



2023 CSR Regional Report



Data sheet



Sector:

Precious metals



Name of the organisation

SAR RECYCLING SA

Activities, brands, products, and services

Essayeur Fondeur, RJC – CoC.

Location of headquarters

Via Industria 12, Riva San Vitale

Location of activity

Via Industria 12, Riva San Vitale Rue Centrale 46, Biel

Ownership and legal form (private/family)

The company is founded as a public limited company.

Product sector (prevalent)

Precious metal recovery
NOGA (General Classification of
Economic Activities) 38.32.00.

Scale of the organisation

The company consists of a warehouse area of 1000 sqm in Riva San Vitale and an administrative/reception and preliminary inspection area of about 200 sqm at the Biel branch.

Information on employees and other workers

In 2023, the company employed 35 permanent employees.

Size of the organisation (annual turnover)

In 2023, the company registered a turnover of 270 million Swiss Francs.

Perimeter and reporting period

The data and information contained in this document refer to the Riva San Vitale headquarters in the Canton of Ticino during the period 01.01.2023 – 31.12.2023, which also corresponds to the end of the reporting period.

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Contents

01	Data sheet	1	07	Territory indicators	25	08	Conclusions	55
02	Letter to the stakeholders	4		Relations with the market			Summary outline	56
03	About us	6		1. Distribution of economic value	27		Objectives achieved	58
04	Our history	8		2. Investment in research and development	28		Future goals	59
05	Our figures	12		3. Relationship with suppliers	29			
06	Our idea of sustainability	14		Relationship with co-workers				
	Governance policy	16		4. Corporate welfare	33			
	Strategy and business model	17		5. Health and security	36			
	Company organigram	18		6. Employee training	38			
	Code of conduct	19		7. Diversity and inclusion	40			
	Corporate Compliance	20		Community relations				
	Stakeholder map	21		8. Community projects	45			
	Certifications and awards	22		Environmental management				
	Partnerships, economic and trade associations	23		9. Materials	49			
				10. Energy	50			
				11. Water resources	51			
				12. GHG emissions	51			
				13. Waste management	53			
				14. Investments	53			

This report has been drafted according to the model promoted by AITI – Associazione Industrie Ticinesi – and realised in collaboration with the CSR and Sustainability Reporting Sector of the Centre for Competence Management and Entrepreneurship (CMI) of SUPSI – Scuola universitaria professionale della Svizzera italiana – with the support of the Divisione dell'economia of Canton Ticino and Banca dello Stato del Cantone Ticino.

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Letter to the stakeholders



“I live through my heart because those who do not, walk without legs” (*E. Vendrame, footballer and poet*). With this vision of life, we want to present our new CSR Report: with the sincere enthusiasm of those who, day after day, work with passion; those who strive to grow the company by nurturing the feelings of each collaborator; those who “put their souls into it” so that their own being aligns with the essence of the entire group. A group that understands that without a head, they will not go far, but wherever they go, emotion will have guided them alongside reason.

I recently “discovered” the figure of Silvio Benigno Crespi (1868-1944), who continued the work initiated by his father Cristoforo and completed the workers’ village of Crespi d’Adda, a small Italian town where their family owned a cotton mill. Reading his works and observing his achievements, one could confidently say that even one hundred and twenty years ago, there were entrepreneurs who honoured the principles of sustainability. It should be noted that this was in the early years of the “short century”, well before these themes were discussed in political, academic, and business circles. It was, therefore, something born out of sensitivity rather than education. SAR RECYCLING SA, which shares this sensitivity, must cherish history and stride into the future with its “heart” leading the way.

The 2022 CSR Report has provided us with a significant opportunity: to introspect deeply and analyse ourselves thoroughly. We take pride in presenting ourselves with resolute sincerity, and we are pleased to have highlighted numerous strengths in the expansive realm of sustainability. Moreover, this has spurred us on to strive for even greater improvements. Our sincere wish is that this journey becomes a path embraced by all fellow entrepreneurs. We do not seek to lecture others; rather, we consider ourselves perpetual learners. However, it is evident that if all companies were to take a small step, particularly in our efforts towards the community, that step would collectively become substantial, yielding results far beyond what any one company could achieve alone. Naturally, we are not alone in this endeavour: many of our colleagues—some preceding us and excelling further—understand this perspective and share our objectives. Our aspiration is for everyone to actively join this wonderful initiative.

