BARIO NEAL

Sustainability Report





BARIO NEAL

BARIO NEAL is built on the belief that beautiful jewelry is made with respect for all people and a responsibility to the earth from which our materials are created. We strive to affirm these values in all facets of our company and live with a commitment to continual improvement for our business and the jewelry industry.

Evaluating our performance is essential to being accountable for our impacts and determining what actions we need to take to achieve our goals for the highest ethical standards. We are proud to share our principles, progress, and priorities for our future with our first ever Sustainability Report.

Sustainability Report

In 2019, we set out to create our first ever Sustainability Report – to measure the impacts of Bario Neal both at home in Philadelphia, New York and Vermont, and internationally in terms of the materials and processes we use to make our jewelry.

Responsible sourcing in jewelry has global implications – from mercury in the Amazon to the livelihoods of an estimated 150 million artisanal miners and their families. In this report, we share real metrics to show how real responsible sourcing at an independent jeweler like Bario Neal can impact our industry and our community.



Bario Neal was built on and operates by these CORE VALUES

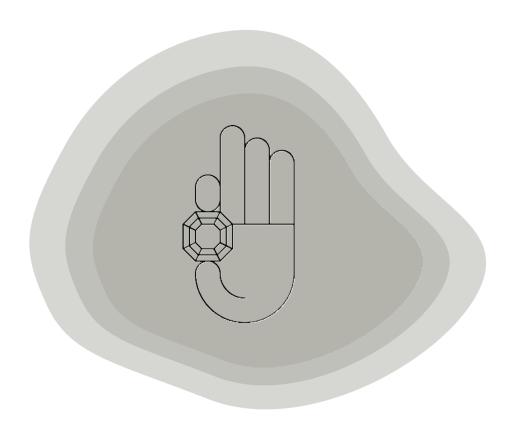


HUMAN RIGHTS

Bario Neal stands for the inherent human rights of every person as detailed in the Universal Declaration of Human Rights.

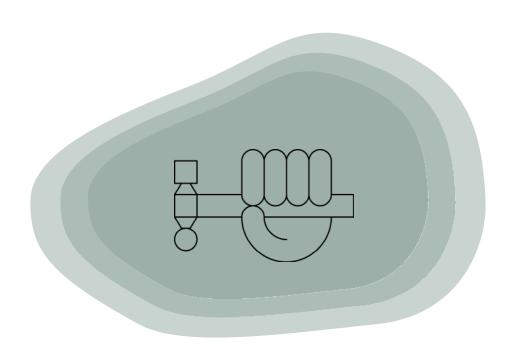
The choice to marry is a human right that must be protected for all people. Bario Neal is committed to dismantling stereotypes of the wedding industry and empowering the rights of LGBTQIA+ and all peoples' right to love who they choose.

We stand for the rights of all people in all nations to work voluntarily, with dignity, in safe conditions, and their right to fair compensation. We expect our suppliers to honor these essential rights through proper management of their businesses and instilling practices that work to establish, implement, and monitor practices supporting safe working conditions, equal pay for equal work, and each persons' right to work by their own volition.



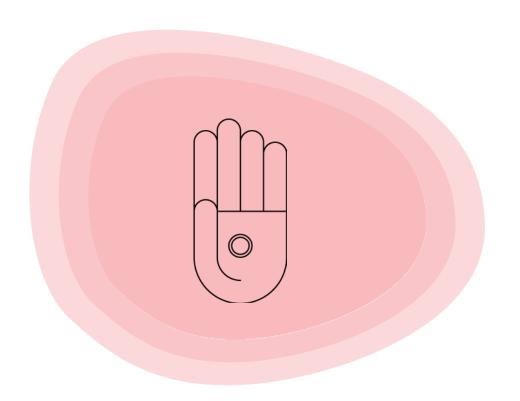
TRANSPARENCY + RESPONSIBILITY

Bario Neal believes all business interactions should be done honestly, with integrity, and that we have a duty to evaluate, acknowledge, and address the social and environmental impacts of our business. The jewelry industry has traditionally thrived on opacity at the cost of those most vulnerable in our supply chains. We are committed to evolving transparency within the jewelry industry. We are working to measure the impacts of our supply chain and will continue to release public reports on our findings. We are working with our suppliers to continually improve access to information about the environmental and social impacts of our materials from the time they are mined until they reach our customers.



ENVIRONMENTAL IMPACT

Bario Neal is committed to responsible management of our environmental impact. We live this value through a commitment to sourcing recycled materials and sourcing newly-mined materials only from suppliers that work to minimize mining's environmental impact, use and dispose of chemical substances responsibly, and institute a plant to recuperate natural environments after mining has concluded. In our studio, offices and showrooms, we have established policies to minimize our waste and measure our carbon output and water usage in order to establish a baseline measurement of our impact and set internal sustainability goals by 2020.



CONSCIENTIOUS DESIGN + CRAFT

Bario Neal jewelry is made in our Philadelphia studio. Integrity and care are infused in each piece made by Bario Neal, from sourcing materials responsibly and with care for the environment to honoring the craft and tradition of jewelry made by hand. We believe jewelry is more than adornment, it is also a medium through which we can advance the belief in well-being for all people. Bario Neal is committed to community building – our founders serve as members of the Board of Directors for Ethical Metalsmiths and the Jewelry Industry Summit, as well as local arts organizations.

