

# SUSTAINABILITY REPORT

 ITALPREZIOSI®

2019



Italpreziosi Spa  
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# OUR COMMITMENT

For over 37 years our mission has been to be a point of reference for our stakeholders within the precious metal supply chain, offering **excellence, quality, security, innovation** and **reliability**.

For our stakeholders we mean: employees, local communities, customers, suppliers, institutions, members, organisations, companies, associations and competitors. We want to continue creating value with products and services of the highest quality and reliability, with the aim of contributing to a better precious metal industry, for everyone. In fact, it is important for us to enhance every part of the supply chain, from the miner, to the supplier, to our people, to the end customer, and not only: for us also the environment, biodiversity, water and climate represent key players and must be preserved and enhanced not only for us, but above all for future generations.

For this reason, we work day by day to continue to be a reference company in the trade, recovery and refining of precious metals, strengthening our position and international competitiveness through integration, cooperation and acquisition processes. Synergy with our stakeholders is and will be fundamental to advance in our sustainable agenda.

Our standards and policies are in line with the United Nations 2030 Agenda, on the *Sustainable Development Goals* (SDGs), which have always characterised our business, and today more than ever. We dialogue and collaborate with our counterparts to share and enhance the standards that we voluntarily follow and that we are convinced can change the trend of the industry making it even more responsible. This will only be possible through sincere collaboration and transparent information, which will allow the increase of best practices.

Our Sustainability Report is based on the Global Reporting Initiative (GRI) and is in line with the United Nations Global Compact and the SDGs. The aim is to show the progress we have made to date and outline our objectives for the coming years, with a view to constant improvement.







## LETTER TO STAKEHOLDERS

**D**ear collaborators and partners,

for the first time Italpreziosi presents its sustainability report, a document that wants to summarise our values and our vision of the world and that illustrates what we have done and what we will do to pursue sustainable development in order to guarantee harmonious growth of our business not only in economic terms, but also socially and environmentally creating relationships based on transparency, trust and paying particular attention to the involvement of its stakeholders, shareholders, employees, collaborators, customers, suppliers, governments, authorities and local communities.

I have always made of the sustainable journey and humanistic capitalism, the guide of my career as an entrepreneur. With our sustainable path we want to promote a fairer and more harmonious future, respectful of the environment, of the planet's resources, of human dignity by enhancing education, training and awareness. I believe that sustainability is a social pact with future generations as with this path, in our small way, we want to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. Sustainability, in our sector in particular, is a complex path and it takes a lot of determination and courage to find new solutions.

Talking about ethical gold is a very dear topic for me and I would like to remind you that through GoldLake IP, already in 2007, we were among the first in the world to address these issues and above all to put them into practice with total traceability of gold from extraction to the finished jewel, having concluded an exclusive contract with Cartier.

Ethics is that branch of philosophy that studies the conduct of human beings and the criteria on the basis of which behaviour and choices are evaluated. Ethics represents a way of acting, a concrete doing in everyday life, ethics is a word often used inappropriately because it is much easier to pronounce it than to put it into practice.

*My childhood and the farming world where I was born have contributed to forming this vision, the great values that my parents have transmitted to me, ranging from commitment to life, respect for others and everything around us. True values that represent my wealth and that will never make me feel alone and on these bases "my human capitalism" was created with man at the centre trying to give it economic and moral dignity. At the same time, I try to promote these practices so that more people become aware of them. We always put the person at the centre of our work by guaranteeing the excellence of the services we offer to our customers and suppliers, while maintaining particular attention to dialogue with the communities in which we are present, aware that the true value of our work lies in the level of improvement of the quality of life that we manage to bring to them.*

*We have created an innovative position, Compliance and Sustainability Officer, as for us compliance must go hand in hand with sustainability.*

*Partnerships and activities continued with international institutions aimed at both the traceability and the improvement of the life of some gold mining communities, with the aim of bringing the small miners out of illegality, guaranteeing them a profit, training and a safe and dignified existence.*

*Thanks to our continuous and constant innovation, professionalism, the great sustainable commitment, Italpreziosi is increasingly a reliable and important partner in the world of precious metals.*

*We are a company that has made excellence its creed and that has built its success on excellence thanks to qualified professionals who find in Italpreziosi the opportunity to express their skills and see their merits recognised.*

*This report describes how we operate in an increasingly complex global context and how integrity towards responsible rules and behaviour represents our path for the conduct of our business because the above is inherent in our DNA, not only to support our reputation but also to strengthen competitiveness and be considered a partner you can rely on.*

*Much has been done and much still to be done, but challenges are part of our history and with much determination and passion we contribute every day to building a better future.*

*I can't help thanking people for their commitment, determination that they have put into action on our sustainable path, confident that all together we have contributed in some way to the improvement, even if small, of the economic and moral conditions of the human being.*

**"I ALWAYS IMAGINED TO MAKE PROFIT THOUGH WITH ETHICS, DIGNITY, MORALS AND LOTS OF ENERGY"**

*Enjoy the reading,*

*Ivana Ciabatti,  
CEO of Italpreziosi*

# A LOOK AT ITALPREZIOSI



The company was founded in 1984

37 YEARS OF  
EXPERIENCE

We are a joint stock company (SPA)

The headquarters are in Arezzo, Tuscany, in the locality of San Zeno



Our services include:

- recovery, analysis and refining of precious metals;
- production and trade of gold and silver products and production and trade of investment gold for banks, private individuals and industry;
- services to support the trading of precious metals;
- logistics, transport and storage services.

54  
employees



Production capacity: 350



We have customers and suppliers all over the world amongst:

- Banks
- Mining
- Jewellery and sector operators
- Private individuals



# GOVERNANCE

ETHICS AND INTEGRITY

## THE BOARD OF DIRECTORS



Italpreziosi's Board of Directors is made up of four members, experts with decades of experience in the sector, including the CEO of Italpreziosi. The task of the BoD is to set and supervise the business strategy together with the organisation, the control of the business and corporate sustainability.

## MANAGEMENT



Italpreziosi CEO, together with the support of Senior Management, represented by the heads of each department, organises and supervises the implementation of the business strategy and corporate sustainability.

## DUE DILIGENCE COMMISSION



The Due Diligence Commission is composed of Senior Management, whose President is the corporate Legal Officer. The role of the Due Diligence Commission is to supervise the work of the Compliance and Sustainability Officer, strengthening the corporate Compliance department.

