

# VHERNIER

MILANO



## REPORT ON SUSTAINABILITY

SUSTAINABILITY REPORT 2022  
*(January 1, 2022 – December 31, 2022)*



With a unique approach in the world of jewelry, Vhernier conceives innovative creations that are entirely crafted in Italy. We have always aimed for the highest creative and executive excellence while giving priority to our activity's ethical dimension.

This first Sustainability Report represents an important milestone for Vhernier. We have decided to embark on our path towards sustainability and anticipate future European requirements on non-financial reporting.

Transparency and method are the key words used to enhance the initiatives and projects carried out this year by Vhernier, identifying the impacts that matter most to the Company and to our stakeholders, in terms of environmental, social and business sustainability.

**KNOWLEDGE PARTNER**  
**The European House-Ambrosetti**

## OPENING MESSAGE

Dear readers,

Our beauty story began over 20 years ago, when the family acquired “La Casa Vhernier”, then a small jewelry atelier in Valenza, Italy. It was the beginning of a path of development, innovation and experimentation in high jewelry. A path that has allowed us to develop unique creations anchored in bespoke craftsmanship, the same that characterizes the savoir faire of our Master Goldsmiths, who sculpt Vhernier creations entirely by hand, with a combination of purity and sensuality, and a touch of sophisticated originality.

The enthusiasm with which we embarked on this path did not slow down during the years of the pandemic. We chose to react with determination, strengthening our collections and doubling the revenues deriving from them. These results were achieved thanks to our team’s dedication, a team that represents the engine for our vision, and has faced increasingly ambitious challenges with courage and conviction.

We are keenly aware that the search for beauty must be both aesthetic and ethical. For this reason, we decided to strengthen our commitment to sustainability by drawing up Vhernier’s first Sustainability Report. This document represents the first step in our sustainable transition path: an important step in sharing our results with our people, our customers and all the actors with whom we work, exchange, and create each day.

This experience has allowed us to consciously apply our values, looking at our actions today and those we want to achieve in the future with the precious support and contribution of our Collaborators.

We are proud of the results achieved and we’re determined to pursue our commitment to sustainability, innovation and to the excellence of our precious creations, inspired by great sculptors of the 1900s and contemporary Italian beauty.

Happy reading!  
Maurizio Traglio, CEO



Isabella Traglio



Carlo Traglio



Maurizio Traglio

## VHERNIER, BEAUTY SCULPTOR

### ABOUT US

The uniqueness of Vhernier, a jewelry house that produces its creations entirely in Italy, comes from the choice of creating a different type of jewel, whose beauty and value come from research on form as well as from the workmanship and high quality of the materials used.

Forerunner and protagonist of the design revolution in the world of jewelry, Vhernier innovates through its inspiration by the pure forms of modern sculpture: Constantin Brancusi, Barbara Hepworth, Max Bill are some of the sculptors from whom Vhernier draws inspiration for its bold and clean volumes. Vhernier's revolution also lies in conceiving jewels that live in harmony with the body: not only beautiful to look at, but with which, and in which, to live.

The first prototypes of Vhernier jewels were imagined in the mid-80s, the result of the work of a creation and production atelier. The powerful beauty of their simplicity conquered our first customers starting at the very opening of our first boutique in Milan, in 2002. Today, Vhernier is a House of creation, sculpting innovative design jewels with pure Milanese elegance.

### Vhernier's values

Vhernier's highly recognizable style is based on a strong and well-rooted identity. There are four key values on which the brand identity is built:

- **Simplicity:** Vhernier's point of view is a point of view on beauty. And the search for beauty is above all a search for what is essential.
- **Sensuality:** jewels, an expression of beauty, must invite one to touch them, not just to be admired. Because jewels are to be lived in.
- **Experimentation:** nothing bold and different is easy. This is why it is necessary to invest in research and develop new shapes and forms of beauty.
- **Craftsmanship:** According to Vhernier, handmade creations have a soul. And only as such do they become interpreters of beauty.



## Vhernier's iconic Creations

### Abbraccio

A plate of gold attached to itself. Abbraccio is the parent jewel of our sculptural rings, which perfectly exemplify Vhernier's desire: that of solving complexity with an extremely simple design. A part of our collections since 1994 and interpreted in different variations, it is still one of our most successful creations.



### Calla

Vhernier's iconic collection: its lines are inspired by the conical shape of the flower from which it takes its name, purified to its very essence. Its bold and sensual volumes caress the body. Initially conceived as a necklace, Calla is the essential shape with which Vhernier has played the most in terms of materials and dimensions.

This collection has expanded to include rings, bracelets, pendants and earrings whose shapes reveal all the strength and power of simplicity - the basis of every Vhernier jewel.



### Eclisse

Eclisse's beauty reveals another fundamental character trait of the House's style: a sense of mystery. The bold and generous shape of this ring is traversed by a clean cut that reveals the unexpected light of diamonds or the color of stones. Created in 2015, it joins the family of sculptural rings. Beloved since its debut, Eclisse exemplifies Vhernier's understated elegance.



### Palloncino

A collection in which the prodigious superimposition of perfect rock crystal cabochons with dazzling stones creates an extraordinary chromatic effect and, pursuing its sculptural approach to shapes and form, visibly merges into a single and continuous element with gold. This lively design has been successful since 1995, the year of the launch of its earrings. Launched in the form of a ring in 2021, it is now a full-fledged Vhernier icon.