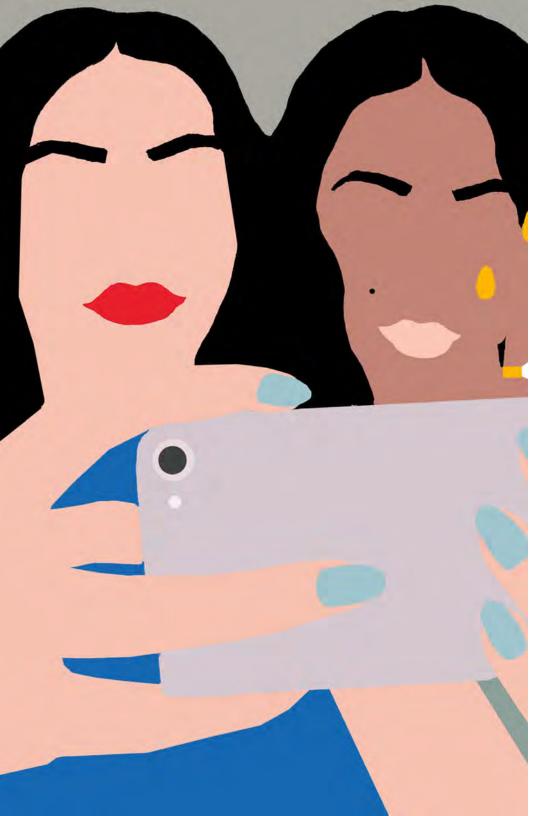
Core Impact Areas

LGBTQIA+

We believe that every person has a human right to choose who to love. As part of an industry that can either reinforce or help to transform ideas of gender identity, we work with clients to represent every form of love, union, and celebration with jewelry. We believe that all of our clients are entitled to representation and respect. We recognize that it hasn't always been this way in the mainstream and we want to promote a different culture and path forward.

- To borrow from Voices4, an organization
 we donated to through our Xavier Schipani
 collaboration prints, "We envision a world where
 every queer person, regardless of where they
 live, will be able to fully express and embrace
 their identity how they choose and without fear,
 discrimination, or persecution of any kind."
- Each June, the Bario Neal team celebrates PRIDE Month through promotions, collaborations and targeted charitable giving to LGBTQIA+ organizations.
- Through collaborations with artists and support for LGBTQIA+ organizations, we aim to support and celebrate the queer community and love in every form. One of our goals for 2020 is to partner with a select LGBTQIA+ organization for more consistent charitable donations and collaboration.



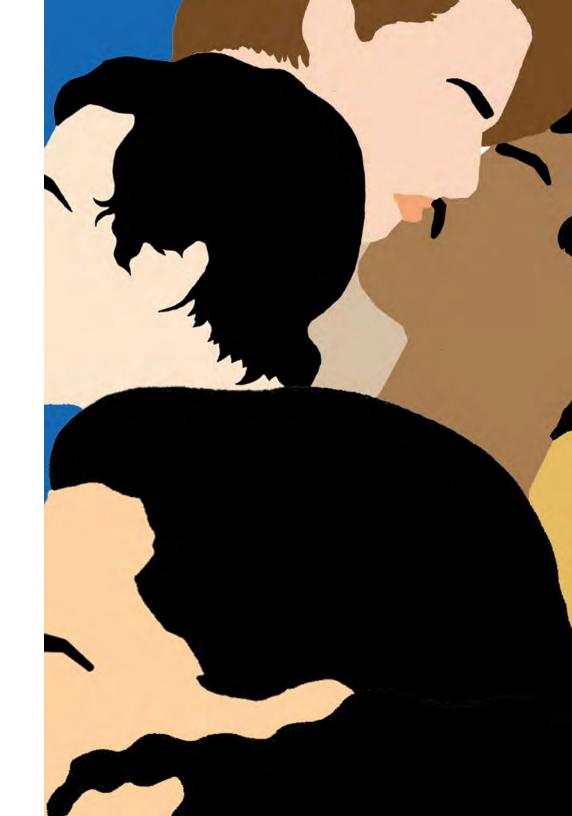


WOMXN'S EMPOWERMENT

- We are a womxn-owned, womxn-founded, womxn-run company.
- We make jewelry for everyone, and our client base is diverse but also predominantly female-identified.
- We support Artisanal and Small-Scale Mining (ASM) that creates opportunities for womxn's economic empowerment.
- In our early 20's, we started Bario Neal in a male-dominated industry creating products primarily for womxn.
- Womxn's empowerment supports stronger communities overall throughout our supply chain and our client community.
- Approximately half of the ASM workforce in Africa are womxn. Empowerment of womxn throughout the supply chain can support gender equality, improve families' capacity to earn, and strengthen communities.
- We work to challenge the assumption that engagement rings are products bought by 'men' for 'women.'
- We value the cultural importance and roots of jewelry as womxn's armor / protection / financial independence, especially in marriage.

SOCIAL JUSTICE AND RACIAL EQUITY

- We want the moment of walking through our doors or starting an online appointment to feel special for everyone, regardless of race, orientation, gender, ability, or age. All of us who work at Bario Neal come together with a desire to reject stereotypes and create showroom spaces that are welcoming and inclusive.
- This year, we have seen a profound movement toward racial equality, the end of police brutality, and mourning for the horrific deaths of George Floyd, Breonna Taylor, Ahmaud Arbery, and too many more. We stand in solidarity with the Black Lives Matter movement, and with the fight to dismantle white supremacy.
- Bario Neal began with a shared mission of making jewelry of lasting value and ethical origins. We believe sustainability extends far beyond material sourcing and manufacturing methods. We recognize that we could and should have done more in the past to contribute to racial equality.
- Moving forward we commit to examining and challenging our company biases, the diversity within our company as well as the diversity of our contractors, vendors, advertisers, and the organizations we target with our charitable giving.



