

Ethical Code





NERI

ROMUALDO S.p.A. 



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Ethical Code

We have drafted this Ethical Code in order to clearly define our fundamental ethical values, establishing them as the basic element of our corporate culture and the standard of behaviour incumbent on all our collaborators during the execution of their duties.

Introduction

1. Mission

Neri Romualdo S.p.A., founded in 1972 by Romualdo Neri, is now under the leadership of the family's second generation team composed of Danilo, Carlo and Luana; respectively: CEO, Production Manager and Administration Manager.

The company boasts a varied range of gold jewellery, from the classic and modern neck chain to more modern and trendy product lines. With a share capital of €1,500,000, 100% owned by the Neri family, it is present throughout the world's major jewellery distribution chains.

Today, despite the crisis in the gold sector, the company has decided to take on new challenges for the future by investing and reaching out to new markets. The company has decided to invest in respecting the environment and people, leveraging sustainability as the new corporate focus. The *"go green" imperative*, i.e. that culture which espouses environmental and social responsibility, is officially entering the company, driven by the awareness that the current trend is more than a reputation strategy and, indeed, represents the outcome of a new vision.

In March 2013, the company undertook a new project in collaboration with a non-profit organisation, the Responsible Jewellery Council (RJC).

The overall goal is the establishment of a global supply chain which promotes trust in the global jewellery industry. RJC certifies all those large and small companies that can demonstrate compliance with the provisions of a code of conduct in matters of social and environmental responsibility.

2. Structure of the Ethical Code

Neri Romualdo S.p.A. has decided to draft a formal company document listing the values in which it believes, defining them clearly and sharing them with its collaborators.

This document is entitled the 'Ethical Code'. In terms of structure, it is divided into five main parts. This introductory section is followed by the second and third parts, in which the fundamental values and rules of conduct are defined. The rules of conduct have been set out with the aim of explaining the reciprocal relationship (rights/duties) linking the company to its stakeholders in relation to the issues considered. Thence follow the sections illustrating the Ethical Code implementation methods and the final provisions.

Values

1. Ethics in business management

We are committed to:

- Governing and conducting the business in full compliance with ethical standards, ensuring integrity, transparency and compliance with prevailing legislation.
- Not practising bribery and/or corruption, through appropriate measures of control and vigilance.
- Not offering, accepting nor allowing any payment, gift in kind, hospitality, expense or promise that may compromise the principles of fair competition or constitute an attempt to obtain or entertain business for or with, or to direct business to any person; to influence the course of the activity or government decision-making process.
- Disclosing full and detailed knowledge of the features of the products we sell.
- Implementing appropriate measures to ensure the integrity and safety of our products within the company and in the course of shipments to prevent theft, damage or replacement of the same, in all cases ensuring that personal safety and security supersedes those of the products.
- Respecting the principles of confidentiality and protection of confidential data.
- Respecting values such as: equity and equality, protection of the person, diligence, transparency, honesty, confidentiality, impartiality and protection of health.

1.1 Transparency in Accounting Information and Financial Disclosures

We are aware of the importance of transparency, accuracy and completeness of accounting information and financial reporting (financial statements, periodic reports, prospectuses, etc.). We thus strive for a reliable administrative-accounting system capable of correctly representing management and financial scenarios, in as far as possible providing the tools required for identifying, preventing and managing financial and operational risks and fraud which may threaten the company. Each operation must be based on adequate documentation and should be reasonably verifiable. All accounting records that form the basis for the preparation of financial statements must be drawn up in a clear, truthful and correct manner and carefully kept by the company departments responsible for drafting them.

1.2 Anti-money laundering

We are committed to ensuring that our economic and financial activity does not become an instrument that may favour, even potentially, illegal activities and criminal and terrorist organisations.

Cash payments are made up to the maximum threshold of €999.991.

For foreign customers who pay in cash, a bank transfers from banks within the customer's country shall not exceed €15,000 in value.