## COMPLIANCE AND SUSTAINABILITY OFFICER



For Italpreziosi Compliance and Sustainability are two aspects that must work along the same line. This new and innovative position was then introduced, supported in the work by the Due Diligence Commission, with the aim of making the due diligence work even closer to all stakeholders, integrating it with a path of sustainability suitable for collaboration and support in the context of compliance with its suppliers and customers.

## BOARD OF AUDITORS



They have the task of supervising the activities of the directors and checking that the management and administration of the company are carried out in compliance with the law and the articles of association, further guaranteeing their quality.



# OUR HISTORY

## YESTERDAY AND TODAY



**1984**

**Company foundation**

**1996**

**Launch of www.italpreziosi.it**

one of the first international websites to transmit precious metal prices for free and in real time

**2008**

**Foundation of Goldlake IP**

**2010**

**Inauguration of the new headquarters in Arezzo**

**2011**

**Member of the International Precious Metals Institute (IPMI)**

**2012**

**Inauguration of the new refining plant**

high technology with environmental impact close to zero

**2013**

**Starcore International Mines LTD**

Acquisition of shares in Starcore International Mines LTD



**RJC CoP certification**

obtaining the Code of Practices certification

**2017**

**RJC CoC certification**

obtaining the Chain of Custody certification



**2018**

**LBMA Good Delivery certification**

obtaining the Good Delivery certification



**Sandspring Resources LTD**

acquisition of shares in GoldX Mining Corp

**Mintata SAS**

Acquisition of shares in Mintata SAS

**2019**

**GEF Gold**

Italpreziosi SPA joins the GEF Gold Program, implemented with UNDP, UNEP, UNIDO together with industry companies, governments and civil society associations to help make the supply chain more sustainable

**Caldas Gold Corp.**

Acquisition of shares in Caldas Gold Corp.

**Transformation of Sandsprin Resources LTD into Gold X Mining Corp.**



# ITALPREZIOSI AROUND THE WORLD

Italpreziosi works and collaborates with stakeholders in more than 25 countries in the world and has interests in various companies active in the precious metals chain. Here are some of the main holdings:

## STARCORE INTERNATIONAL MINES LTD

(<https://www.starcore.com/>)

Starcore International Mines Ltd is a Canadian exploration, development and production company. Its main property is the san martin mine, which includes mining concessions covering an area of over 12,000 hectares located in Queretaro, Mexico. The company holds mining concessions that have not yet been exploited or capitalised.

## GOLDX MINING CORP

(<https://goldxmining.com/>)

GoldX Mining Corp is a mining company listed in Canada on TSX - Toronto, and has some mining concessions in Central and South America. In particular in the British Guiana, it is developing what is considered today one of the largest gold mining projects in South America.

## CALDAS GOLD CORP.

(<https://www.caldasgold.ca/home/default.aspx>)

Company listed on the TSX - Toronto, active on the mining of gold in Colombia. The company has acquired part of the mining concessions of Gran Colombia Gold Corp (Marmato) with prospects for a significant expansion of the extraction phase, which is currently in place.

## MINTATA SA

Mining company in Colombia that is developing an alluvial gold mining project.

## GOLDLAKE IP

Goldlake IP is a company that has carried out since 2008, among the first in the world, a chain traceability project, from mining, refining and subsequent exclusive sale of ethical gold to Cartier, in compliance with high environmental protection standards, investing in the social and integration with local communities, which manages to combine profit and innovation, respect for people and the ecosystem.



# OUR SERVICES



## RECOVERY, ANALYSIS AND REFINING OF PRECIOUS METALS

We use the most advanced refining techniques to recover gold and silver, and other precious metals at the highest levels of purity. The standards reached and maintained throughout the entire process are verified by LBMA's **Good Delivery** certification.

## MAKING OF GOLD AND SILVER PRODUCTS FOR BANKS AND INDUSTRY

Using the latest generation of technologically advanced machinery and optimising all processes internally, the company creates bars and ingots of gold with Good Delivery certification and pure silver in grains or bars.



## ONLINE TRADING SUPPORT SERVICES OF PRECIOUS METALS



We offer a full range of services related to the precious metals market and shows spot or forward prices of gold, silver, platinum and palladium in the main currencies every day. We have developed a digital platform for the intermediation of physical metal: **Italplatform**. Through this system, all our customers and suppliers have access to international markets and can set the price in real time or at fixing and place orders.

## SALE OF INVESTMENT GOLD IN THE RETAIL MARKET

Through our *Precious Metals Sales* department, it markets both coins and its production of Good Delivery ingots, products all with a certificate of guarantee. In addition, we also launched the **PAC Tesoro physical gold investment service**, aimed at all customers interested in diversifying their portfolio on a regular basis.



## LOGISTICS, TRANSPORTATION AND STORAGE



We provide our customers and suppliers with efficient, insured and fast transport solutions for the industrial, banking and private sectors. We work exclusively with the main international couriers who comply with the OECD *Due Diligence guidance for Responsible Supply Chain*. In addition to the logistics and transport services, our counterparties have the opportunity to invest in investment gold, without handling the products physically, opting to insert them directly into the Italdeposito insured **deposit**.



# CERTIFICATIONS AND ACCREDITATIONS

## RESPONSIBLE JEWELLERY COUNCIL (RJC)



We are members of the Responsible Jewellery Council, RJC (the association that groups over 400 of the most important companies in the world representing the entire gold chain, from mines to large jewellery manufacturers such as Cartier, Bulgari, Tiffany etc.), of which Ivana Ciabatti was a member of the Board of Directors. In **2013** Italpreziosi received the voluntary certification of the **Code of Practice CoP** and the certification "Provenance Claim", and in 2017 the certification of the **Chain of Custody CoC**.

## LONDON BULLION MARKET ASSOCIATION (LBMA)



On September 1, 2008, we became **Associate Members of** the London Bullion Market Association (LBMA). Since **2018** we have received the **Good Delivery** certification.

LBMA is the London-based association that represents the world's largest over-the-counter (OTC) market for physical gold and silver exchanges. The Association brings together most of the central banks, producers, refineries, producers and traders, regulating various sectors, including the definition of refining standards, commercial documentation and promoting best commercial practices.



## BANK OF ITALY

We are registered at no. 5000120 as a professional operator on the gold market with the Bank of Italy, in compliance with Italian laws and in particular with the law 7/2000 which allowed, among other things, the trade in investment gold between individuals.