Returning to SAR RECYCLING, we started in the previous 2022 CSR Report by affirming our commitment to operating with respect for regulations, individuals, and our local community. This philosophy, translated into practical company policies, continues to define our operations today. Throughout 2023, we endeavoured to enhance working conditions, meet the needs (or, simply, the wishes) of our colleagues, manage our environmental impact, and support our community. Whether our efforts have been modest or substantial, you will judge by reviewing this new Report. What remains certain is our aspiration to create a workplace that fosters both personal and professional fulfilment, a commitment shared by our management team. We wish to acknowledge here that this journey is made possible by the personal, moral, and ethical qualities of each of our colleagues, whom we sincerely thank for embracing the ethos of our company. “Omnia vincit Amor,” the Latins said; we paraphrase: “Omnia vincit Unio.” Like love, unity conquers all—or at the very least, it provides the courage needed to confront challenges head-on.

Thank you for your attention, and we hope you enjoy reading this report.

On behalf of the Board of Directors, Filippo Andreani

About Us

While not forgetting the crucial economic aspect for any company, SAR has preserved the concept of “Family” in its broadest sense. Starting small, then growing significantly, and today even larger, the spirit has remained constant throughout. The primary focus continues to be on employee well-being, fostering strong teams across all departments. We engage our employees to ensure everyone feels equally valued, which in turn yields the desired results—valuable cooperation and mutual respect. These elements inspire us to look ahead with confidence and pride towards future achievements and successes.

*Remo Cattaneo,
Founding Partner*



We are writing this Report in a significant year. In 2024, in fact, we celebrate our eighteenth anniversary. The legal age. This milestone has prompted us to reflect on our journey, much like the transition to adulthood after finishing high school, when we started to take stock of our progress. Despite feeling grown up, deep down we knew we were still “only” maturing. This birthday marked a transition, signifying that growing—both personally and professionally—remains an ongoing journey for us.

Since SAR first emerged in 2006, we have made considerable strides, thanks to the vision of Remo Cattaneo, who reflects: “In the 1970s, I started in the precious metals business with commercial roles. However, I was drawn to the refinery operations and conceived the idea of entering industrial activities. Our goal was to recover precious metals from waste materials, initially focusing on spent catalysts from the automotive sector.”

After establishing a robust sales network and Switzerland's sole dedicated plant, diversification became essential to ensuring the company's long-term stability.

It's akin to when school subjects begin to expand, and even as a child, you discern which subjects resonate more and will serve you better in the future. Diversification remains a frequent consideration for us: “every milestone achieved is the starting point for another journey,” we often remind ourselves.

The subsequent steps included the establishment of a foundry, an incineration department, an analysis laboratory, and a comprehensive array of new treatments. Over the years, likened to a metaphorical adolescence, significant expansions ensued: increased workloads, new areas to explore, and opportunities for development. Study remained paramount throughout, as without it, progress would not be possible.

Accompanied by numerous new colleagues—across commercial, administrative, technical, chemical, and factory roles—our journey was marked by challenges akin to mastering the first Latin translation or solving the initial algebraic function. Yet, challenges exist to prompt us to create the tools necessary to overcome them. And amidst these challenges, we celebrated numerous successes, each an honour and promotion that fills us with pride. We are proud and happy because our professors, those who influence and will continue to influence our path, are and will be our customers!

Now, we face one of our most crucial decisions: which university to choose? The answer is clear: we will gravitate towards environments that prioritise qualities like seriousness, precision, and loyalty. Soon, we will relocate to a spacious and superbly equipped new site, welcoming new colleagues who will enhance our wonderful team. Armed with new tools to confront uncertainties and bolstered certainties to diminish doubts, we approach the future with a determination to retain our enthusiasm, joy, and dreams.

In essence, we aim to maintain the spirit of youth, for, as they proclaim in “Neverland”, “The moment you doubt whether you can fly, you cease forever to be able to do it.”

Our History

Step by step, we trace our path across the ground of SAR RECYCLING SA, much like farmers surveying their fields at day's end. From them, we learn that before the harvest, there must be sowing; we understand the importance of rotation (which we translate into diversification); we appreciate the values of respect and gratitude for hard work. We have always been accustomed to taking measured strides, patiently awaiting seed germination and mindful not to deplete the farmhouse of all its hay.



2006-2014

Establishment of SAR RECYCLING SA, including the opening of sales and administrative offices in Chiasso and a production unit in Pedrinete.

Development of the sales network in Switzerland and Northern Italy, focusing exclusively on the purchase of spent catalysts.

Strengthening the market position through focused marketing initiatives.

Moving administration and production to the Riva San Vitale site.

Installation of new machinery for extracting ceramic monoliths from spent catalysts, including a grinding plant equipped with electronic sampling, a sample refining laboratory, and an XRF spectrometer for analysis.

The exploration of business diversification hypotheses commences and evolves during this period.