Charitable Giving

Bario Neal's charitable giving focuses on initiatives and organizations related to environmental and social impact in the jewelry industry, womxns' empowerment, LGBTQIA+, and art education in our workshop and showroom communities.

- BETTER WITHOUT MERCURY
- VILLAGE HEALTH WORKS
- THE PICASSO PROJECT
- NATIONAL RESOURCE DEFENSE
- EARTHWORKS
- PLANNED PARENTHOOD
- HUMAN RIGHTS CAMPAIGN
- VOICES4
- PURE EARTH
- BLACK LIVES MATTER
- THE PHILADELPHIA BAIL FUND
- BLACK VISIONS COLLECTIVE
- RACIAL JUSTICE ORGANIZING COMMITTEE
- WOMEN'S MEDICAL FUND
- PUBLIC INTEREST LAW



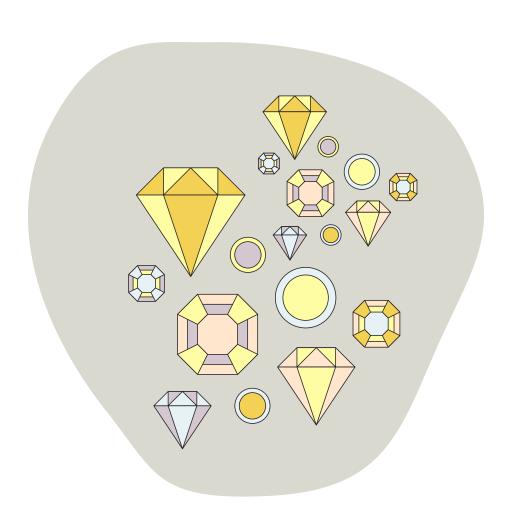


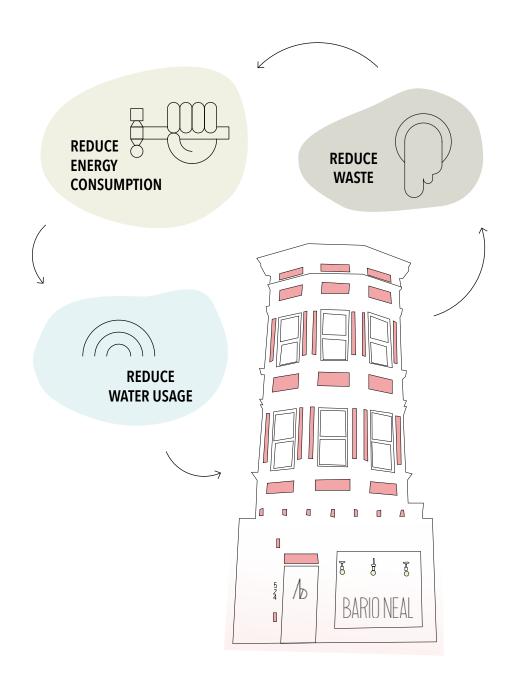
RESPONSIBLE SOURCING

Our belief in all people's human rights requires our consideration of the impacts of our materials. As buyers of materials whose mining and production impacts peoples' and communities' livelihoods, health, and general well-being – we strive to ensure that each purchase reduces our impact on the environment, creates social benefit, or some combination of both.

Environmental Sustainability

Bario Neal is able to measure emission sources for operations that we have total control over. In 2019, this was our Philadelphia studio and office. Bario Neal also has a showroom in New York City and offices in Vermont, which contribute to our overall footprint. Bario Neal does not have total control over these spaces and therefore is unable to include unit-specific data on environmental performance for these locations. We are evaluating how to measure emissions for these two locations as part of our sustainability goals for 2021.





Bario Neal's Philadelphia flagship moved to a new building at the end of 2019, thus our data on environmental performance will not be consistently comparable between 2019 and 2020. In addition to improving how we track information annually, we have set clear environmental performance goals for our new location.

- WATER
- ENERGY CONSUMPTION
- WASTE

ENVIRONMENTAL IMPACTS TIED TO SOURCING PRACTICES

In absence of studies on greenhouse gas emissions for mined gold, diamonds, and gemstones, Bario Neal is not reporting on the environmental performance of these materials at this time. While our ability to report on these impacts relies on the evolution of jewelry supply chains in terms of oversight, transparency, and measurement – our goal is that reporting on this becomes achievable. Our current practices to support achieving this goal include encouraging our suppliers to capture and share environmental impact data, as well as strengthening our internal measurement process for materials.