# OUR SUPPLY CHAIN





# A SUSTAINABLE APPROACH

For over 37 years our mission was to be the point of reference for our customers within the precious metal chain by offering excellence, quality, safety, innovation and reliability.

We are inspired by the principles of **compliance**, ethics, **transparency, confidentiality and integrity**, adopting the highest international standards and guidelines in managing our activities in all the contexts in which we operate.

We consider sustainability as the engine of a continuous improvement process that guarantees results over time and the strengthening of economic performance and our reputation.

The protection of the environment, the protection and promotion of human rights, the respect of safe and fair labour standards, also through technological innovation, represent the founding principles of our way of operating, in line with the 2030 Agenda of the United Nations.

The United Nations **2030** Agenda for Sustainable Development was presented in 2015. It represents an important awareness of the entire international community that has finally committed to collaborating and working every day to achieve the 17 common goals.

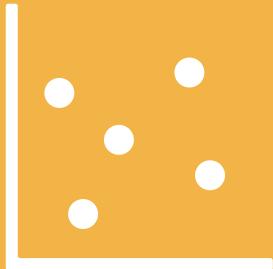
For this reason, we immediately supported the initiative, in line with the values of our company. The objectives are the basis of the new 2020-2025 Business Plan which will accompany Italpreziosi on a path towards excellence thanks to its Sustainable Business Model.



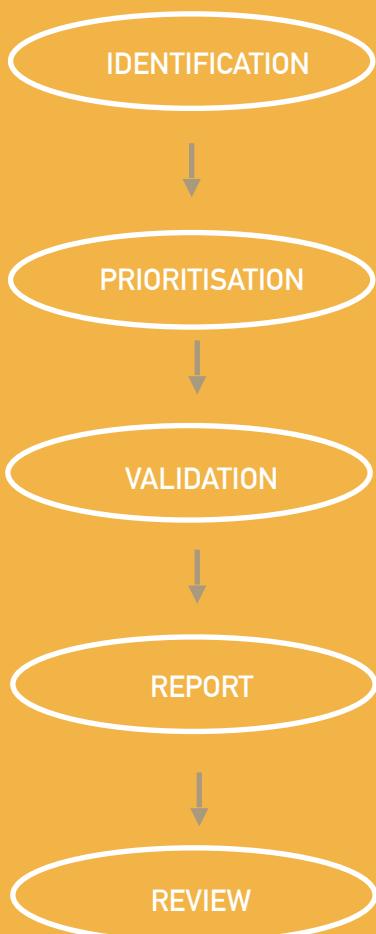


"ITALPREZIOSI IS A TOTALLY INNOVATIVE COMPANY FROM A TECHNOLOGICAL POINT OF VIEW, WHICH FOCUSES ON PEOPLE, THEIR DIGNITY, THEIR CONTINUOUS IMPROVEMENT AND WELL-BEING, CAPABLE OF INTEGRATING ECONOMIC VALUE WITH HUMAN VALUE, ATTENTIVE AND MOTIVATED BY PRINCIPLES ETHICAL WITH A LOT OF ATTENTION AND RESPECT FOR THE ENVIRONMENT, WITH EMISSIONS CLOSE TO 0, RESPECT FOR THE PLANET'S RESOURCES, TO HELP LEAVE IT IN GOOD CONDITION FOR THE NEXT GENERATIONS, INVESTING AND ENHANCING THE SURROUNDING AREA WITH EVENTS BOTH IN THE SOCIAL AND IN THE CULTURE"

*Ivana Ciabatti, CEO of Italpreziosi*



## PROCESS



# MATERIALITY ASSESSMENT

At Italpreziosi we are aware of the centrality of all 17 Sustainable Development Goals (SDGs) and that is why we consider the need to treat them holistically and not individually. Each objective influences the other, and it is therefore necessary, within the limits set by our range of action, to include the 17 objectives in all our activities.

The Materiality Assessment process is central to the drafting of the Sustainability Report. The methodological process integrated the following phases:

- **IDENTIFICATION:** significant issues are identified by performing an analysis of the business context and our Business Plan;
- **PRIORITISATION:** the issues that more than others will have a fundamental impact both inside and outside the company activities have been identified. In doing this, the involvement of our stakeholders and the inclusion of their visions in ours is fundamental;
- **VALIDATION:** all themes and aspects identified and prioritised in compliance with the principle of "completeness".

All these values, in addition to having been fundamental in the preparation of the Report, were crucial issues for the development of the 2020-2025 Business Plan.

# INVOLVEMENT OF STAKEHOLDERS



Involving our *stakeholders* represents a fundamental and constructive step for Italpreziosi to understand its current and future performance, but also to seek solutions for all those challenges that our industry is facing.

The evaluation of our performances together with an updated evaluation on common fundamental themes and dialogue are the basis of our daily work and the creation of a shared value in the long term.

We regularly involve our *stakeholders*, from staff, to suppliers, customers, local communities, institutions, associations, industry groups, the press, with the aim of transparently transmitting our values and establishing relationships of trust and promoters of sustainable development in our sector.

A survey was carried out which involved all our *stakeholders*, in order to identify and concretise the common objectives.

## TOPICS OF COMMON RELEVANCE

On the following page, we can see, in schematic form, all those issues of primary interest common to our *stakeholders*. In light of these, we decided to develop the relationship by following four macro-areas that group them:



- Economic value generated and distributed
- Energy consumption
- GHG emissions
- Used materials
- Working conditions
- Employee involvement
- Equal opportunities
- Fight against child and forced labor
- Ethics and integrity
- Promotion of local development
- Procurement practices
- Biodiversity
- Water consumption
- Waste and discharges
- Health & Safety
- Training and education
- Human Rights
- Fight against corruption
- Product safety



The four macro-areas represented a crucial point for our industrial plan and for our **SUSTAINABLE BUSINESS MODEL**.