Opening the first "market room" for precious metal trading.

Redefining internal spaces to accommodate new projects and the "treasury".

2014-2020

Construction of the foundry and chemical laboratory, followed by the recruitment of the first "Sworn Assayer" and the training of laboratory technicians and foundry staff.

During these years, the company expanded into new markets, ranging from second-hand goldsmithing to its initial engagements with the watchmaking industry.

Training and obtaining the Diploma for a second "Sworn Assayer".

Purchase and installation of a pyrolysis plant, along with related machinery and instruments such as mills and mixers. Expansion of the market hall.





2020-2022

Upgrading of the pyrolysis plant and related services, including centrifuges and separators.

Recruitment of specialist chemists.

Strengthening our position in the Swiss watchmaking market for the recovery of processing waste.

Training and graduation of the third "Sworn Assayer".

Opening of the Biel branch office.

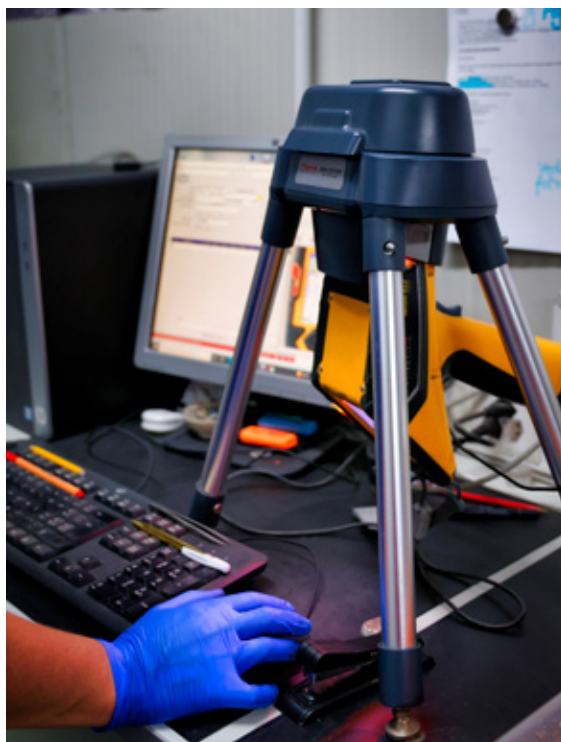
Reorganisation of the company structure with the dual objectives of acquiring new premises and facilitating company succession.

Expansion of the "Accounting and Finance" division.

Integration of the Italian company "Recupero Scarti Industriali srl" into the Group.

Opening of the Waste Department.

Redefinition and formalisation of work procedures to comply with new regulations in the precious metals industry.



2022-oggi

Further expansion of the plant through the purchase of new technology incinerators.

Recruitment and training of new personnel.

Improvement study of the fume extraction and treatment system and implementation of numerous preventive measures aimed at eliminating the risk of fire.

Executive planning of the new company headquarters.

Obtaining the "Additional authorization for the trade of bank precious metals".

Drafting of the "Quality Manual".

Increase in digitalization through the development of custom management software and internal software for process management.

Publication of the first Sustainability Report.

Hiring of a professional legal advisor for the implementation of Compliance.

Opening of the department dedicated to the treatment of cremation ashes.

Training and obtaining the diploma of the third Sworn Assayer.

Our figures

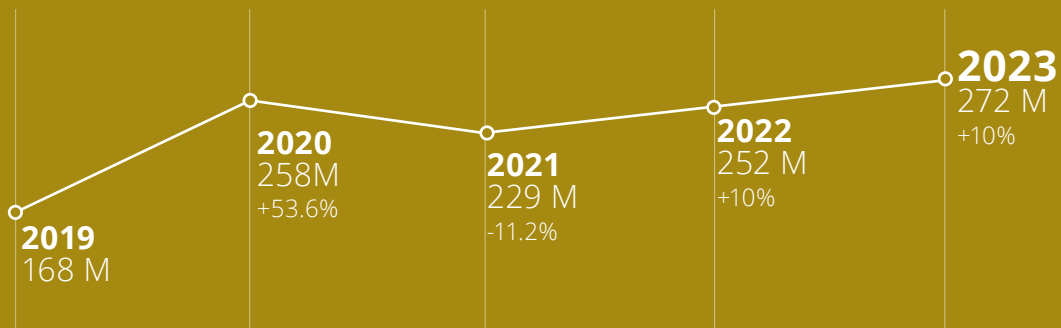
The turnover for 2023, approximately CHF 272M, met our expectations by marking the fifth consecutive increase (+10% compared to 2022).