### Mon Jeu

A classic that revolutionizes the concept of the chain and reconfirms Vhernier's unconventional vision of jewelry. The shape of the modular elements, carved in pure contemporary design, allows one to add or remove meshes, chosen from different materials such as rose or white gold, gray or black titanium, and signature processes such as pavés in diamonds or colored stones, for infinite combinations.



### High jewelry

At Vhernier, everything always starts with form, even in high jewelry creations. The gems, always and only of the highest quality when used, enhance the design, adding further value and preciousness to creations that become unique and even more extraordinary. Jewels such as the Calla Caviar necklace in a full pavé of black diamonds or the Velvet necklace entirely made of titanium and diamonds and with a splendid 27-carat sapphire are the demonstration of an approach to high jewelry that enhances the form in addition to the material, and of an executive excellence that goes as far as inventing new processes to create new forms of beauty.



## HOW A VHERNIER JEWEL IS BORN



**Creation is central to Vhernier.** Everything always starts from the shape or form. The thought process aims above all for simplicity, while solving complexities. The understated, almost spontaneous result conceals a meticulous study.

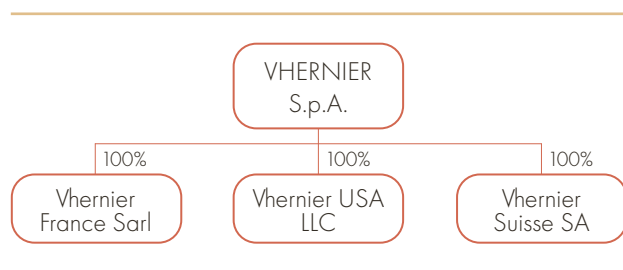
The jewels are characterized by **energy, which is released by shapes that express movement, strength, and tension.** A sense of mystery is revealed in hidden details or visual effects such as those of Transparencies. Curves, smooth surfaces, generous volumes underline sensuality, with a constant quest for pure lines, derived from the fluidity of its forms and the search for essentiality.

Entirely autonomous in its design and development of a product, the **House of Vhernier produces its jewels entirely by hand in Italy using the skills of highly qualified Master Goldsmiths.** With total control of all production phases, each creation is assigned a unique code for total transparency.

At the helm of the House is a family spirit, rich in complementary talents that spans two generations. **Vhernier's philosophy is based on innovation and a proprietary design style, the use of techniques and materials of the highest quality, craftsmanship made in Italy and total traceability.** These elements combined are the key to the distinctive value of Vhernier jewelry.

## VHERNIER'S GOVERNANCE

The Vhernier Group, founded in 1984, is led by the parent company Vhernier S.p.A. (VIT), a company incorporated under Italian law that holds full ownership of the Vhernier trademark. In 2001, the House of Vhernier was acquired by the Traglio family.



Over the years, the Group has progressively expanded its international network of business activities, consolidating its presence in the main European markets, as well as in the US market, through the establishment of foreign subsidiaries active in the distribution of Vhernier jewelry in their respective geographical markets. It operates directly, as well as in the domestic market and distribution worldwide, through its own foreign subsidiaries, in the US market through the subsidiary Vhernier USA LLC, the French market through Vhernier France SARL, and the Swiss market with Vhernier Suisse S.A. The

Group companies operating in foreign markets are all 100% directly controlled by the Italian parent company VIT, which therefore includes the management and coordination activities typically related to the function of parent company.

The Group is an aggregation of legally autonomous and independent corporate companies, each of which, as part of a strategic coordination activity and unitary general direction by the parent company, constitutes an independent marketing and retail and wholesale promotion center for Vhernier brand products, in their respective territorial sectors of competence.

Vhernier S.p.A. ha un sistema di governance composto Vhernier S.p.A. it has a governance system composed of two bodies: one for deliberation, with the **Shareholders' Meeting**, and the other for management and representation, with the **Board of Directors**.

The Board of Directors is composed of five members and has the task of providing for the ordinary and extraordinary management of the company. The term of office of the Directors is annual and they may be re-elected.

Composition of the highest governing body

Members	Role	N. positions held	Gender	Skills
CARLO TRAGLIO	President	3	M	General Affairs
MAURIZIO TRAGLIO	CEO	7	M	Strategic development and coordination
ISABELLA TRAGLIO	Principal Executive/Proprietor	2	F	Production and creativity
PAOLA OGLIARI	Principal Executive/Proprietor	1	F	Finance and Control
ANGELO RIVA	Councilor	N.D.	M	Control Councilor

The **supervisory body**, i.e., the Board of Statutory Auditors, is composed of three permanent members and two alternate members appointed by the Shareholders' Meeting. The statutory auditors remain in office for three years and may be re-elected.

Members	Role	Gender	Skills
LUCA BONANNO	President	M	Internal audit
FABIO VENEGONI	Internal Auditor	M	Internal audit
MICHELE MALFITAN	Internal Auditor	M	Internal audit

*Composition of the Board of Statutory Auditors*

In order to ensure maximum fairness and transparency in the business and to prevent possible illegal conduct, Vhernier has adopted a **Management, Organization and Control Model** (pursuant to Legislative Decree 231 of 2001). A **Supervisory Body** has been appointed with full and autonomous powers to update, intervene and supervise the functioning, effectiveness and observance of the Model.