2. Human rights

- We respect the fundamental human rights and dignity of the individual, according to the Universal Declaration of Human Rights established by the United Nations.
- We do not exploit child labour (consistent with Recommendation no. 146 and ILO Convention No. 138 according to which: *"The minimum age for admission to work (...) cannot be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years". "The minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years."*).
- We undertake not to resort to any form of labour associated with forced practices, under bonded regimens, restrictive contracts or prison work, and not to limit the freedom of movement of employees and subordinate workers.
- We are committed to ensuring high standards of health and safety in our offices and business.
- We are committed not to hinder the free association of workers.
- We undertake not to discriminate against race, ethnicity, caste, country of origin, religion, disability, gender, sexual orientation, union membership, pregnancy, political affiliation, marital status, physical appearance, age or other restriction not allowed in the workplace, so that all people "suitable for work" are given equal opportunities without discrimination based on factors not related to their ability to perform the intended task.
- We do not resort to the practice of corporal punishment under any circumstances nor to practising degrading treatment, harassment, abuse, coercion or intimidation in any form.
- We undertake to comply with current legislation, in terms of working hours and remuneration or, in the absence of such legal provisions, to adopt the prevailing standards in the sector.

3. Environmental Protection

- We are committed to carrying out our business responsibly in the environmental context.
- We are committed to managing the environmental impact of our work by eliminating or minimising negative effects on the environment, striving, where possible, to reduce air, water and soil emissions.
- We are committed to disposing of waste substances in compliance with prevailing legislation.

The company has long anticipated regulations regarding the use of substances harmful to human health and the environment, such as cadmium (Cd), lead (Pb), nickel (Ni) and trichloroethylene. Always in line with environmental protection practices, in 2010, the company decided to produce its own energy through the construction of photo-voltaic solar panels on the roof of its plant, replacing the previous roof made of fibre cement (more widely known as 'eternit', the registered trademark of the substance and name of its manufacturing company), a material that is harmful to human health and the environment.

In 2011, the company built a 1 MW ground-mounted Photo-voltaic plant capable of generating approximately 2/3 times its own energy needs.

With the two plants, the company achieves the following results in a year:

CO₂ emissions avoided	→	770,828 Kg
Total energy produced	→	1,452,770 kWh
Equivalent trees	→	100,259
Litres of oil saved	→	316,538 L

Rules of conduct

1. Relations with employees

1.1. Valuing individual skills

We appreciate creativity and professional skills. Our fundamental aim is to allow each employee to better express their individual potential and to encourage them to make good use of their talents. This is why we turn our attention to:

Training and accountability

We are committed to offer regular training, both in terms of work performance required and of the accountability of our employees to follow the rules of conduct and the correct use of corporate assets.

Listening and dialogue

We are committed to listening and engaging in a dialogue with our employees to try to bring together, where possible, the needs of the company with their personal and family needs.

For any complaint and/or issue within the company, staff may contact our Employees Representative who will present such grievances in writing (as per CCNL [National Collective Labour Contract]) to the management.

Encouraging a spirit of belonging

We endorse and encourage a spirit of belonging among our employees, promoting an internal atmosphere of cooperation, exchange of professional know-how, indispensable for pursuing the company's mission. In order to facilitate the fulfilment of the commitments undertaken by the company, employees are required to:

- do their best during training activities;
- responsibly manage requests for time off due to personal or family needs, thus making it possible to establish a relationship of mutual trust with the company;
- behave correctly and professionally with colleagues, avoiding competitive and ethically incorrect behaviour.

1.2 Health and safety

We are committed to providing a healthy and safe work environment, where the physical and mental integrity of each employee is safeguarded thanks to the highest level of personal protection and accident prevention, and through a constant eye to improving safety conditions. For the company to fulfil the commitments undertaken, employees are required to be willing to participate in training events in the field of health and safety, as well as to pay close attention to the information they receive and comply with all internal provisions in the matter.