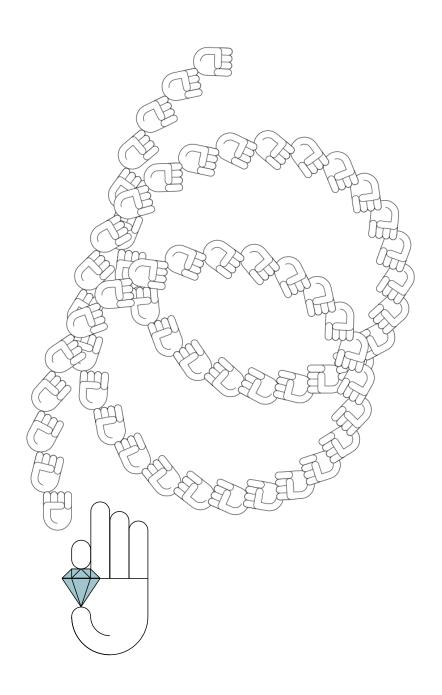
DIAMONDS: NEWLY MINED / LAB GROWN / RECLAIMED

While many statements are being made about the environmental impacts of newly mined diamonds versus lab grown diamonds, the fact is that no independent, peer reviewed research comparing the environmental impact of the two materials yet exists. Using recycled and reclaimed diamonds is currently the best option to minimize environmental impact in sourcing diamonds.

Ethical Jewelry Matters

WHY BUYING SUSTAINABLE, ETHICAL JEWELRY MATTERS

With our dedication to responsible sourcing and handcrafting ethical, sustainable jewelry, Bario Neal celebrates our many clients who look to use their purchase power for social and environmental good. Yes, we know that people want beautiful, meaningful jewelry that shines; they also want to be supporting a fine jewelry industry that contributes to making our world fairer and healthier for all. When you purchase jewelry from ethical jewelry makers like Bario Neal, you help to strengthen the artisanal and small-scale mining (ASM) sector – which directly supports 40 million people and indirectly supports 150 million miners and their families.





What is sustainable, ethical jewelry?

As conversations on the topic evolve, our friends at the <u>Jewelry Glossary Project</u> are working to establish set definitions for such terms that the entire industry can share, but here are the basics on how Bario Neal applies "ethical" and "sustainable" to jewelry.

- "Ethical" gemstones and metals are procured without harming people, their communities, or the environment. We believe miners, gemstone polishers, and everyone along the supply chain should be paid fairly and have safe working conditions.
- "Sustainable" gemstones and metals are procured with as little damage to the environment as possible, so our planet and everyone living on it are healthier. All extractive industries impact the earth. That's unavoidable. However, by fostering less harmful practices and buying recycled gemstones and metals, we can minimize negative effects like pollution and maximize positive human economic impacts.

The jewelry market in the U.S. alone was valued at roughly \$279 billion in 2018. Gemstone and metal mining occurs across continents and jewelry materials travel global supply chains through dozens of countries with disparate labor standards and

When there's a lack of government oversight...or a lack of awareness about problems, mining can contribute to the poisoning of rivers and land and natural resources being stripped away without any benefit to surrounding communities.

economies. When there's a lack of government oversight (or corruption) or a lack of awareness about problems, mining can contribute to the poisoning of rivers and land and natural resources being stripped away without any benefit to surrounding communities. This sounds complex –



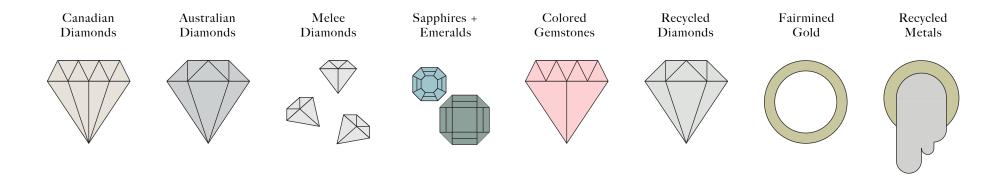


and it is – but whether you want to understand more about the impact of "blood diamonds or conflict diamonds" and "blood gold," or start by learning more about where the jewelry you wear comes from, there are many designers and artisans who love to educate clients about why buying sustainable, ethical jewelry can make a difference.

Independent jewelry makers can explain to people the importance of knowing where their gemstones come from to avoid damage caused along the supply path.

Bario Neal is taking our decade-plus of research and activism in ethical jewelry, and documenting our own process – interviewing dozens of our suppliers and formalizing how we onboard new gemstone and metal suppliers.

We offer details about the harmful impacts on people and the environment that occur amid large-scale mining and gemstone polishing operations – and the steps that Bario Neal takes to secure sources that we and our clients can feel good about:



Our Local Craft / Manufacturing Partners

Bario Neal jewelry is crafted in-house at our Philadelphia studio. This approach gives us the flexibility to change sourcing as necessary to underscore our ethics, and to introduce new ideas for sustainable operations quickly. We can also maintain greater oversight on material origins and design jewelry around materials with strong ethical sourcing. We believe everyone benefits when local artisans thrive.





2019 Sustainability Accomplishments

Gut renovated a three story 125 year-old building with local manufacturers, artisans, and sustainable materials

Strengthened communication about sourcing internally & externally

Launched our
Sustainability Report
and Supplier Evaluation
Process

Prepared nearly 2600 new products to join our growing collection

Implemented stronger Ethical Sourcing guidelines

Improved supply chain management and tracking

Strengthened support within the company that allows for more growth & fulfillment of Bario Neal's core mission

Sustainability + The Jewelry Industry

Understanding sustainability as it applies to jewelry is an evolving practice. While the industry still lacks consensus on how exactly it defines sustainability – we have learned from other industries the importance of closely examining a business' practices, monitoring how these practices impact people, planet, and profit; and sharing our learnings so that we can collectively work towards the highest standards for social and environmental well-being.