# MAIN INVOLVEMENT ACTIVITIES OF OUR STAKEHOLDERS

<b>SHAREHOLDERS</b> <ul style="list-style-type: none"><li>- Periodic Meetings</li><li>- Shareholders' Meeting</li><li>- Sustainability Report</li><li>- Annual Report</li></ul>	<b>BOARD OF DIRECTORS</b> <ul style="list-style-type: none"><li>- Periodic Meetings</li><li>- Sustainability Report</li><li>- Annual Report</li></ul>	<b>MANAGEMENT</b> <ul style="list-style-type: none"><li>- Monthly meetings with the CEO and the department managers</li><li>- Supervision and application of the sustainability and business strategy</li><li>- Sustainability Report</li><li>- Annual Report</li></ul>
<b>PERSONNEL</b> <ul style="list-style-type: none"><li>- Periodic communications on organisational changes</li><li>- Periodic Climate Work Survey</li><li>- Refresher training</li><li>- Coordination meeting between various departments</li><li>- Periodic corporate events</li><li>- Sustainability Report</li><li>- Social Network and website</li><li>- Code of Ethics</li><li>- Welfare system</li></ul>	<b>CLIENTS AND SUPPLIERS</b> <ul style="list-style-type: none"><li>- Corporate communications</li><li>- Periodic satisfaction survey</li><li>- Due Diligence On Boarding process</li><li>- Reports and discussions through industry association</li><li>- Sustainability Report</li><li>- Social Network and website</li><li>- Visits to our office</li><li>- Visits to our customers</li><li>- Clear and timely, updated communication</li><li>- Collaboration for better sustainability in the supply chain</li><li>- Code of Ethics and Supply Chain Policy</li><li>- Guarantee the best service</li></ul>	
<b>NATIONAL AND INTERNATIONAL INSTITUTIONS AND AUTHORITIES</b> <ul style="list-style-type: none"><li>- Meetings with local, national and international political and institutional representatives on sector issues</li><li>- Periodic communications</li><li>- Constant collaboration</li><li>- Visits to our office</li></ul>		<b>LOCAL COMMUNITIES</b> <ul style="list-style-type: none"><li>- Supports in local and national initiatives and events in various areas</li><li>- Sustainability Report</li><li>- Social Network and website</li></ul>



## VOLUNTARY ORGANISATIONS AND PROFESSIONAL ASSOCIATIONS

- Membership and participation in LBMA, RJC, RMI, UN GLOBAL COMPACT, EITI, WGC
- Collaborations and partnerships in projects with *multistakeholders*, for the creation of sustainability projects
- Participation in round tables on sector topics
- Periodic communications
- Events, conferences, seminars and training initiatives on sustainability issues: implementation of guidelines and sharing of best practices
- Constant collaboration
- Visits to the company

## COMPETITORS

- Meetings organised by industry associations
- Visits and communications
- Collaborations in projects and round tables for the creation of a more sustainable supply chain

## PUBLIC SERVICES

- Collaborations on safety
- impact on the environment
- Regular safety drills
- Sustainability Report
- Periodic communications

## UNIVERSITIES AND INSTITUTES

- Scientific research support with UNIFI
- Support for local training courses in the sector
- Meetings of our CEO with local training institutes
- Social Network and website

## PRESS

- Press Relation Office
- Social Network and website
- Sustainability Report

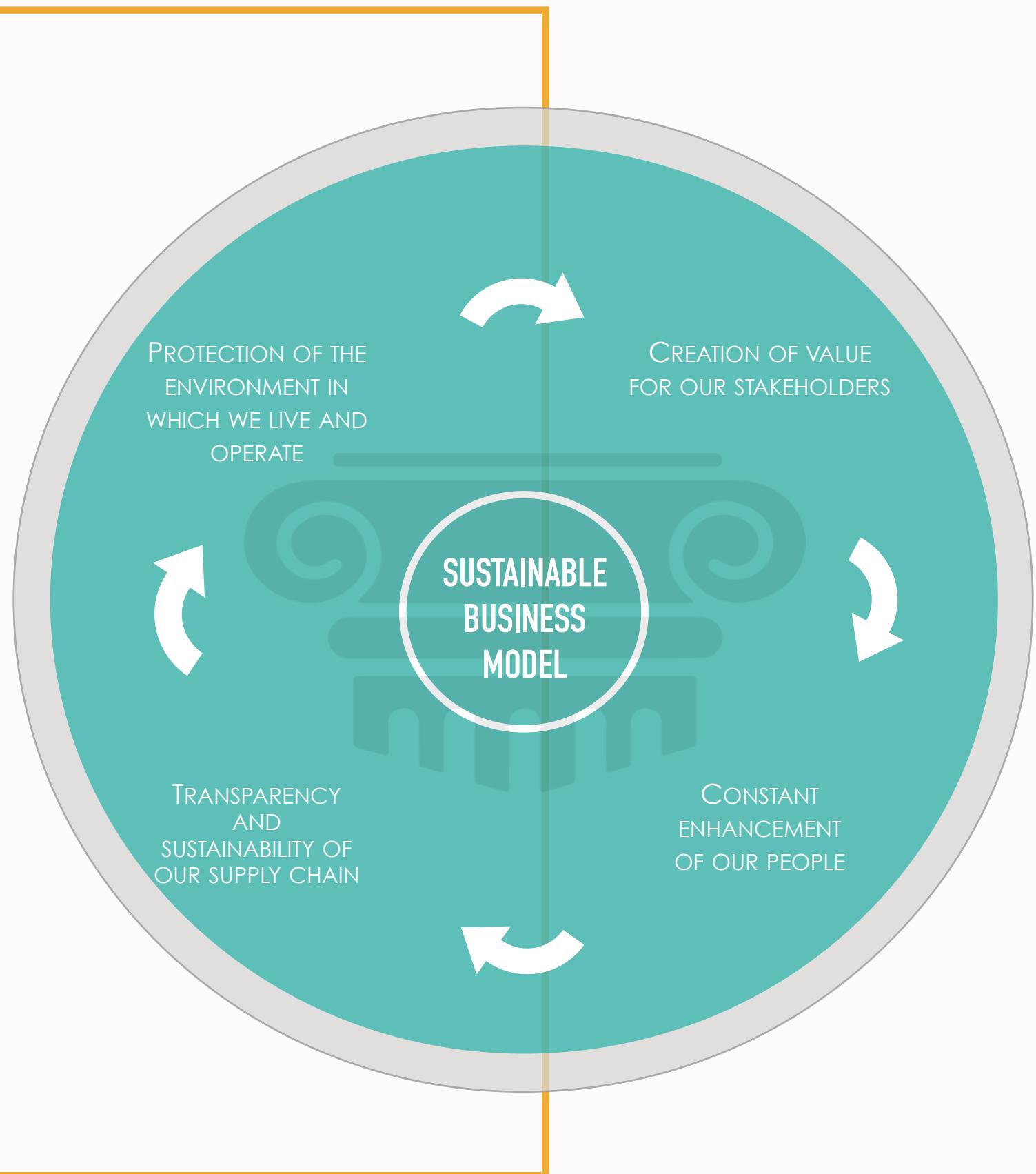




# SUSTAINABLE BUSINESS MODEL

ITALPREZIOSI ASPIRES TO MAINTAIN EXCELLENCE BY FOLLOWING A SUSTAINABLE MODEL DEVELOPED TOGETHER WITH THE 2020-2025 BUSINESS PLAN





# CREATION OF VALUE FOR OUR STAKEHOLDERS



The creation of value for our stakeholders and shareholders represents an important factor for our business. In particular, the creation of added value and the support for local development where we live and operate are constant objectives.