Apart from the overall turnover, which is correlated with the fluctuating value of precious metals and thus not necessarily representative, it is the turnover from processing alone that truly indicates the trend. We are proud to see this figure further increase to CHF 1,493,571.05, marking the fifth consecutive year-on-year increase.

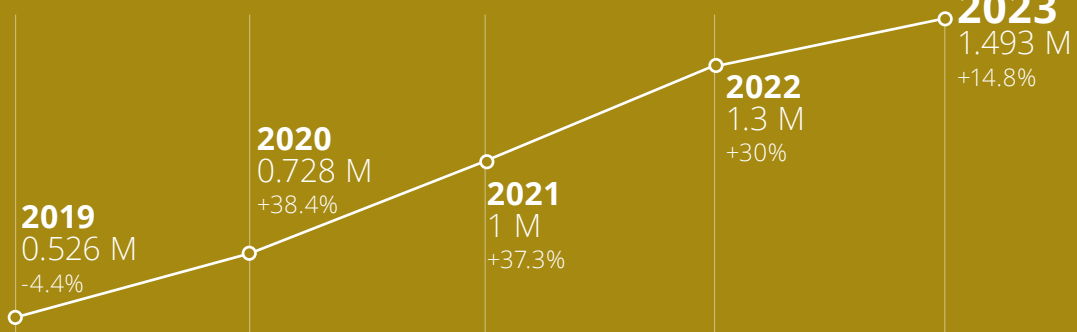
The "processing" item aptly represents the company's consistent growth, particularly in the watchmaking market,

where we recover precious metals from production waste. We have devoted significant resources to this sector, both economically and in maintaining strong relationships, ensuring an increasingly efficient service. We have implemented a series of detailed procedures to achieve this. To avoid dispersion or unintentional loss of material, we have reached a level of technical expertise that enables us to identify the possible difficulties in treating each type of

TURNOVER 2019 / 2023



PROCESSING 2019 / 2023



waste. For these, we have developed ad hoc solutions to recover all the contained precious metals. We customise our services according to individual customer requests, adjusting the types of intervention and the production schedule accordingly. Our aim is to become unique in this respect, and we continually study new methods to better meet the specific needs of each business counterpart.

Quantities Produced in the Last 2 Years

Our core business is the processing of waste from the watchmaking industry, from which we recover precious metals. The year 2023 saw further growth, with a 22% increase, allowing us to reach our commercial target and position ourselves in the market as one of the most solid, efficient, and reliable companies. Additionally, this market is experiencing a period of excellent health, which has natural-

↑ 10%

TURNOVER
compared to 2022

↑ 14.8%

PROCESSING
compared to 2022

↑ 22%

WATCHMAKING
INDUSTRY WASTE
compared to 2022

↑ 43%

CREMATORIA
SERVICES
compared to 2022

↑ 1

NEW COMPANY
PREMISES
compared to 2022

↑ 18%

COMMERCIAL
RELATIONS
compared to 2022

ly contributed to our success. Positive changes in quantities processed have also been recorded in other areas, such as ash and electronic scrap, thanks to the considerable expansion of the treatment plant through the acquisition of new processing equipment. Our technicians are constantly seeking more effective treatment methods to optimise the recovery of precious metals and minimise processing time.

As mentioned earlier, SAR RECYCLING is continuously expanding into new product areas. Notably, we have recently opened the “Crematoria Services” division, dedicated to the recovery of precious metals from funeral incinerations. This sensitive topic necessitates ethical considerations, and we strive to operate with the utmost respect and seriousness. The treatments carried out in 2023 increased by 43% compared to 2022.

We are also investing heavily in this activity: one of our sales staff is dedicated to it full-time, and we have installed specialised machinery for operations prior to casting. SAR is the only company on the European continent to carry out all

processing steps in-house, which are numerous and varied, ranging from initial sorting of the material to the production of the ingot.

Change of Company Locations

The operating sites opened in 2021 (in Cassina Rizzardi - CO and Longiano - FC, Italy), dedicated to the storage of spent catalysts, maintain their vitality despite the market downturn. SAR RECYCLING holds these locations through the Italian company RECUPERO SCARTI INDUSTRIALI SRL. The market for spent catalysts (from which SAR recovers Pt, Pd, and Rh) has been in sharp decline since the second half of 2022. This crisis, which began with the shortage of semiconductors for new cars in 2023, is mainly attributable to a succession of factors: uncertainty about future engines (fossil fuels or electricity), including at the EU level, has led to a drop in demand for new registrations, which in turn has caused an increase in the used-catalyst market, with a consequent decrease in the number of radiations. Additionally, EU policies aimed at reducing inflation have resulted in a reduction in consumer capacity.