As an integral part of Model 231, Vhernier has adopted a **Code of Ethics** that incorporates its mission and values into rules of conduct for all employees and for all those who work with and

for the Company. In addition, Vhernier has set up a whistleblowing channel, articulated in a dedicated mailbox that guarantees confidentiality and facilitates the flow of information.

In 2022, Vhernier generated a total economic value of approximately €28 million, of which approximately 91% was redistributed along its value chain and among its suppliers (68%), employees (20%) and the Public Administration (1.4%). The economic value retained by the Company has been entirely reinvested in innovation and development activities.

	2022	2021	2020
Economic value generated	28.300.945	22.076.186	13.123.724
Distributed economic value	25.408.252	19.577.926	15.134.104
Operating costs	19.242.678	14.388.125	10.755.724
Value distributed to employees	5.823.606	4.868.176	4.378.380
Value distributed to capital providers	267.729	288.000	-
Value distributed to the PA	303.545	284.460	380.742
Value distributed to shareholders	-	-	-
Economic value retained	3.969.543	3.633.815	-2.559.894

## THE ROUTE TO SUSTAINABILITY

Vhernier's starting point is beauty. And for the home, beauty must go hand in hand with ethics. For Vhernier, aesthetics means the daily pursuit of creative and executive excellence, while ethics guide the company to adopt behaviors that improve the environment and society. This complementarity between aesthetics and ethics has a real and concrete impact on many decisions and business choices. Therefore, **Vhernier decided to start its sustainability journey by publishing its first Sustainability Report.**

With its first Sustainability Report, Vhernier intends to provide its stakeholders with two types of information in a transparent manner. First, the general information that is essential to understand the key characteristics of the company, related to governance, business ethics and economic-financial performance. Secondly, the specific information selected according to the most significant themes and impacts for the organization. potential positive and negative impacts generated and suffered related to its activities and value chain.



## RESPONSIBLE BEAUTY: THE CHALLENGES OF SUSTAINABLE JEWELRY

### The world has proof of climate change

**+2,7°C**

the global temperature increase expected by the end of the century, of which 1.1°C has already been reached  
(IPCC, 2021)

**-55%**

the European target of reducing greenhouse gas emissions by 2030, compared to 1990 levels  
(Fit for 55, 2021)

**+22%**

growth of the personal luxury goods market in 2022, with a value of €353 billion  
(Altgamma, 2022)

**+6%**

expected growth in average luxury market EBITDA  
(Altgamma, 2022)

**+20-30%**

of global jewelry sales in 2050 will be influenced by sustainability considerations  
(McKinsey, 2021)

**3%**

of consumers are willing to pay a higher price for sustainable jewelry  
(BCG, 2022)

Human activities have already contributed to **an increase in average temperature of about +1.1°C compared to pre-industrial levels<sup>1</sup>**, making 2022 the hottest year ever in the world<sup>2</sup>. To prevent further temperature increases, the scientific community has estimated that global emissions should be reduced by 43% by 2030 and reduced to zero by 2050.<sup>3</sup>

However, climate models indicate that the level of future warming will depend on the actions we take today. Only a rapid and decisive reduction by 2030 could contain the increase in the global average temperature within the limits of 1.5°C compared to the pre-industrial era. Conversely, if emissions remain stable or increase, **models predict a temperature increase of around 4.5°C by the end of the century.**<sup>4</sup>

The **European Union, with the Green Deal, intends to play a leading role in the fight against climate change**, with the aim of becoming the first continent to reach carbon neutrality by 2050, developing intermediate targets for 2030<sup>5</sup>. Companies also have a crucial role to play in the fight against climate change, as they must contribute to improving their sustainability and at the same time protect themselves from the economic and environmental consequences of rising temperatures. A study by Swiss Re showed that an increase of 3.2°C compared to pre-industrial levels could cause a reduction in global GDP of 18%.<sup>6</sup>

<sup>1</sup> IPCC, Climate Change 2022: Impacts, Adaptation and Vulnerability, 2022

<sup>2</sup> ISAC e CNR, Climate Monitoring for Italy, 2023.

<sup>3</sup> United Nations Framework Convention on Climate Change, 2022

<sup>4</sup> IPCC, Climate Change 2022: Impacts, Adaptation and Vulnerability, 2022

<sup>5</sup> Commissione Europea, Strategia a lungo termine per il 2050, 2023

<sup>6</sup> Swiss Re: "World economy set to lose up to 18% GDP from climate change if no action taken, reveals Swiss Re Institute's stress-test" 2021

## The challenges of the global jewelry market

Sustainability is also an increasingly central theme in the **luxury jewelry market**, which, despite the economic challenges of recent years, **has shown considerable resilience**. The pandemic has also shaken the luxury and high jewelry markets: in 2020, personal luxury goods such as fashion, jewelry, accessories and cosmetics suffered a significant reduction, especially due to the closure of physical stores and to travel restrictions<sup>7</sup>. To face the crisis, many companies in the sector invested in e-commerce and have strengthened their online presence, developing increasingly personalized websites and applications. Others have created new products and collaborations in line with the values of sustainability, experimenting with eco-friendly materials and production processes with low environmental impact.<sup>8</sup>

In 2022, the personal luxury goods sector saw a recovery with growth of 22%. The market generated growth across the board for most brands, with the US, Europe and Asia (excluding China) leading the way. For 2023, the outlook remains positive despite macroeconomic uncertainty. Rising energy costs, rising inflation and shortages of raw materials could be significant headwinds, but forecasts still point to an estimated 5% growth for the luxury market in Europe and the United States. The global macroeconomic situation could also affect different consumer segments, making them more cautious in spending on luxury goods, but jewelry should continue to benefit from its positive trend.<sup>9</sup>

## Sustainability in jewelry: the impacts of raw materials

High jewelry and the luxury sector in general are becoming increasingly aware of the importance of sustainability at the business level. Social and environmental pressures are driving industry leaders to consider the impact of their business on the environment and society, adopting sustainable business practices to meet the needs of the most sustainability-conscious consumers.