Our support concerns various activities and initiatives related to various areas.

We strongly believe in peace building, gender equality and the power of culture in each of its facets, from music to art and literature. We firmly believe that culture is a crucial means for the development of a healthy and fair society, both locally, nationally and internationally

WE FIRMLY BELIEVE THAT CULTURE IS A CRUCIAL MEANS FOR THE DEVELOPMENT OF A HEALTHY AND FAIR SOCIETY, BOTH LOCALLY, NATIONALLY AND INTERNATIONALLY

## IN 2019 WE FINANCED THE FOLLOWING INITIATIVES:



### Peacebuilding **RONDINE CITTADELLA DELLA PACE**

Rondine Cittadella della Pace is a unique organisation, committed to reducing armed conflicts around the world and spreading its method for the creative transformation of conflicts in every context. Our CEO, Ivana Ciabatti, is the president of the peace entrepreneurs and the president of the foundation rondine cittadella della pace.

### Women Empowerment **WOMEN FOR WOMEN**

Women for Women against violence - Premio Camomilla is an event organised by the Associazione Consorzio Umanitas Onlus to promote the fight against gender violence and the well-being of women who fight against breast cancer. The event has the threefold purpose of raising public awareness on critical issues, improving initiatives on these two issues and raising funds for associations involved in support activities.



Culture, music and current affairs  
**AREZZO PASSIONI FESTIVAL**

Arezzo Passioni Festival is an event held in Arezzo, traversed by the common thread of the passion that crosses the sectors of art, politics, culture, music, information and cinema. The goal of the festival is to promote events to rediscover beauty, stimulate reflection, sow the seed for new ideas.



Research

**SCHOOL OF CONVENTIONAL AND HIGH ENERGY – UNIVERSITY OF FLORENCE**

We are funding a doctoral research project in collaboration with the University of Florence with the Faculty of Chemistry " Ugo Schiff". The research in question is "study of the problems related to the process of melting, refining, treatment of precious metals and their chemical and physical characterisation" and will last for three years.

Health and research

**TELETHON**

The Telethon Foundation deals with research in the medical field to respond to rare genetic diseases.



Literature

**PREMIO LETTERARIO CASENTINO**

Premio Casentino is a literary award that takes place in the Abbey of San Fedele in Poppi, in the province of Arezzo, with the participation of representatives of the civil, military and religious authorities and with the presence of journalists, television networks, private radio stations and the press, as well as artists, writers and personalities from the world of culture.

Art

**ASSOCIAZIONE CASTELSECCO**

The association aims to promote and re-evaluate one of the most important places in the history of our territory: the Etruscan Archaeological Park of Castelsecco.



Literature and art

**ACADEMIA PETRARCA**

The Academy aims to promote the culture and dissemination of Letters, Arts and Sciences, as well as the illustration of Petrarch's life, works and times, from history to Tuscan art, and Arezzo.



# PROTECTION OF THE ENVIRONMENT IN WHICH WE LIVE AND OPERATE



We pursue a model of sustainable development and consider the protection of the environment in which we live and operate a fundamental aspect for our business. We do everything that is reasonable and effective to minimise the negative effects of our activities on the environment and comply with environmental protection laws and directives.

Our headquarters are located in one of the most beautiful regions in the world for its landscapes and biodiversity: Tuscany. Here, the environmental heritage is a fundamental actor towards which we have always had great respect and care. During our operations we support the protection and promotion of sustainable practices in order to avoid the loss of biodiversity and the degradation of ecosystems.

## **"THINK GLOBALLY, ACT LOCALLY"**

DESCRIBES THE CHALLENGE THAT ITALPREZIOSI HAS TAKEN ON FOR MORE THAN THREE DECADES. THE ENVIRONMENT REPRESENTS ONE OF THE FUNDAMENTAL ASPECTS IN SHAPING OUR ACTIVITIES IN THE PLACES WHERE WE LIVE AND WORK.

# "LOCALLY"

## LOOKING AT THE PRESENT



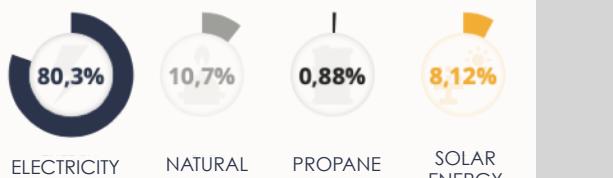
Our systems are of the latest generation and high technology, in order to maximise efficiency and minimise environmental impact, with emissions close to zero.

Minimising the environmental impact is a crucial goal for our company: considering that greenhouse gas emissions are one of the main causes of global warming and climate change, we have decided to avoid using one of the main causes of emissions, or fossil fuels. This is the reason why we have chosen not to use coal and diesel in our refinery, but "cold" chemical processes, to considerably reduce emissions.

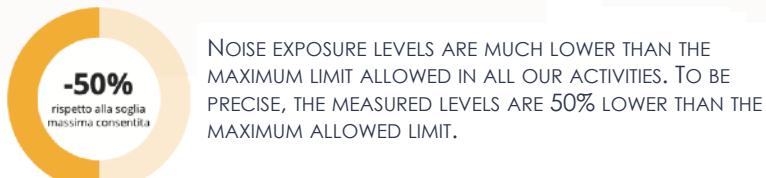
We also installed photovoltaic solar technologies in the upper part of our building and this was the first step towards the use of increasingly clean energy resources.