The BRANCH OFFICE IN BIEL, formerly located at Silbergasse 2, is now firmly established at 46 Rue Centrale, in the heart of the city centre. It is situated in a prestigious building equipped with numerous security systems (there is a bank on the ground floor) to ensure the best possible safekeeping of all goods. Here too, the investment seemed appropriate to guarantee customers excellent service. The branch is equipped with safes, weighing instruments, and spectrometric analysis tools. It is a crucial logistical hub that has quickly become the centre of all our activities in that area.

Change in Number of New Business Relationships Over the Last Five Years

The increase in business relationships has been continuous: from 2019 to 2023, we opened an average of 41 new relationships per year. In 2023 alone, new openings reached the round figure of 50, marking an 18% increase compared to the average growth rate. We believe this success is essentially due to two factors: firstly, our ability to offer a fast, flexible, and highly comprehensive service (qualities that distinguish SAR RECYCLING as a very customer-oriented

business partner); secondly, satisfied long-term customers have evidently recommended our services to others. This second factor deserves particular emphasis: being recommended by satisfied customers is a source of great pride for us! We would also like to emphasise that we only accept customers who meet the criteria specified by our Compliance Office, ensuring that we only engage in healthy and secure business relationships.



Our idea of Sustainability



“

I believe everything we dream / can come to pass through our union”
(People have the power – P. Smith).

Placing people at the centre of everything we do is both our method and our goal.

Companies are not made of iron and concrete, but by the arms, legs, and minds of those who create, nurture, and live within them. They are built by women and men who dedicate most of their lives to work. Therefore, it is essential that they have not only “tasks” but also “opportunities” to create well-being for themselves and for the world they inhabit.

People are everywhere: they are our colleagues, our customers, and our suppliers; they are the officials of institutions and the citizens of our community. It is with them and for them that we wish to work, beyond the labels or titles that represent them. A tie or a safety suit, a foundry apron and helmet, or a lab coat does not depict who we are but only what we do: beneath, there is always a character, a dream, a need, a worry, a feeling, and a hundred other sensations that each of us experiences under the clothes we wear.

Our primary goal in terms of sustainability is to value the INDIVIDUAL, whether a colleague or a third party, and to do so requires our sincerity. This approach manifests in many different ways: punctuality and seriousness towards suppliers; proactivity and flexibility towards customers; absolute availability towards colleagues; improvement and care of the workplace; collaboration with institutions; strict adherence to regulations; and the implementation of behaviours beneficial to the community.

Sustainability is not an abstract concept but an entirely practical and measurable one. Words can sweeten it, but ultimately, actions speak louder. Aware of this, we transform the aforementioned statements into real and quantifiable actions, as evidenced by the testimonials from suppliers, customers, and colleagues that follow in this report, as well as data related to employment contracts, community projects, and various environmental issues (materials, energy, water resources, GHG emissions, etc.).

The truly exciting thing is that sustainability can be created through a long collage of small tiles that, together, will build a mosaic. Every opportunity is valuable to add a piece, even without significant upheavals and investments.

For example, we allow all colleagues to spend their birthday with their families without deducting from their holidays, and we are delighted to give them this time and peace of mind.

There is one thing we feel is important to say: practising sustainability brings joy. Giving to others brings joy; giving back to the land does too. We see no reason not to take care of it, and we are keen to point out that we have always done this, even before we considered writing a report about it.

Additionally, at SAR RECYCLING, we are very serious but not overly formal, and we fondly recall a colleague who once said, “Thank you for the party you organised to say goodbye before the summer holidays! Why don’t we have one to celebrate our return too? Then you can include it in the new CSR Report!” Of course, we also had the second party, and it made us smile that this person used the CSR Report to express his own wish. It made us smile but also reflect on the fact that even colleagues—specifically, this one works in production—have understood the theme and know how to be active participants.

As we said before, practising sustainability brings joy, and joy fosters UNITY. And unity, as we know, brings STRENGTH.

Governance policy

“

We Are What We Repeatedly Do” (*Aristotle*). Ethics in business, a “Responsible Supply Chain”, attention to Compliance, and care for Stakeholders are not merely “actions” but reflections of who we fundamentally are.



Strategy and Business Model

Each of our strategies is founded on a business model with very well-defined contours. These contours are real limits, in the best sense of the term. They delineate the boundaries of our field of action, preventing us from engaging in activities that are extraneous or incompatible with our vision. They are robust embankments that we have erected on the banks of our little stream, and they will hold firm even when—as we hope—we become a river.