This Sustainability Report includes highlights on our environmental performance, as well as other responsible business practices including information on our supply chain practices, manufacturing, impact areas, culture, and charitable giving.





The Jewelry Industry's Sustainability Performance

The jewelry industry is just at the beginning of its journey to becoming truly responsible. It is a complex industry with challenging barriers to transparency, making supply chain oversight difficult. When considering the "sustainability" of the jewelry industry, Bario Neal takes into account not just environmental performance, but also social impacts, economic impacts, capacity considerations, and pathways to continual improvement.

Unlike some commodities, such as garments or coffee, the jewelry industry currently lacks the capacity to meaningfully measure its environmental impact due to the lack of management systems and transparency. While Bario Neal is able to measure and assess its internal environmental performance in our showrooms, offices and workshop, we are limited in measuring the environmental impact of materials beyond our suppliers.





We intentionally work with recycled and reclaimed materials to minimize environmental impacts, as well as source from small-scale artisanal mining operations with standards for environmental practices to leverage our supply chain in contributing to economic and social benefit for mining communities.

Realities of Jewelry Sustainability in 2019

TRACEABILITY

With the jewelry industry's current capacity – complete and verifiable traceability of materials from their mine of origin to our studio is nearly impossible in most circumstances. Bario Neal works with suppliers to identify supporting evidence for the provenance when and where possible, as well as encourages suppliers to continually improve on capturing evidence to verify the chain-of-custody of its materials.





MINING

When it comes to mining, pulling finite materials from the earth will never be environmentally friendly. At the same time, millions of artisanal and small scale miners in low income countries rely on mining to sustain daily livelihoods. Even if the jewelry industry were to collectively decide to stop using newly mined material, it is highly unlikely that mining would stop all together due to its these materials' value in the global economy. Bario Neal uses recycled and reclaimed materials to minimize its environmental impact and intentionally sources newly mined material from responsible artisanal and small scale mining operations to support businesses that benefit individuals and their communities rather than large mining companies.



DEFORESTATION AND POLLUTION

Gold mining is one of the most pressing environmental challenges for the jewelry industry. Unregulated artisanal and small scale mining (ASM) of gold has led to significant environmental harm to forests in the Amazon and contributed large amounts of pollution to the global environment due to the frequent use of mercury. Much of the artisanal gold mining is a poverty driven activity for vulnerable populations, thus Bario Neal intentionally sources gold that is either recycled or supports artisanal gold mining cooperatives with environmental standards certified by an independent third party (Fairmined).

RECYCLED GOLD

Ideally, Bario Neal aims to support truly circular practices in its materials sourcing. Our suppliers provide us with recycled gold, however research has shown that, globally, there are vulnerabilities in recycled gold supply chains which have a risk of allowing the aforementioned informal artisanal gold to enter and 'hide' in recycled gold supply chains. Bario Neal is confident that our gold suppliers are doing everything in their capacity to monitor this risk via our Supplier Evaluation Process. We expect our gold suppliers' to strengthen their ability to verify 100% recycled content as they continually improve over time.

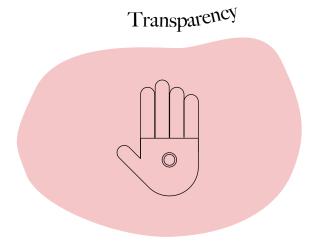


Responsible Sourcing

Jewelry supply chains touch millions of lives, including some of the world's most vulnerable populations. Every purchase has an impact and is an opportunity to do better. We strive for a jewelry industry that emphasizes circular practices balanced with support for responsible small-scale and artisanal mining cooperatives. We seek suppliers that monitor their supply chain carefully, engage in safe labor practices, and protect the health of their employees and the planet.

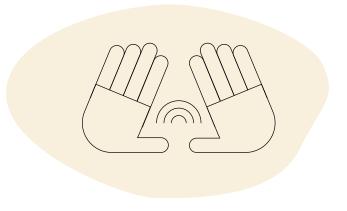


CORE CONCEPTS



Transparent communication is essential to effectively assessing Bario Neal's supply chains for safety, ethics, environmental impact, and quality. While jewelry supply chains continue to evolve in responsible practices, having accurate information about our supply chains allows us to identify risks and gaps, and create plans to address them.





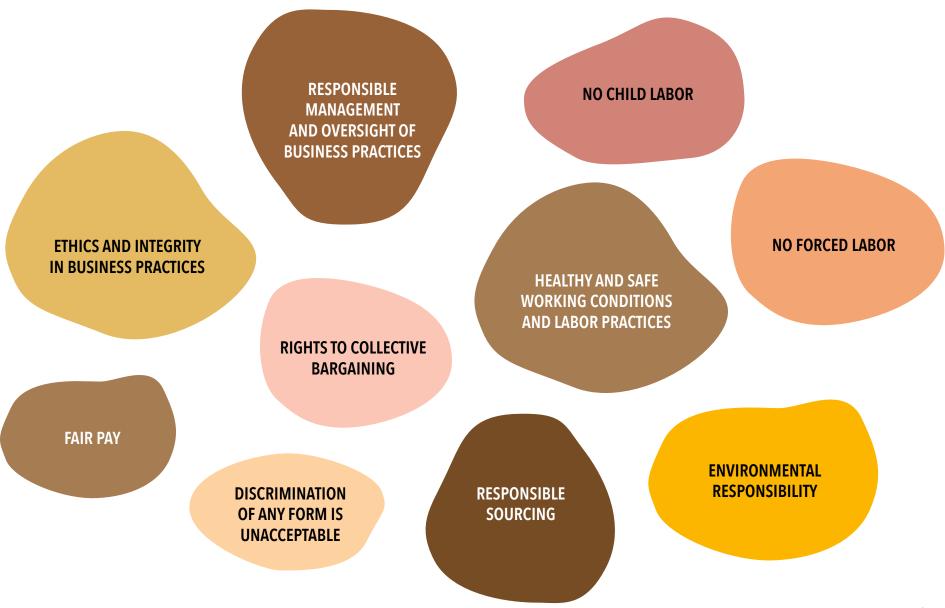
While transparency is key to having a clear picture of our supply chain, we also rely on the concept of continual improvement to improve our performance over time by leveraging our position in the jewelry industry to encourage our supplier networks to take proactive and progressive steps towards a more responsible supply chain.