### SOME FIGURES

#### WATER CONSUMPTION IN m<sup>3</sup>



#### ENERGY CONSUMPTION



-90,45%	COMPARED TO THE MAXIMUM ALLOWED THRESHOLD - FOUNDRY EMISSIONS
-94,10%	COMPARED TO THE MAXIMUM ALLOWED THRESHOLD - HYDROGEN EMISSIONS
-99,30%	COMPARED TO THE MAXIMUM ALLOWED THRESHOLD - SULPHUR EMISSIONS
-61,90%	COMPARED TO THE MAXIMUM ALLOWED THRESHOLD - HYDROCHLORIC ACID EMISSIONS



# PLANNING THE FUTURE



In our 2020-2025 Business Plan, the protection of the environment, biodiversity and water, together with the well-being of our people, were the driving forces behind the project for the new Italpreziosi headquarters.

The Plan provides for a recovery system of the water used, with the consequent purification to allow reuse, thus reducing the amount of water used to a minimum.

The structure was designed for total energy efficiency, both through the use of renewable energy systems, and for external materials that allow high technological and innovative internal energy efficiency.

level, with the aim of reducing energy use for indoor heating and lighting.

The key concept of the project is "green", a constant coexistence with nature, which allows a greater well-being of our people and therefore of our performances.

The canteen will have at its base not only products at km 0 but also at cm0, following the innovative ideas of *vertical farming*. The idea will therefore be to make the most of the interior spaces, drastically reducing the impact on the external environment and the biodiversity that lives in it.

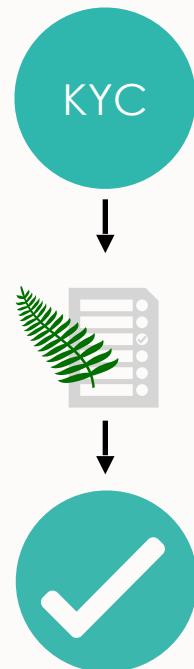


# "GLOBALLY"



Choosing responsible consumption and production is a crucial step that every single actor in the supply chain must take for a safer future for our planet.

In our **Know Your Counterpart** (KYC) onboarding procedures within the Compliance Department, careful analysis of all environmental documentation is carried out: all our suppliers, based on their activity, must present specific documentation attesting their commitment to maintaining adequate environmental standards. In addition, we always ask for additional information on any plans to reduce or totally eliminate impacts on the environment. We are also interested in detail of all the chemicals used in the process, which determine an important evaluation of the counterpart. We guarantee the highest standards of quality and sustainability through documented verification work followed by on-site visits to certify the veracity of the information obtained.



In 2019 we joined the GEF Gold Program Advisory Group (PAG), promoted by Planet Gold, which includes multi-stakeholders among the United Nations, NGOs, associations, private sector companies and public authorities. The project will be active in eight countries, and the goal is to work together to create projects involving small communities of artisanal miners and help them eliminate the use of mercury, one of the most harmful substances for the environment and human health, in line with the Minamata Convention.  
See p. 40





# CONSTANT ENHANCEMENT OF OUR PEOPLE



For us, bringing economic value together with human value in all our activities has always been a fundamental factor. In fact, our company exists only thanks to the work, determination and collaboration of our staff.

Our people are therefore our strength and represent a crucial asset in our activities. This is why we always try to grow with them, and pursue in our path sustainability.

We periodically conduct a Climate Work Survey, to monitor the well-being, performance and needs of our team.

OUR PEOPLE ARE OUR STRENGTH AND  
REPRESENT A CRUCIAL ASSET IN OUR  
ACTIVITIES.

51

NUMBER OF OUR DIRECT EMPLOYEES  
AT THE END OF 2019.

5 PEOPLE JOINED THE TEAM DURING THE YEAR  
AND 6 LEFT.



**5** GENDER EQUALITY



## GENDER EQUALITY

Our commitment to gender equality is constant. Our CEO, Ivana Ciabatti, has always been at the forefront to support initiatives that enhance women's rights, their potential, their genius and above all initiatives against violence (Women for Women).

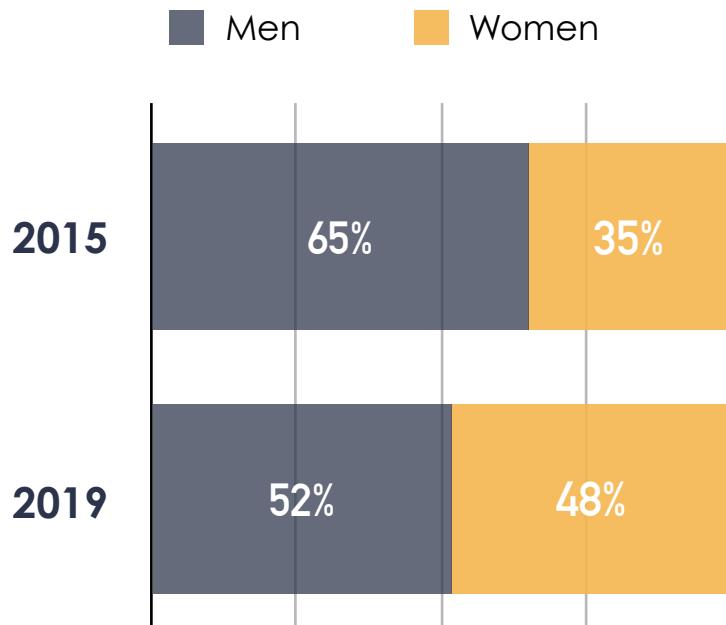
Our CEO is also a member of the international Women in Mining association, which involves women in the mining industry from all over the world.



**WOMEN  
IN MINING**

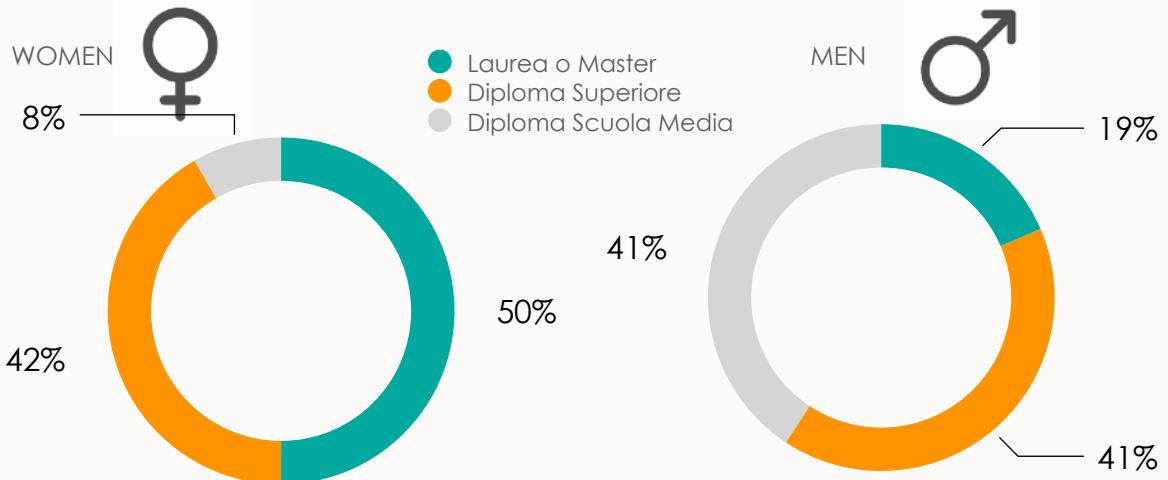
+13%

Our strength is consistency. In line with the SDGs, we have always tried to create equal opportunities and empower women, starting with our team: from 35% in 2015, today women represent **48%** of our workforce.



