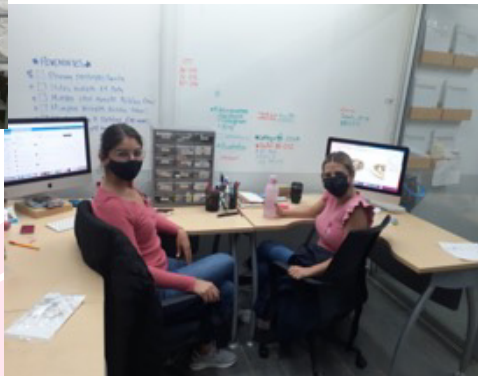
68 Vaccine doses applied for
the prevention of seasonal
influenza

206 Medical check-ups for the timely
detection of diabetes mellitus,
arterial hypertension and prostatic
hyperplasia, as well as counseling
on family planning methods

We joined the fight against breast cancer

On October 19, 2021, all Sabelli personnel were invited to wear pink.

Also, Dr. Artemisa Lucina Torres Hernández gave a talk to 106 collaborators to inform and raise awareness about the importance of breast self-examination techniques, routine check-ups and mammography to promote the habit of early detection and thus join in the fight against breast cancer that affects us all.



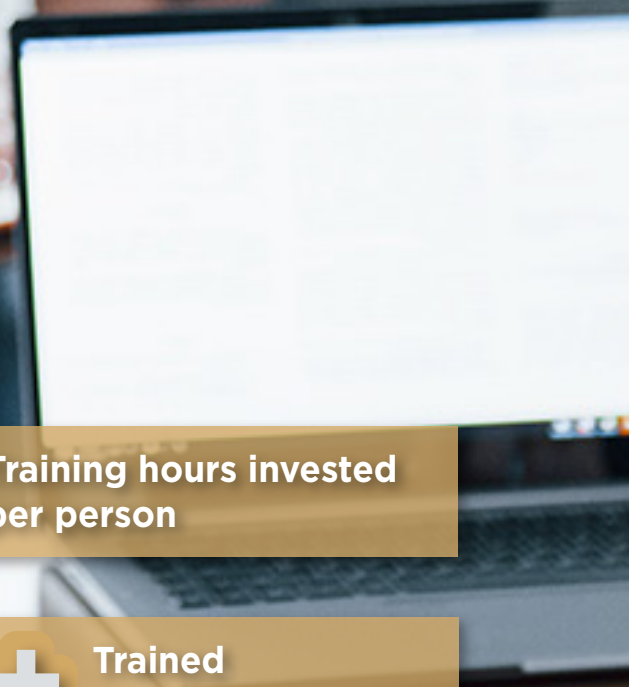
Training



***"WE TRAIN TO DEVELOP
OUR HUMAN TALENT"***

We develop the competencies of our collaborators 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, since we see education and training as keys to success.

Similarly, to reinforce our commitment to promote the development of our collaborators, we inform and follow up on courses and the annual training plan through immediate supervisors.



276+ Training hours invested per person

120+ Trained collaborators



Recommendations for a Healthy Return to Work vis a vis COVID19

- *Code of Ethics
- *Role of the Joint Health and Safety Committee
- *Anti-corruption Mechanism
- *Mobbing, Workplace Harassment, Sexual Harassment, Bullying, Inhumane Treatment
- *Anti-corruption and Bribery
- *Investigation into Causes of Occupational Accidents and Illnesses
- *The Right to Collective Association
- *We Are All Socially Responsible
- *Handling and Transporting Chemical Substances
- *Sedex and SMETA Requirements
- *Growing Together Awareness Program
- *Leadership
- *Environmental Awareness, Risks and Controls
- *Evacuation of Premises
- *Search and Rescue
- *First Aid
- *Hazardous Materials Handling
- *COVID Vaccination Awareness
- *Attitude as a Key to Success
- *Fire Control and Firefighting
- *Healthy Working Relationships
- *Communication of a Good Leader



Family Benefits

We have a venue for social events which is available to our collaborators and their families.

In 2021, there were seven events, including baptisms, first communions, birthdays, wedding anniversaries and weddings.



Human
Rights



Human Rights and Labor Standards

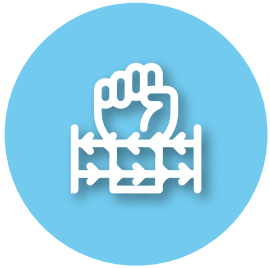
We guarantee the protection of human rights, because we work in strict compliance with **Mexican** labor standards.