According to some forecasts, **by 2025, 20-30% of global jewelry sales will be influenced by sustainability considerations**<sup>10</sup>, thanks to consumers being increasingly attentive to the environmental and social impact of the raw materials used for jewelry production. However, **only 3% of consumers today are willing to pay a higher price**<sup>11</sup>.

The integration of sustainability into the high jewelry sector remains crucial to mitigating the environmental and social impacts of the extraction of raw materials used, such as diamonds and gold. The **extraction of one carat of diamond**, in fact, **requires the movement of about 250 tons of earth**<sup>12</sup>, with consequent impacts on biodiversity and soil consumption. Mining produces mining waste and causes water pollution, and it can also have social consequences. In South Africa, **illegal gold mining accounts for a tenth of annual production**, often involving minors. In Burkina Faso and Niger, between 30 and 50% of the orpailleur (gold panner) workforce is made up of children under 18, 70% of whom are under 15 years of age<sup>13</sup>. Wages also often fall short of the minimum wage, with daily pay hovering around as little as \$3 for miners in some regions of the world such as Ghana, Peru and Mongolia.<sup>14</sup>

<sup>7</sup> Osservatorio Altgamma, Altgamma-Bain Worldwide Market Monitor 2020

<sup>8</sup> Osservatori.net: eCommerce e Covid-19, 2022

<sup>9</sup> Osservatorio Altgamma, Altgamma-Bain Worldwide Market Monitor 2022

<sup>10</sup> McKinsey, State of Fashion: Watches and Jewellery, 2021

<sup>11</sup> BCG climate and sustainability consumer survey, 2022

<sup>12</sup> Diamond Council of America (2015) Discovery and Mining, the diamond course

<sup>13</sup> Terre des hommes (2018) con il supporto di UNICEF

<sup>14</sup> "2019 State of the Artisanal and Small-Scale Mining Sector," The World Bank Energy and Extractive Industries Global Practice, Pact, Surrey Business School University of Surrey, the Crawford School of Public Policy Australian National University, and Urban Studies and Planning University of Sheffield

## TOWARDS MORE SUSTAINABLE QUALITY

### RESPONSIBLE AND ENVIRONMENTALLY FRIENDLY SOURCING

Attention to environmental, social and ethical factors is fundamental in jewelry to ensure the sustainability of its supply chain, protect the health of workers and mitigate climate risks, while ensuring product quality and excellence.

Each jewel has a story that begins long before the moment in which it is admired being worn. From the extraction, transport and processing of materials, all requiring great attention to respecting the environment and the people involved. Gold, precious stones, metals and diamonds require a complex extraction process, which takes place through special techniques, from open-cast mines or underground deposits.

For example, to extract a single carat of diamonds you must process about 5 tons of kimberlite or sift about 20 tons of sand.<sup>15</sup> Even the extraction of gold is articulated through numerous phases to separate it from all the other substances contained in the rock, melt it and refine it to eliminate any impurities and obtain a product of greater value. Once the semi-finished products are obtained, the precious metals are processed further, while the precious stones are cut to reach the desired shape. Finally, the "finished" products are sold to the various brands to be processed and transformed into jewels that we can admire and wear.

Choosing with care and attention the raw materials and making sure they come from a responsible supply chain, respectful of workers' rights and the environment, is the first step towards the creation of ethical and sustainable jewelry that conveys not only beauty but also authentic values.

**The Company, where possible, chooses the path of sustainability in the selection of its suppliers, favoring the procurement of materials that are both ecologically and socially sustainable. Such as, for example, using only ebony that comes from very old or fallen trees.**

This attention is also required of suppliers who are required to **comply with specific requirements and provide certifications, such as the Kimberley Process for diamonds or the RJC (Responsible Jewelry Council) for gold and diamonds.** Vhernier makes sure to personally monitor compliance with these rules with frequent visits to its suppliers.



<sup>15</sup> kimberleyprocess.com

### **KIMBERLEY PROCESS**

The Kimberley Process (KP), established in 2003, is a **global agreement to eliminate blood diamonds from the supply chain**. The KP is open to all countries that are willing and able to implement its requirements. It has **59 participants**, in 85 countries, representing about 99.8% of global rough diamond production.

One of the main instruments of the KP is the Kimberley Process Certification Scheme (KPCS), a certification agreement that ensures that profits from the diamond trade are not used to finance conflicts or wars. To participate in the agreement, each producing state must provide sufficient guarantees on its diamond production. The KPCS imposes strict standards on participants, such as the need to meet minimum requirements and establish national legislation and a system of import and export controls. In addition, participants must certify their shipments as conflict-free and provide supporting certification that they trade only with other KP members. The KP and KPCS aim to ensure that diamonds are extracted, processed and marketed in an ethical and responsible manner with respect for the environment and the people who work there.