First and foremost, there is LEGALITY. Do not be surprised if we consider this element, which by its very nature is an obligation, to be one of the hallmarks of our business model. In this context, “legality” is not only understood as strict compliance with standards, but also as a series of behaviours implemented to eliminate the risk of engaging in business that, while legal in itself, could be part of an illegal scenario. This is to prioritise the protection of our reputation. We protect ourselves from such risks through an in-depth study of the counterparty and the origin of the goods, entrusted to a Compliance Office that operates independently of commercial interests. This process is supported, when necessary, by the esteemed law firm Kellerhalls Carrard Lugano SA, with offices in Lugano, Basel, Berne, Geneva, Lausanne, Sion, and Zurich. In general, our *modus operandi* in this matter aligns with the RJC standards (COP and COC), for which we hold certifications.

In addition to legality, there is TRANSPARENCY, which we guarantee to institutions, customers, and anyone who, for professional reasons, wishes to analyse and understand us in depth. As for customers, we are always pleased to welcome them to our company. Some of them personally follow the processing of their material, and it is always gratifying for us to show them our processes and the care we take at each step.

HONESTY is another guiding principle by which we ensure that no one, be it a customer, supplier, or co-worker, is ever misled with lies or impropriety. It may sound simplistic to some, but we care deeply about being respectable people, and believe me, it takes very little to achieve this: we need only offer others the same honesty that we would like to receive ourselves.

RESPECT is equally important: respect for rules, for people, and for the environment. Let's consider the last two (people and the environment) as examples. SAR is a company whose natural aim is profit; however, there are several ways to achieve it, and the only viable one is by respecting everyone involved. An example? We do not manage workloads by hiring temporary workers only to “off-load” them at the end of a peak period. Instead, we hire them on a permanent basis, train them, and welcome them into the family. They will prove to us and themselves that they can add value. Everyone deserves a chance, even if—especially during the training phase—the cost outweighs the immediate benefit. People are not commodities to be traded.

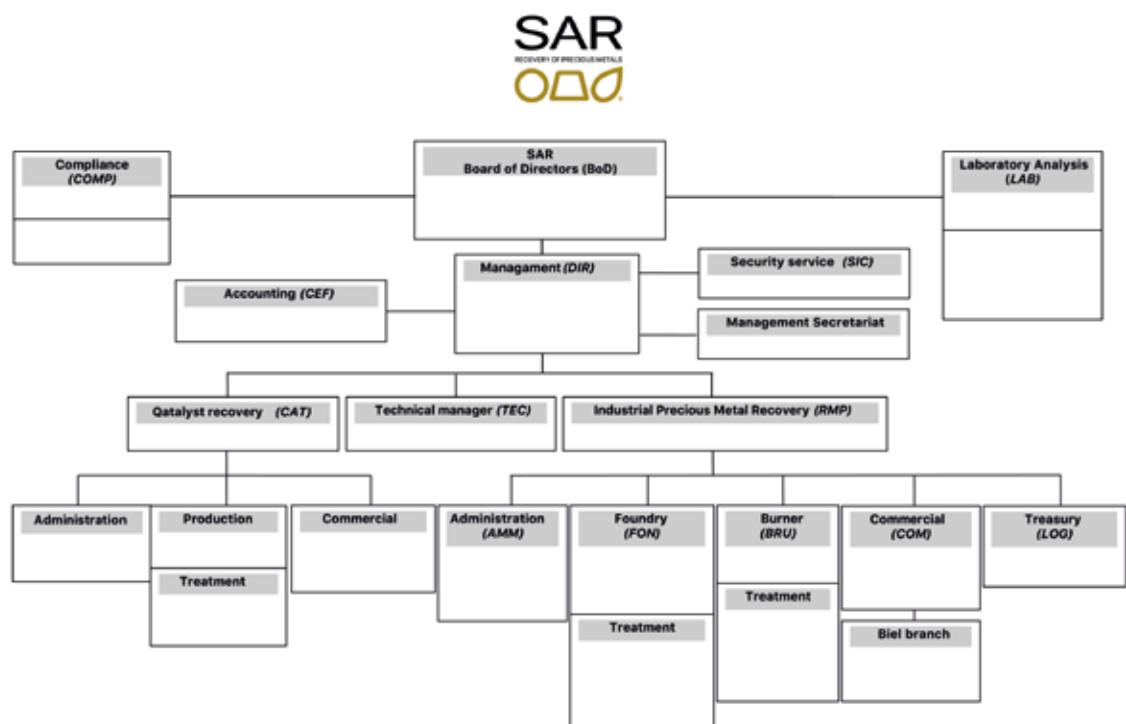
Regarding the environment, we acknowledge that we are a company with emissions into the atmosphere, not a field of wild daisies. To be clear, we have never deceptively associated our name with the adjective “Green”. We have a supreme duty to reduce our impact, not only by ensuring it is below legal limits, but also by actively seeking solutions to further minimise it. No other opportunity, whether commercial or productive, can override this duty.