CODE OF CONDUCT

84% of our suppliers received and signed our Code of Conduct, which is rooted in the <u>United Nations</u>
<u>Sustainable Development Goals</u>. We cannot enforce that our suppliers adhere to each element of the Code of Conduct, however, it communicates our expectations and goals for collective continual improvement over time.

Core Elements of Our Code of Conduct:





SUPPLIER EVALUATION PROCESS

Formalizing our Supplier Evaluation process has been a key step in strengthening Bario Neal's supply chain oversight.

THIS PROCESS:

- Helps Bario Neal understand how well suppliers' practices align with our responsible sourcing and sustainability goals.
- Informs sourcing decisions.
- Gathers information on key sourcing criteria for all suppliers to build trust and confidence in supply chain practices.
- Helps Bario Neal identify information gaps and create plans to address potential risks.
- Established a baseline for supplier relationships over time.

SUPPLIER EVALUATION STEPS

- 1 Suppliers review and sign Bario Neal's Code of Conduct.
- 2 Bario Neal screens each supplier on key aspects of the Code of Conduct.
 - Suppliers are assessed on legality, antimoney laundering program, management systems, sourcing practices, environmental performance, and other key criteria.
 - Bario Neal requests supporting evidence for the claims and responses made by the supplier in these interviews. This information is captured in a standardized Provenance Profile.
- Bario Neal evaluates suppliers responses and categorizes suppliers' based on available information.

- Bario Neal follows up on any identified actions from the initial supplier interview and creates a schedule to re-evaluate suppliers based on perceived level of confidence in their responses.
- Suppliers responses are collectively assessed to inform sourcing decisions. Bario Neal aims to increase materials sourcing from suppliers that fall into the Green and Yellow categories, and eliminate suppliers that fall into the Orange and Red categories.
- Bario Neal shares its supplier performance with its annual Sustainability Report.



ASSESSMENT APPROACH

Bario Neal aims to work with our suppliers to continually improve over time. Supplier evaluations were completed for the first time in 2019, setting baselines for our current practices and our continual improvement goals. In this initial supplier evaluation, we chose to prioritize evaluating our three primary materials:

- Precious Metals
- Diamonds
- Sapphires

We consider a number of factors in our Supplier Evaluation process. These include the size and location of the company, number of years in business, the type of material being sourced, the claims being made about the material, compliance with required legal policies, and the suppliers' willingness to answer our questions and share supporting evidence where they can, among other factors.



Our ability to evaluate suppliers is based on their capacity and willingness to voluntarily provide information. Ideally, Bario Neal aims for a supplier confidence level in which suppliers' can provide verifying evidence for all claims made. This is currently not the case for all materials.

As the industry grows its capacity for oversight and Bario Neal deepens its understanding of our suppliers capacity, we expect that our suppliers will be able and willing to share more detailed information about their supply chain practices, as well as supporting evidence, over time.

Bario Neal Supplier Performance 2019

Green Category

Score: 10.1 - 16+ 52% Performance

- Has Anti-Money Laundering Program in place as required
- Taking all or almost all possible actions to proactively monitor their supply chain for risks
- Provides evidence to support its claims about materials
- Communicates transparently
- Shows commitment to continual improvement through annual goal setting and corrective action plans

Yellow Category

Score: 5.1 - 10+ 5% Performance

- Has Anti-Money Laundering Program in place as required
- The supplier can provide verbal or written assurances about the Chain-of-Custody for its materials
- Business is willing to provide supporting and verifying documentation where possible
- Supplier is aware of supply chain oversight gaps and risks and is working to address them through corrective action
- Business is committed to continual improvement and striving to adhere to Bario Neal's Code of Conduct

Orange Category

Score: 1.1 - 5+ 5% Performance

- Has Anti-Money
 Laundering Program in place as required
- The supplier can provide verbal or written assurances about the Chain-of-Custody for its materials
- Business is willing to provide supporting and verifying information where possible

Red Category

Score: 1 or less 0% Performance

- Does not have an Anti-Money Laundering Program in place where it is required
- Practices are high-risk or violate Bario Neal's Code of Conduct
- The supplier cannot provide any meaningful information reflecting responsible management of its supply chain
- Known incidents of harm, abuse, severe noncompliance within the last 2 years