# EDUCATION AND TRAINING

4 QUALITY EDUCATION



Our team is made up of figures who have followed different training courses, specialising in many cases through experience in this sector.

Within our activities we always try to stimulate our staff through e-learning and updating material, at the same time we promote continuous training by guaranteeing courses of various kinds to meet the needs of our people and therefore of our company, to all levels.

48

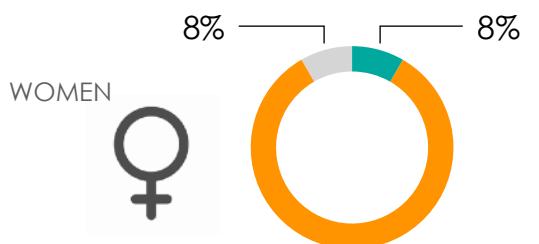
HOURS PER COURSE  
PER EMPLOYEE  
(VARYING  
ACCORDING TO  
DEPARTMENT)

15 HOURS FOR LANGUAGES  
24 HOURS FOR HEALTH AND  
SAFETY  
9 HOURS FOR COMPLIANCE  
AND UPDATING ON THE  
RESPONSIBLE SUPPLY CHAIN

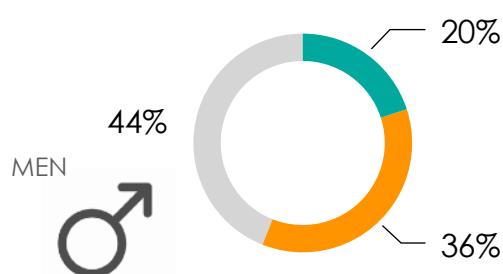




# EQUAL OPPORTUNITIES



● Responsabile  
● Impiegato/a  
● Operaio/a



Our goal is to reduce inequalities, promote equal opportunities and equal remuneration. A differentiated team is stronger and more creative, and allows a better enhancement of each part. It is not only a question of gender but also of generational change.



# WELL-BEING AND SAFETY

3 GOOD HEALTH AND WELL-BEING



In 2019 a new corporate welfare plan was established. We consider it a useful tool to increase the well-being of our people and their families.

Corporate Welfare ALLOWS US TO BETTER meet the personal and family needs of our people, without any burden, through the use of a series of benefits such as:

- the reimbursement of expenses related to school education (enrollments/fees for kindergartens, schools, purchase of school books, summer camps, etc.),
- reimbursement of expenses related to assistance to family members,
- Public transport pass
- Complementary welfare
- Vouchers for the purchase of goods (supermarket shopping vouchers, e-commerce shopping vouchers, fuel vouchers, etc.), Leisure-related services (cinema and theatre tickets or season tickets etc.) and Sports (gyms, sporting events, etc. .) and travel (travel packages, holidays, hotels, etc.) medical checkups.

For us, safety is a crucial aspect, and the goal is always to keep accidents at 0 levels, which is why our staff is trained periodically.

IN 2019 ONLY 1 PROFESSIONAL ACCIDENT OCCURRED

THE WELL-BEING OF OUR PEOPLE IS A KEY FACTOR IN OUR BUSINESS STRATEGIES



# TRANSPARENCY AND SUSTAINABILITY OF OUR SUPPLY CHAIN



For Italpreziosi responsible sourcing means guaranteeing **traceability** and **transparency**, fundamental elements for our business. Strict internal due diligence procedures ensure continuous control of the precious metal supply chain.

In addition to following the main international and national regulations, Italpreziosi adheres to voluntary standards, demonstrated through its own certifications. These certifications are issued by associations that represent an important round table to address the crucial issues affecting the entire chain of precious metals, from their extraction up to their use in finished products.

TRACEABILITY AND TRANSPARENCY ARE FUNDAMENTAL ELEMENTS FOR OUR BUSINESS

The voluntary reference standards originate from:

- **Chain of Custody (CoC) and Code of Practice (CoP) of the Responsible Jewellery Council (RJC)**,
- **Responsible Guidances on Precious Metals of the London Bullion Market Association (LBMA)**,
- **Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict Affected and High Risk Areas of the OECD**,
- **the World Gold Council "Conflict-free Gold Standard"**
- **CRAFT Code of Alliance for Responsible Mining (ARM)**



WE ARE MEMBERS OF:

## RESPONSIBLE JEWELLERY COUNCIL (RJC)

The association brings together over 500 of the most important companies in the world representing the entire gold chain, from mines to large jewellery manufacturers such as Cartier, Bulgari, Tiffany etc., of which Ivana Ciabatti was also a member of the Board of Directors. In 2013 Italpreziosi received the Code of Practices (CoP) certification and the "Provenance Claim" certification and in 2017 the Chain of Custody (CoC) certification.



## - LONDON BULLION MARKET ASSOCIATION (LBMA)

On September 1st 2008, Italpreziosi became Associate Member of the LBMA. Since 2018 it has been a "Good Delivery" certified refinery. Worldwide, only 69 refineries are certified. The association defines the gold bar production standards, promoting best commercial practices. LBMA represents the reference standard of the world OTC precious metals markets.



The solid managerial structure has been designed to meet the highest standards of compliance with national and international laws and regulations, as well as the standards that we voluntarily follow. The goal is to actively work towards the creation of a more **sustainable**, **responsible** and **fair** supply **chain** towards each individual actor who is part of it. Fair working conditions, prohibition of child labour, gender equality and respect for human rights are fundamental foundations of our due diligence processes, expressed in our policies. Our policies therefore represent a fundamental document for every business relationship, and we ask each counterparty to sign them, so that they morally commit to carrying out our own values for respect for the environment, human rights and communities.