### **RESPONSIBLE JEWELRY COUNCIL**

Founded in 2005, the Responsible Jewelry Council (RJC) is the leading global organization for standards and certification for the jewelry and watch industry. RJC has a global set of standards that provide clear and independent safeguards to promote responsible rules and operating practices in the jewelry industry. The main objective of the RJC is to build a responsible supply chain that goes from the mine to the end user through the processing and the sales network.

RJC certification can be obtained by all economic operators in the jewelry supply chain and is based on **two main standards**. The first is the RJC **Code of Practice (COP)**, which **defines the ethical, responsible human, social and environmental rights practices** to which all certified RJC members must adhere. RJC - COP certification is mandatory for all members who join the RJC within 2 years from the date of enrollment.

The second standard is the **Chain of Custody (COC)**, which **sets out an approach for companies to manage and trade group metals, gold, silver and platinum, in a fully traceable and responsibly sourced manner**. The CoC is voluntary and completes certification under the RJC Code of Conduct, which is mandatory for all RJC members.



## CERTIFIED QUALITY AND RECOGNIZABILITY

The combination of unique design, high standards of quality and product conformity, and proper certification, are essential factors for the success of the jewelry industry, as they contribute to ensuring product excellence and their distinctiveness in the market.

For Vhernier jewelry, quality is an essential pillar. To ensure that quality is maintained throughout the production process, each Vhernier jewel is subjected to rigorous quality controls carried out by the dedicated internal team, which identifies and corrects any imperfections.

Vhernier uses classic jewelry materials, in their highest quality, but it has also been a pioneer in the use of unusual materials such as ebony, jais, titanium, bronze and aluminum, which the House enhances by coupling them with gold, diamonds and pavés.

### GOLD

Our gold is 18KT, always certified (RJC), nickel-free, and totally hypoallergenic. Vhernier uses only rose gold and white gold. The specific shade of Vhernier’s rose gold has been developed with the ambition to enhance any complexion, to be understated even when used for larger surfaces. For our jewelry in white gold, the gold is often not rhodium-plated: a natural nuance that makes the jewel more sculptural.



### COLOR STONES

Jade, carnelian, lapis, turquoise, mother of pearl are some of the colored stones that Vhernier uses most frequently, specially cut by hand from the rough to adapt to the jewels’ design.



## DIAMONDS

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Our diamonds are strictly natural: color, clarity and above all cut, with excellent symmetries and proportions. In fact, only perfect stones can give that uniformity and luminous softness to our pavés, allowing us to enhance Vhernier's sculptural forms.

The stones come only from known suppliers who adhere to the Kimberley Process, and the jewelry is processed in RJC certified laboratories. Vhernier subjects its diamonds to strict controls. For larger stones it uses only diamonds with certificates from the most important international laboratories.

Even the smallest diamonds, used above all in pavé creations, are subject to checks to ensure that they have all the highest-quality characteristics required by Vhernier, starting of course with their essential natural origin.



## EBONY

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Among the noblest of woods, ebony has a uniform black color, with no veins.



## TITANIUM

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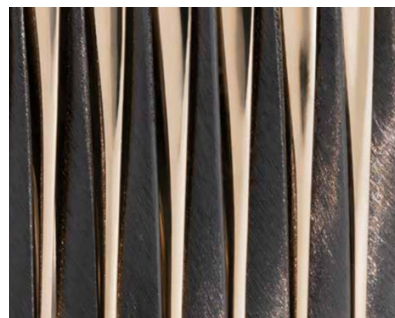
A light and modern material but one that's complex in its processing. Much loved by Vhernier for its contribution to sophisticated innovation, titanium provides the possibility of creating jewels with important volumes while keeping them light.



**BRONZE**

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An extremely light material that, combined with nano-ceramic techniques, allows for a brighter yield.



**JET**

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Also known as jais, this material is obtained from petrified fossil wood and stabilized through the passage of millennia.



**ROCK CRYSTAL**

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A colorless stone used to brighten the colors of opaque gems through Vhernier's "Transparency" technique.





## TRACEABILITY: FROM STONE TO JEWEL

In the jewelry industry, the traceability of product processing, the value of certified products and the actual origin of raw materials are crucial factors to ensure the quality and authenticity of jewels.

Transparency is a core value for the House of Vhernier, which has decided to work with its suppliers to create a **more transparent supply chain**.

Vhernier has always offered its customers a detailed guarantee of the quality of its jewels through the possibility of tracing all the stages of a jewel's production. To make this process even more transparent, in 2015 Vhernier introduced a **unique serial number engraved on each piece**, allowing us to trace the origin of the raw materials and all stages of the jewel's creation.