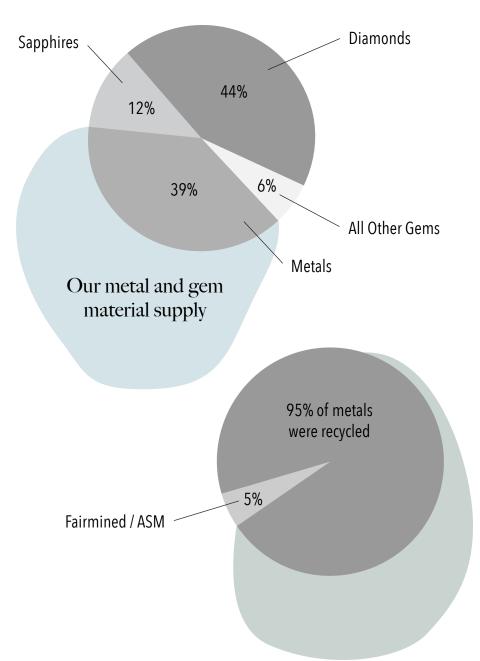
MATERIALS

Bario Neal chooses materials deliberately to support our values, including having a low environmental impact and supporting the social and economic well-being of the members of our supply chain.

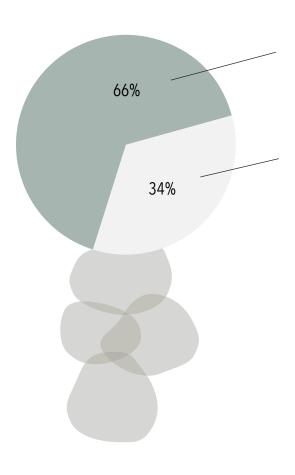
Over the years, we have focused material offerings in order to have the greatest access to transparent, accurate information that currently exists in the industry. The greater jewelry industry is undergoing an evolution in supply chain oversight and Bario Neal fulfills its role in advancing this evolution through this process.

- Metals
- Diamonds
- Sapphires

We chose to focus in 2019 on our three primary materials that make up the majority of our material supply chain.



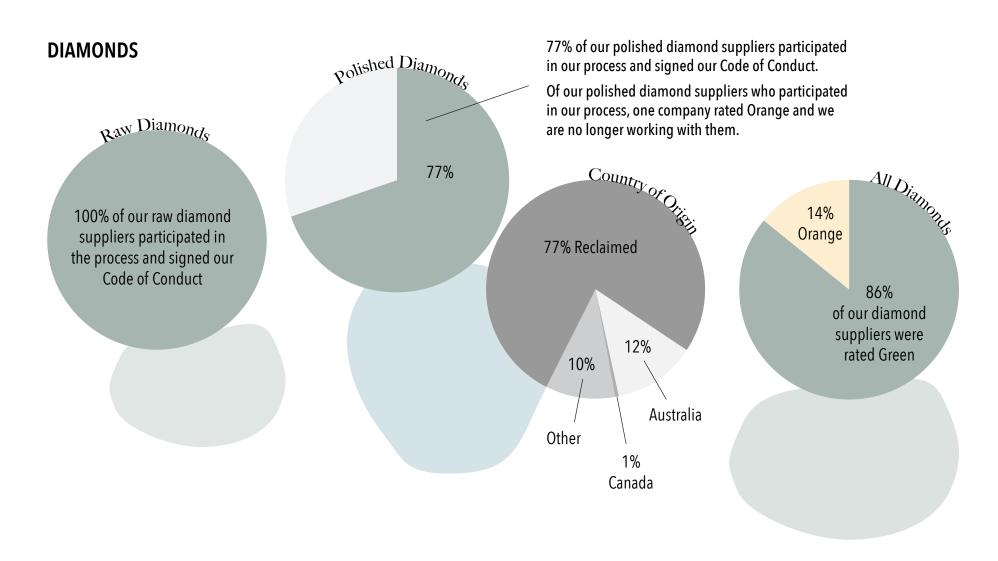
METALS



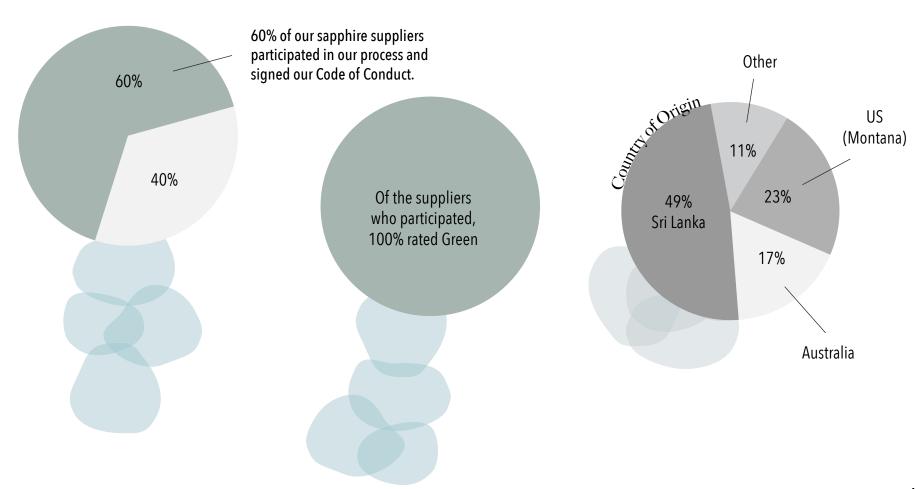
Suppliers for 66% of our precious metals (by volume) participated in our 2019 evaluation and rated Green in our process.

34% of our metal suppliers did not participate.