Organisational Chart

SAR has a pyramid organisational chart with specific and independent roles. The entire Board of Directors is also part of the Executive Board, separate from the key figures of Compliance and the Analysis Laboratory; all signature rights require two signatories. The Management Board is supported by the Security Service, the Accounting Department, and the Management Secretariat. Branching out under the Directorate are the “Catalyst Recovery” sector and the “Industrial Precious Metals Recovery” sector. Both sectors have their own administration, production,

processing, and sales departments. Additionally, the “Industrial Precious Metals Recovery” sector includes the Treasury and the Biel branch, which serves as a support point for local customer services.

This report was prepared personally by a member of the Board of Directors and Management of SAR RECYCLING SA. The topic of sustainability is handled by the same people who, in fact, decide on the company's strategies.



Code of Conduct

Sar Recycling SA declares its commitment to managing and developing its activities with constant attention and continuous improvement of quality services, respecting Human Rights, Business Ethics, workplace health and safety, and environmental protection. Therefore, in implementing and managing its Organizational System, it has committed to adopting the principles of the Responsible Jewellery Council for responsible management of its company. Aware of the social responsibility that companies must respond to for sustainable and lasting growth, the Management applies the management requirements provided by the Responsible Jewellery Council and commits to applying and promoting ethics, respect for human rights, and social practices transparently and responsibly.

The application of the Responsible Jewellery Council Standard involves a series of commitments identified in:

- **Business Ethics**

In particular, the company undertakes to:

- conducting its activities with the utmost respect for ethical standards, ensuring integrity, transparency, and compliance with current laws.
- Zero tolerance for any type of corruption and money laundering, monitoring to ensure any suspicious practices are reported and opposed.
- Clearly and comprehensively detailing the characteristics of its products and services.
- Ensuring the traceability of precious metals related to our processes to guarantee their use is not sourced from illicit origins or armed conflict zones financed by the sale of precious metals.
- Ensuring respect for our supply chain through direct and constant monitoring of counterparts.
- Raising awareness of the importance of a responsibly and carefully managed supply chain.

- **Human Rights**

The company is particularly committed to:

- Upholding the Universal Declaration of Human Rights as enshrined by the United Nations;
- Not using child labour or any form of forced or coercive labour;
- Ensuring high safety standards in the workplace in accordance with national and international regulations

- Not discriminating against or applying degrading treatment, harassment, abuse, coercion, or intimidation in any form;
- Promoting the importance of transparent communication at all levels of the organisation by encouraging the reporting of misconduct by anyone working in the name and on behalf of the organisation;
- Complying with current labour legislation and ensuring its observance;

- **Responsible supply chain**

The company is particularly committed to:

- Conducting its activities with the utmost respect for ethical standards, ensuring integrity, transparency, and compliance with current laws;
- Not tolerating any form of corruption or money laundering, in adherence to all national and international regulations;
- Preventing any form of abuse for the purpose of money laundering and the financing of terrorism;
- Fulfilling all due diligence obligations towards counterparties by strictly applying the dictates of KYC;
- Verifying each counterparty and confirming the legality of the origin of the materials to be recovered;
- Terminating any business transaction deemed suspicious and promptly reporting it to the competent authorities;
- Not engaging in any business relationship with organisations whose beneficiaries are not identifiable;
- Fully and comprehensively disclosing the characteristics of products and services.

During the RJC Code of Practices Certification period, no deviations from the Code of Practices were noted, nor were any risks identified in the supply chain according to the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRA”. Due to the nature of the company's business, procurement from conflict or high-risk areas is not considered. Based on the risk assessment performed, all sources are within a documented level of acceptability. Furthermore, no direct or indirect violations of human rights have been identified. Any comments, recommendations, reports, or complaints concerning the management system adopted by our company can be sent to info@sarrecycling.com.

Corporate Compliance

As SAR RECYCLING SA has grown, the importance of our Compliance model has also increased. Adhering to the laws in this delicate area is not just about demonstrating “compliance,” but about protecting the company over time to ensure a prosperous, correct, and coherent entrepreneurial future aligned with our goals.

Compliance is implemented through an entirely autonomous and independent internal control system that pursues efficiency and effectiveness through the rigorous application of relevant regulations, while respecting professional ethics and corporate values.