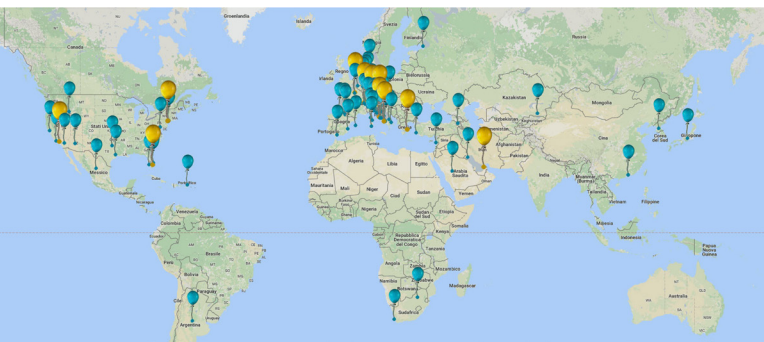
## KNOW-HOW

### LISTENING AND CUSTOMER SATISFACTION

Active listening to customers, also through tailor-made listening campaigns, allows you to improve customer satisfaction, manage complaints effectively and create a positive shopping experience and relationship.

### Vhernier in the world

Vhernier is present worldwide with 12 boutiques and 2 seasonal monobrand boutiques and over 100 top retailers, thanks to the development of commercial relationships with franchisees and third-party retailers.



**Single-brand boutiques:** Milan, Rome, Capri, Venice, Lake Como, Geneva, Paris, Monte Carlo, Athens, Istanbul, Dubai, Kuwait City, Miami, Beverly Hills.



In Italy, our parent company VIT directly manages the boutiques in Milan, Rome, Lake Como and the seasonal store in Capri. Vhernier jewels are also distributed worldwide, through the development of its retail, franchising and wholesale channels.

Although physical boutiques still represent a key point of reference for customers, the online shopping experience is becoming increasingly important. For this reason, **Vhernier in December 2020 launched a new website that integrates e-commerce functionality**, where a selection of products among the company's most representative jewels are available for purchase.

Vhernier conveys its unique identity and values across all its communication methods with its stakeholders, through print, digital advertising campaigns and a targeted planning of initiatives aimed at customers as well as wholesale and franchising channels. Events are organized throughout the year to promote and bring the brand's universe to life.

Vhernier regularly participates at events of great importance in the luxury and jewelry sector, consolidating its presence and positioning in the high-end, luxury products world. In 2022, Vhernier participated at Couture, a globally renowned fair during which it exhibited its products and invited customers and specialized press. Additionally, Vhernier participated at Vicenzaoro through the Club degli Orafi, helping to expand its visibility in the field of industry events.

## Inside a Vhernier boutique

In a Vhernier boutique, every element is studied in detail, starting from its location. In fact, the choice of a store location is a fundamental aspect for Vhernier, always looking at the most central and prestigious areas.

True to Vhernier's identity, each boutique stands out for its boldness and the simplicity of its beauty. The spaces and interior design welcome customers and convey the characteristics that have made the brand famous: **softness, sobriety and high-level craftsmanship.**

Vhernier's commitment to providing high-quality service to its customers is reflected in the **careful training of all boutique employees**, ensuring their participation in **visits to the laboratories of Valenza**, where they can touch and experience the quality of Made-in-Italy production, the precious materials used and the unique design of Vhernier jewels. Direct knowledge of the entire production process allows them to provide an even more personalized shopping experience to Vhernier customers, who thanks to the first-hand stories of the boutique staff, can hear about behind-the-scenes details of the creations they are trying.

## Closeness to customers

**Vhernier is dedicated to responding to all its customers' needs, through tailor-made services that reflect the high-end quality of its jewelry.**

**Lifetime warranty:** thanks to the quality of its craftsmanship and its choice of precious materials, Vhernier can guarantee the durability and resistance of its jewels. In particular, the two-pointed setting of its pavé, performed with great skill by Master Craftsmen using precision microscopes, has become a point of reference for excellence in jewelry. Vhernier offers a lifetime warranty on its diamond settings, confirming its commitment to durability and customer satisfaction.

**Repair service:** Vhernier offers a highly professional and complete repair service, classifying repairs according to their origin and documenting each intervention into its system, thus ensuring a highly



Boutique Milan, Via Montenapoleone



Boutique Miami, Bal Harbour

accurate management of the history of repairs. The company policy provides for the absorbing of repair costs, in the case of technical construction problems, automatically placing those types of repairs under warranty.

**Custom-made:** Vhernier's tailor-made jewelry service is dedicated to the creation of unique and personalized pieces, designed according to customer desires. Thanks to this service, Vhernier customers can see their specific wishes fulfilled while enjoying Vhernier's signature approach to design.

**Like new:** Vhernier's free periodic polishing service ensures that its all-gold rings retain their original shine, even after daily use which, over time, can cause them to lose some of their shine.

**Home visits:** Vhernier's home service, upon request, brings the unique and wonderful collections and jewels to one's home, for a personalized and comfortable viewing and purchasing experience.

**Anniversaries and big occasions:** Vhernier is happy to dedicate exclusive and personalized initiatives to its existing customers to accompany them on their special days.



## SHOWCASING THE ART OF THE GOLDSMITH

Promoting the development of the goldsmith’s art is crucial for inspiring and training specialized artisans and countering the potential loss of artisan know-how, but also for enhancing the uniqueness, quality and recognizability of expertly crafted products.