Each stakeholder must therefore actively work in line with our policies. Our staff are constantly updated on internal compliance procedures, which are **progressive** and aim to continuously improve in line with industry standards. The collaboration between the various departments is constantly valued as a fundamental tool to guarantee continuous monitoring for each potential and already active counterpart. Our awareness of each of our counterparts is also constant in adhering to and applying the same standards that we have followed, to contribute to creating greater awareness of the possibilities we have to concretely improve our supply chain.

Among our policies:

— **SUPPLY CHAIN POLICY**

— **CODE OF ETHICS**

— **GRIEVANCE AND**

**WHISTLEBLOWING POLICY**



We are committed to promoting sustainable and ethical businesses that allow the creation of a more inclusive market for everyone and respecting the environment in which they operate. This is why we are active in associations and organisations to improve sustainability in the precious metal industry and to reduce environmental, social and health impacts.

For us, a sustainable approach means that we **care about who, where and how** this material is produced. Because every single actor is important in the supply chain.

From 2019 we joined the Program Advisory Group (PAG) of the GEF Gold project, (which stands for "Global Opportunities for Long Term Development in Artisanal and Small Scale Mining Programme"), promoted by Planet Gold. The project includes *multistakeholders*, including International Organisations such as OECD, UNDP, UNEP, UNIDO, specialised associations, the private and public sector, governments and authorities. The project involves eight countries with a high percentage of artisanal miners who in many cases, for disinformation and lack of support, process gold with chemicals that are extremely dangerous for their health and for the environment that surrounds them, i.e. mercury. In line with the Minamata Convention, the project aims to train and help these communities to avoid the use of mercury by replacing it with better techniques. In addition, formalisation processes will also be supported, which will allow access to the legal market and improve their living conditions.





# GOALS



## CREATION OF VALUE FOR OUR STAKEHOLDERS

Continue to create added value for our shareholders and stakeholders, supporting local development, where we operate and live.



## PROTECTION OF THE ENVIRONMENT IN WHICH WE LIVE AND

Continue to protect the environment both locally and globally, by making adequate checks and verifications both documentary and with visits in the supply chain. Continue planning and finalise the new infrastructure plan, the basis of which will be excellent protection for the environment in which we live, and the well-being of our people with a greater relationship with nature.



## CONSTANT ENHANCEMENT OF OUR PEOPLE

Our mission is to put people at the centre by continuing to protect and enhance our staff, promoting gender equality, equal opportunities and adequate corporate welfare. Among the objectives, increase training hours, diversifying the choice.



## TRANSPARENCY AND SUSTAINABILITY OF OUR SUPPLY CHAIN

Continue to guarantee the highest standards of integrity and ethics in our supply chain, supporting our counterparts towards a more sustainable path, and collaborating with international actors for the implementation of sustainable projects, including those supporting the communities of artisanal miners.



# ABOUT THIS REPORT

This Sustainability Report represents a big step for Italpreziosi, which has always silently operated in the most sustainable way by supporting its stakeholders. With this Report, we try to further promote the concept of sustainability in the precious metal chain.

Much of the information in this Sustainability Report has been verified through internal and third-party audits.

The Report will be drawn up annually.

## REFERENCE PERIOD

1st January 2019 - 31st December 2019

## GRI STANDARD

This report has been prepared in accordance with the GRI Standards: Core option

## CONTACTS

For more information on this Sustainability Report, you can contact the *Compliance and Sustainability Officer, Alice Vanni* (email: [alice.vanni@italpreziosi.it](mailto:alice.vanni@italpreziosi.it))

## REFERENCE TO THE GRI INDEX

GRI	No.	Notice	Page	Omissions
<b>Organisation profile</b>				
102	1	Name of the organisation	8	-
102	2	Activities, brands, products and services	8 - 12	-
102	3	Seat location	8	-
102	4	Place of activities	8	-
102	5	Ownership and legal form	8	-
102	6	Markets served	11	-
102	7	Size of the organisation	8	-
102	8	Information on employees and other workers	8:33:37	-
102	9	Supply chain	14	-
102	10	Significant changes in the organisation and in the supply chain	43	-



GRI	No.	Notice	Page	Omissions
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102	12	External initiatives	13, 26, 27, 31, 34, 38, 40	-
102	13	Membership in associations	13, 22, 38, 40	-
<b>Strategy</b>				
102	14	Statement by the highest decision-making body	7	-
<b>Ethics and integrity</b>				
102	16	Values, principles, standards and rules of conduct	4, 10, 16	-
102	17	Mechanisms for suggestions and concerns related to ethical issues	39	-
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102	18	Governance structure	10	-
102	22	Composition of the highest governing body and committees	10	-
102	23	President of the highest governing body	7, 10	-
<b>Stakeholder involvement</b>				
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102	42	Identification and selection of stakeholders	18 - 20	-
102	43	Approach and involvement with stakeholders	19 - 22	-
102	44	Key issues and main problems	19, 20	-
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102	46	Definition of the contents of the report and perimeter of the relevant topics	18	-
102	47	List of material themes	19, 20	-
102	48	Restatement of information	43	-
102	49	Changes in material issues and related perimeter	-	This is the first Sustainability Report
102	50	Reporting period	43	-
102	51	Date of the most recent report	-	2019



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102	53	Useful contacts related to requests on the report	43	-
102	54	Declaration of Conformity with GRI Standards	43	-
102	55	GRI Content Index	43 - 47	-
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302	1	Energy consumption in the organisation	29	-
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103	2-3	Evaluation of the management approach	28, 29, 30	-
303	1	Water consumption in the organisation	29	-
GRI	No.	<b>Emissions</b>		
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103	2-3	Evaluation of the management approach	28, 29, 30	-
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408	1	Operations and suppliers at significant risk for child labour accidents	39	-
GRI	No.	<b>Forced or compulsory labour</b>		
103	1	Perimeter of the material theme	38, 39, 40	-
103	2-3	Evaluation of the management approach	38, 39, 40	-
409	1	Operations and suppliers at significant risk of accidents, for forced or compulsory work	39	-



GRI	No.	Notice	Page	Omissions
GRI	No.	Evaluation of suppliers on social aspects		
103	1	Perimeter of the material theme	38, 39, 40	-
103	2-3	Evaluation of the management approach	38, 39, 40	-
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