Child Labor

Sabelli has adopted a policy of not hiring child labor in any of its operations. To ensure that this rule is respected, during the hiring process we request the corresponding official documentation that certifies the legal working age of the candidates.

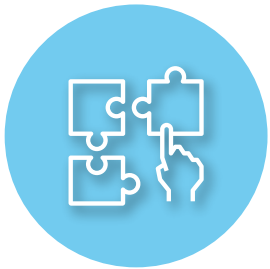
To date, we have not reported any cases of this type of misconduct.



Forced Labor

Sabelli company policy expressly rejects any kind of forced labor. And to enforce this provision, individual employment contracts are signed voluntarily.

At the time of writing this report, **no cases have been reported** that incur in this type of misconduct or represent any significant risk related to this type of practice.



Freedom of Association

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



Communication

We inform our employees about relevant issues and important changes that affect them on bulletin boards located in public areas of our facilities.



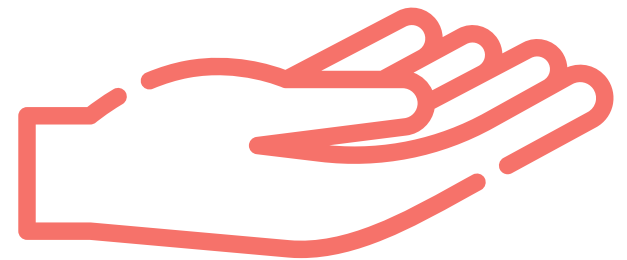
Society

Community Engagement

At Sabelli, we seek to improve the quality of life of the community in which we operate. Our management begins with the identification of 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 civic organizations in their efforts to assist the most vulnerable groups and contribute to their well-being.

- ❤️ Portal de Belén del Niño Jesús home and shelter for 40 children in the community
- ❤️ Nueva Vida Rehabilitation Center providing care for 22 residents
- ❤️ Asociación Civil Paula Navarro, A.C. home for the elderly assisting 30 senior citizens
- ❤️ Inadej, Instituto Alteño para el Desarrollo de Jalisco, a non-profit organization that seeks to ensure families have basic health, education and financial stability through support services and entrepreneurial training



Volunteer Work

On Sunday, June 14, 2021, Sabelli collaborators voluntarily visited the Nueva Vida Rehabilitation Center for people with addiction disorders to work on a change in attitudes and beliefs of the 22 residents by means of recreational activities that promote wholesome fellowship.

There were different activities, and participants were treated to delicious seasonal fruit, sweets and other food donated by the company, which served as prizes for the exercises and games played with the residents.



Customs and Beliefs



We respect the singularities of our community with respect to its customs and beliefs, avoid all types of conflicts and reach agreements through dialogue.



Support for Education



To encourage and promote educational development and local knowledge, Sabelli opens its doors to students for internships.

In 2021, we invested 860 hours for young people in high school and higher education.

Business Program



As part of our business program, our collaborators have access to our products with payment options and discounts on the final sales price. This program benefited seven employees.





Investment and Job Creation

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

2021

10% of our investment was allocated to local suppliers

152 People employed by these companies

26.08%
labor

UTILITY SUPPLIERS

Gas, fumigation, gasoline

46.32%
labor

SUPPLIERS OF GOODS AND INDIRECT INPUTS

Stationery, PPE, supplies for the cafeteria, such as meats, fruits and vegetables

27.60%
labor

MAINTENANCE SUPPLIERS

Painting, parts

Membership in Associations

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



It also belongs to the **Jalisco Jewelry Chamber and Quality Group.**

This allows us to present our products in Mexico and abroad, while guaranteeing compliance with the quality requirements established both domestically and internationally.



JCK
Las Vegas
August

EXPO JOYA
Guadalajara
April



Domestic and international trade fairs we attended in 2021.



Product
Liability

Statement of Origin

At Sabelli we adhere to the Kimberley Process scheme to ensure that all diamonds we supply 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

With this report, Sabelli would like to share with our stakeholders that we have fulfilled our corporate purpose through our achievements and progress, which are guided by our business and sustainability strategy.

This integrated annual report contains the economic, social and environmental results for the period from January 1 to December 31, 2021.

There are no significant changes from previous reporting periods.





SABELLI

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2021