Italian jewelry is known all over the world for its art and its know-how, which has its roots in centuries of tradition and passion. **Vhernier is committed to supporting Italian know-how and the goldsmith’s art.**

The brand carefully selects its partners and works only with the best Master Craftsmen, who cut the stones and make each jewel entirely by hand. This commitment to quality craftsmanship is a real mission for Vhernier, striving to **keep alive the crafts and methods that are the basis of high-end Italian jewelry.**



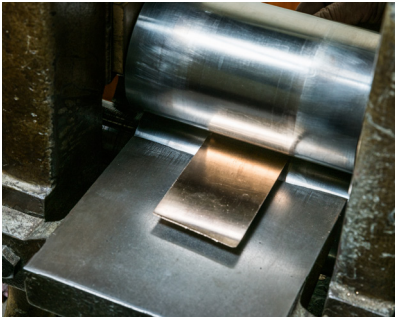
## Responsibility towards the community

The **goldsmith district of Valenza**, located in the north-west of Italy, is **one of the main centers of jewelry production in Europe.** The artisanal companies of the area have transformed the manual processing of gold and jewelry into a true industry, starting in the eighteenth century. Today, the district is known worldwide for its production of high-quality jewelry and its Goldsmith School is one of the leading professional training schools in the industry.

For Vhernier, the protection of the goldsmith’s art and the preservation of Italian know-how is a mission. The company selects the most experienced Italian Master Goldsmiths for the processing of its jewelry and constantly invests in Valenza’s specialized craftsmanship infrastructure, with most of its suppliers involved in its processing (86%) located in that area. In addition, the company carefully selects laboratories in the area to which to entrust its work: 57% related to manufacturing, 13% to stone cutting and 30% to setting.

## Vhernier and the art of goldsmithing

Within each of Vhernier’s workshops and labs, the centuries-old knowledge of Italian goldsmiths’ art is combined with innovation. Following its vocation as a pioneer of contemporary jewelry, Vhernier has gone so far as to create new forms of beauty through its characteristic workmanship.



**MIRROR-LIKE GOLD**

A particular fusion and polishing process of gold that allows to create large mirrorlike surfaces without porosity, thanks to a long process of strictly artisanal processing.



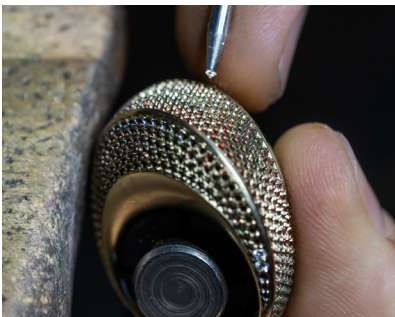
**TRANSPARENCIES**

A 'Vhernier signature' process, obtained by superimposing rock crystal over natural but opaque colored stones so as to give brilliance to the gems and create a particular chromatic effect. Seen from above, the color of the main stone shines through in shades that change with each movement, while the profile view reveals the transparency of the rock crystal. Stones and rock crystal constitute the sculptural design of the jewels, merging into a single and continuous element with gold. All stones are cut from the rough to adapt to the shape of the jewel.



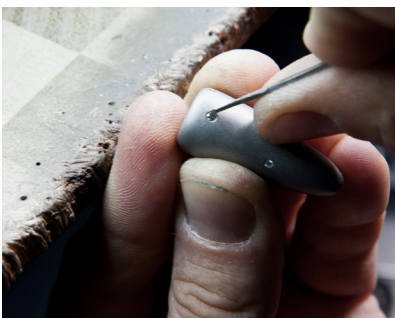
**SORPRESA**

Jewels that reveal hidden stones between their hinges, only when they are worn. Due to their complexity, their processing is entrusted to a single master craftsman, personally missioned to follow each processing phase – from the melting of the gold tubular elements in the crucible, to the embedding of the pavé, to the hinges – taking no less than 60 days for the realization of a single bracelet.



**PAVÈ**

One of the most demanding processes, the pavé is made by highly experienced Master Craftsmen who work under a microscope. It involves the setting of small diamonds, to be set with only two tips (points), no longer by four, to show as little metal as possible and to allow a seamless setting even in curved surfaces. Due to the complexity of the processing, the maximum number of stones embedded per day is only a few dozen: a small part of the hundreds of stones that each creation contains, taking on the appearance of true diamond carpets. Vhernier proposed a further evolution of this process: the Eyeliner Pavé. It is a surface that introduces a combination of stones of different sizes positioned with apparent randomness to create a unique aesthetic effect without roughness thanks to the innovative setting.



**EMBEDDING INTO TITANIUM**

Titanium is very strong and locking diamonds onto a titanium frame requires painstaking patience and exceptional skill. This process is practiced only by a small number of craftsmen, who have learned to dose energy: if excessive force is used, titanium could in fact break.

## ALLIANCES FOR SUSTAINABILITY

Only through collaboration between actors in the supply chain is it possible to accomplish a transition to sustainability and carry out joint efforts to reduce the environmental and social impact of their activities.

For Vhernier, it is essential to **establish relationships with associations that share its goals of sustainable development of the sector and the jewelry-crafting communities.** For years, the company has been actively collaborating with important organizations in the sector, including the Altagamma Foundation since 2009, CIBJO (World Confederation of Jewelry), Club degli Orafi Italia, Istituto Gemmologico Italiano, and Mani Intelligenti.

### MANI INTELLIGENTI (SMART HANDS)

The Mani Intelligenti Foundation is an organization based in Valenza, which focuses on training new generations of Master Goldsmiths, with the aim of preserving the Italian goldsmith tradition and improving the quality of high-end Italian jewelry. Their goal: to form at least 1000 young talents in the next three years, combining the goldsmith tradition with innovation and a vision of the future. The foundation works closely with companies and training institutes to create exclusive professional growth paths, welcoming all those who wish to pursue a career as Master Goldsmiths.