SAPPHIRES



Goals for 2020

100% participation rate among suppliers in all categories

Simpler evaluation process to increase participation

Increase spend among top-performing green-rated suppliers

Expand evaluations to all companies who didn't participate for diamonds, gold, and sapphires Expand evaluations to cover all other metal and gem materials

Challenges to Advancing Jewelry Sustainability

Understanding the sustainability performance of the jewelry sector can be a uniquely difficult practice for several reasons.

TRADITION

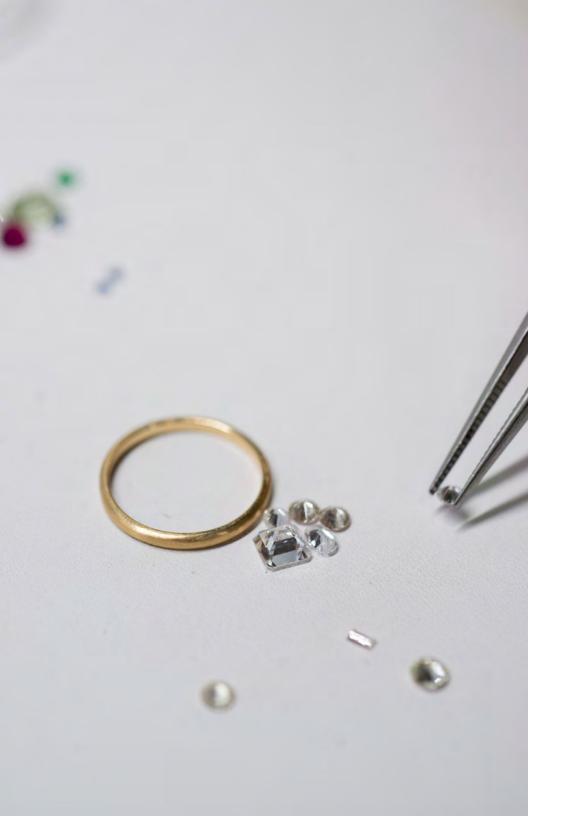
Tradition is a beautiful concept and heavily present in the jewelry industry, which is largely made up of small, family-owned businesses that have often been in business for generations. While we cherish tradition, it also means that the jewelry industry can tend to be slow to evolve and adopt contemporary practices. It is for this reason that the jewelry industry has only begun to adopt formal sustainability related practices over the last few years. As Bario Neal continues to advance its sustainability performance, we rely on an inclusive approach to supplier relations centered on continual improvement.





TRANSPARENCY

Gold, diamonds, gemstones – jewelry materials are mined all over the world and travel through numerous businesses and countries before making their way to the final customer. Part of the industry's traditional way of operating has been heavily based on "trust." As the industry has grown, supply chains have become more complex and trust alone has proven insufficient for preventing severe human and environmental abuses, as well as financial crime. Without transparency it's very difficult to know what exactly the industry's risks are, where they occur, and how to address them. A key element of improving the standards of the jewelry industry is supply chain transparency.

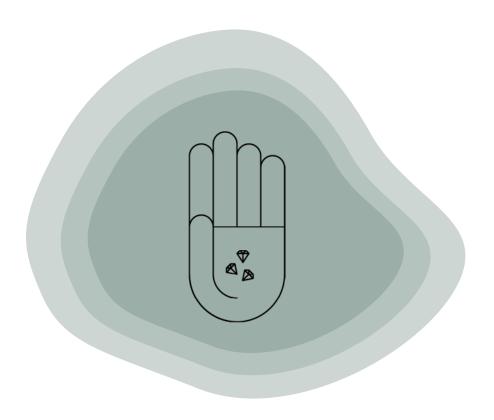


ACCURATE + VERIFIABLE DATA

Most of the jewelry industry currently lacks the capacity to capture accurate and verifiable data on its practices as materials travel can travel through hundred of hands before reaching their final stage. As the need for more transparent supply chains become more widely acknowledged, the industry is being encouraged to capture more information about how materials were mined, the process through which they are altered and exported, and the financial transactions that take place.

Goals

[During the writing of this report, the world was hit by the COVID-19 pandemic. For BN this means that our company goals originally set for 2020 achievement will be delayed or adjusted to meet the realities of the crisis.]



ENVIRONMENT

- Report on Energy, Water, and GHG emissions of new facility in 2020
- Measure emissions for New York and Vermont locations in 2021

RESPONSIBLE SOURCING

- Incorporate continual improvement recommendations into Supplier Evaluations by 2021
- Evaluate 100% of metal and gem material suppliers by 2022
- Increase sourcing artisanally mined gold from certified responsible sourcing by 20% by 2022
- Increase sourcing reclaimed sapphires to 10% in 2022

COMMUNITY ENGAGEMENT AND CHARITABLE GIVING

- Increase diversity within our Bario Neal team and among suppliers
- Draft targeted Charitable Giving Plan in 2021



This Sustainability Report was developed in consultation with Christina T. Miller Sustainable Jewelry Consulting.

Christina T. Miller Sustainable Jewelry Consulting (CMC) works to build a more equitable, meaningful, and valuable jewelry industry by delivering guidance, strategy, and responsible supply chain solutions for stakeholders across the jewelry sector.

Christina T. Miller, Founder and Lead Consultant Christina@ChristinaTMiller.com

Maggie Gabos, Consultant Maggie@ChristinaTMiller.com