1.3 Equal opportunities

We are committed to guaranteeing the same opportunities to each employee with no discrimination on the grounds of sex, race, religion, political, personal and social opinions. In this regard, we apply merit and ability criteria without discrimination, during each phase (selection, recruitment, training and wage progression).

Complying with the principles contained in this Code of Ethics is considered an important indicator in the application of incentive systems and professional growth.

2. Customer relations

2.1 Commitment and professionalism

We are committed to placing our professionalism at the service of our customers, with the aim of creating lasting relationships and mutual esteem with them.

2.2 Attention to the customer

We base our relationship with our customers on the value of care, both to provide unique creations that match the clients' taste and expectations, and to manage any complaint with great earnestness and professionalism.

2.3 Confidentiality

We hold in the strictest confidence our customer's confidential details and the exclusive products that we make for them. Our employees may not use and/or disclose any reserved information acquired at work without prior permission.

3. Relations with suppliers and business partners

3.1 Transparency in selection

We choose our suppliers and our business partners using merit-based criteria founded on professionalism, solidity and economy, applying internal procedures to ensure the best traceability and transparency. In particular we only use gold from refiners or suppliers of fine metal, gold or silver, included in the LBMA Good Delivery List, RJC certified, according to SRSP, EICC-GESI and according to OECD Guidelines.

3.2 Awareness and training

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We are committed to raising awareness among our suppliers and business partners on the matters of this Code of Ethics, in order to demand compliance with the rules of conduct consistent with those set out above, especially with regard to respect for human rights and workers, the rights of children and to the sustainable and responsible management of environmental and social impacts.

3.3 Honesty in relationships

We are committed to establishing relations of fairness and transparency with our suppliers and our business partners and to establish fair contractual conditions.

Suppliers and business partners are required to guarantee the utmost professionalism, earnestness and punctuality in performing the required services.

4. Relations with the market

4.1 Fair competition

In pursuing our mission, we are committed to respecting the rules of fair competition and transparency in business, comparing ourselves with our competitors in a sincere and collaborative way.

4.2 Handling sensitive information

We are committed to dealing with the utmost confidentiality and in compliance with the relevant legislation, any sensitive or privileged information regarding the company, customers, suppliers, business partners and competitors.

5. Relations with the environment

We promote sustainable management practices, efficient to minimise the harmful impact on the environment.

Our staff is required to make sensible use of paper, water and electricity during their daily work, and comply with the provisions on waste recycling.

6. Relationships with the Public Administration

We are committed to providing utmost integrity and transparency in dealing with Watchdog and Supervisory Authorities, with the Judiciary and in general with any Public Official.

Implementation procedures

Without prejudice to the powers of the corporate bodies pursuant to the law, all recipients of the Code of Ethics are required to:

- actively contribute to the implementation of the Code of Ethics within the scope of their skills and functions;
- know and observe the principles and contents of the Code of Ethics in relation to the tasks performed and the functions assigned;
- comply with all the internal provisions introduced by Neri Romualdo SpA in order to implement the Code of Ethics or identify any violations thereof;
- report any presumed violations of the Code of Ethics to the Chief Executive Officer.

The individuals who hold positions of supervision, accountability or management must be of example and provide guidance in accordance with the principles contained in the Code of Ethics towards their subordinates and make sure that they are aware that the company's business must always be conducted in compliance with the principles of the Code of Ethics.

Final provisions

Our policy regarding the Responsible Jewellery Council (RJC) and all its provisions is reviewed by us once a year. The relative information is added to this Code of Ethics.

This Code of Ethics is approved by the Board of Directors of Neri Romualdo SpA, any change and/or update to the Code must be submitted to the approval of the aforementioned Board of Directors. The document can also be consulted on the Internet site www.neriromualdo.it

Arezzo, 3rd March 2015

Danilo Neri
CEO