Every year Vhernier participates by contributing to the Foundation's project, promoting the geographical territory as the cradle of a craft and a tradition that's been in constant growth and evolution for over two centuries.



Vhernier supports numerous **charitable initiatives in favor of communities and people** in need, with particular attention to young people.

### ITACA PROJECT

In 2017, Vhernier launched a collection consisting of three limited edition Mini Calla bracelets in turquoise paste, lapis paste and kogolong paste, a pure white volcanic opal. Part of the proceeds from the sale of the bracelets is destined to support the activities of Progetto Itaca Onlus, a foundation committed to accompanying and supporting people with mental health disorders and their families for the last 18 years.



### VHERNIER FOR AFRICA

Since 2015, Vhernier has been supporting Empower Shack, an interdisciplinary project developed by the Urban Think-Tank studio at Zurich's Federal Polytechnic Institute. The project offers innovative housing units, which improve the quality of life thanks to a redistribution of spaces and the creation of safe and useful infrastructures for a community. Vhernier supports the project with the Vhernier for Africa pendant: 25% of the proceeds from sales contribute to the construction of new Empower Decks for the inhabitants of Khayelitsha, a district of Cape Town.

### VHERNIER FOR KIDS HAITI

Over the years, Vhernier has supported the American organization Artists for Peace and Justice (APJ), which is committed to promoting the education of Haitian children. The Pirouette ring, engraved with the inscription "Vhernier for Kids Haiti", was created to support this cause: the proceeds from the sale of each ring guarantee an entire year of high school to a Haitian student.



## PASSION AND EXPERTISE

### TALENT ATTRACTION AND HUMAN CAPITAL DEVELOPMENT

The attraction and care of people are fundamental to create involvement and a sense of belonging within the company. Increasing one's attractiveness on the labor market is becoming increasingly important to address skill shortages.

For Vhernier, valuing people means creating a stimulating and rewarding work environment, where every employee feels appreciated for their contribution and can develop their skills and achieve professional goals.

In 2022, the company was able to count on **68 competent and qualified people**, located in offices and stores in Italy, France, USA and Switzerland.

Employees

Employees	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy	29	15	44	28	13	41	30	14	44
France	1	3	4	1	3	4	2	2	4
USA	15	1	16	13	1	14	18	5	23
Switzerland	3	1	4	3	1	4	4	0	4
Totale	48	20	68	45	18	63	54	21	75

The last three years have been characterized by considerable overall challenges that have affected the jewelry sector as well. In 2020 the sector was forced to close stores and stop production in response to the Covid-19 pandemic. Despite these difficulties, Vhernier managed to maintain its stability with a turnover rate of less than 20%.

In 2022, 16 new people were hired, including 14 women, bringing the recruitment rate to 24%, up from 5% in 2020. This desire for growth has also led to collaborations with universities. In 2022, Vhernier signed an agreement with the Università Cattolica del Sacro Cuore to welcome students who carry out curricular internships at the company.

Vhernier is committed to preserving and increasing the know-how of its employees through wellness and professional development programs. One of the ways in which Vhernier values the training of its employees is by organizing regular visits to the workshops in Valencia, where employees experience first-hand the quality of Made in Italy production, the precious materials used and the unique design of Vhernier jewelry. The visits give employees the chance to deepen their knowledge of the industry and gain new skills directly in the field.

In addition, Vhernier promotes interaction and bonding among employees through internal events organized on specific occasions, or the presentation of new collections.

## DIVERSITY, INCLUSION AND WELL-BEING

Protecting internal diversity, promoting inclusion and employee well-being are crucial to creating a healthy and balanced work environment. For this reason, it is becoming increasingly important to promote internal communication in a context of great cultural evolution.

Vhernier has always been sensitive to the protection of gender equality, as demonstrated by the composition of its workforce. **Over 70% of the employees are in fact women, employed in the various areas of the Company:** from design to research, from the creation of jewelry to its sale.

The share of young people under 30 in the company has increased by 13 percentage points compared to 2020 and now represents 17%.

### Wellbeing, benefits and other initiatives

In 2022, Vhernier decided to implement a **wellbeing plan ("Piano di Welfare")** with the aim of improving its employees' well-being. Under this plan, each employee receives a credit, to be used for goods or services of their choice.

In line with current regulations, Vhernier guarantees the right to parental leave, health insurance and pension contributions for its employees.



### Health and safety

Vhernier aims to ensure a **safe and healthy working environment for all its employees.** To achieve this goal, the Group takes all necessary measures to prevent accidents and protect workers' health.

The occupational health and safety **management system covers all the Group's activities** and is based on compliance with Italian legislation on the subject (Legislative Decree 81/08 and subsequent amendments - Consolidated Law on health and safety at work).

In addition, in line with the legal requirements on employee safety, Vhernier appoints a competent doctor and a Head of Prevention and Protection (RSPP). Thanks to these measures, Vhernier ensures respect for workers' rights and the maintenance of a safe and healthy working environment.

**Periodic staff training**, which includes first aid and fire prevention courses, as well as general and specific training, are further forms of occupational health and safety protection.



**VHERNIER**  
MILANO