Being a compliant company for us means, first and foremost, meticulously adhering to the regulations governing the trade of banking and non-banking precious metals, specifically the Federal Law on Money Laundering (LRD) and its ordinance (ORD), the Federal Law on the Control and Trade of Precious Metals and Precious Metal Works (LCMP) and its ordinance (OCMP), as well as the UDSC ordinance on money laundering issued by the Federal Office of Customs and Border Security (ORD-UDSC), and the R-247 Regulation issued by the Central Office for Precious Metals Control on 01.01.2022, along with numerous related regulations and circulars.

To this end, a detailed INTERNAL DIRECTIVE has been developed, based on the above-mentioned regulations, overseen by the Compliance Officer as a super partes body.

Additionally, specific operational instructions have been introduced, targeting particular sectors and addressing: the customer admission procedure, known as “Know Your Counterpart” (KYC), customer categorisation, known as “Know Your Product” (KYP), goods receipt, and the use of cash (not permitted at SAR).

This entails a strict distribution of tasks and roles, but also full cooperation and interaction among the various corporate figures through a procedure that strictly follows the current regulations.

For illustrative purposes, each counterparty is thoroughly identified; in the case of a legal entity, the identification extends to the beneficial owner. Our model, in full compliance with the regulatory requirements, includes specific additional duties for the company, such as knowledge of prohibited business relationships, the obligation of clarification, proper document retention, and actions to be taken in case of suspected money laundering or illicit acquisition of materials for smelting.

Furthermore, we emphasise the importance of customer categorisation, a valuable control tool to determine the compliance of the delivery of specific material in relation to the authorisations granted to the customer.

For us, being compliant represents protection not only for the company but also for its stakeholders; being compliant means being able to prevent and identify potential imbalances that could threaten the stability or impeccable reputation of the company.

In other words, only a selection of healthy business partners can guarantee the company the security necessary to build a solid future.

Stakeholder Map

At the heart of the diagram are the internal stakeholders of the company. Generally, our care for these categories is manifested in our continuous attention to their needs and their constant involvement in the overall progress of SAR RECYCLING. This care is evident in every effort made to ensure their safety at work and in every initiative aimed at creating opportunities for leisure and extra-professional sharing. From an organisational point of view, we emphasise the absolute independence of the Laboratory and Compliance from the Management. Specifically regarding Compliance, to better safeguard the interests that this particular office addresses for SAR, we have hired a lawyer with thirty years of experience, tasked with acting towards us with the utmost severity, completely detaching from any commercial opportunity implications.

Customers, suppliers, and institutions are the primary stakeholders outside the company walls. Their interests are addressed in various ways. For example, our Compliance practices are designed to ensure that both they and we engage commercially only with individuals and entities appropriate for the circumstances. Financiers are also important, and we take care of their interests by periodically providing them with our financial data, ensuring their credits as much as possible, and demonstrating constant commitment to prudent, controlled, and necessary financial management. The interests of SPAAS (the cantonal office responsible for, among other things, emissions into the atmosphere) are protected through spontaneous measurement of emissions at our exclusive expense and sharing the obtained data. The interests of UFAM (Federal Office for the Environment) are safeguarded through the creation of a dedicated internal Waste Office, making every received or sent material precisely traceable.

Regarding our customers, we feel it is important to highlight that the services we provide are often "tailor-made," built around the specific needs of each individual client. Additionally, SAR RECYCLING SA offers a range of additional services that, combined with the rest, make it unique in the market. These services include the supply of semi-finished products and alloys for the watchmaking and jewellery industries, as well as the negotiation of physical metals, swaps, and options.

For our suppliers, we strive to source as much as possible locally and ensure full and perfect compliance with every obligation contracted with them.

It should not be surprising to see institutions among our stakeholders: their oversight is not a limitation but an important opportunity to align our performance with their expectations. In an activity dealing with precious metals and waste, the word "legality" must be understood as an art of living. An art we learn from the law and, together with those who uphold it, make it the true essence of our profession.

The consideration that local media and the local public have towards us is of utmost importance, as we highly value our reputation, and every action we take must consider how the company is viewed by those who report on or live in the community.



Certifications and Awards

RESPONSIBLE JEWELLERY COUNCIL – CHAIN OF CUSTODY 2017 –
Certified Member



RESPONSIBLE JEWELLERY COUNCIL – CODE OF PRACTICE 2013 –
Certified Member



REGISTERED ASSAYER'S MARK (rep. N. 180)



APPRENTICES TRAINER



AWARD: "Family carers: let's support them!":
awarded by the city of Mendrisio for the year 2023.



Partnerships, business and trade associations

THE SWISS ASSOCIATION OF MANUFACTURERS AND TRADERS IN
PRECIOUS METALS



ASSOCIATION OF TICINO INDUSTRIES



IMPRENDITI



07



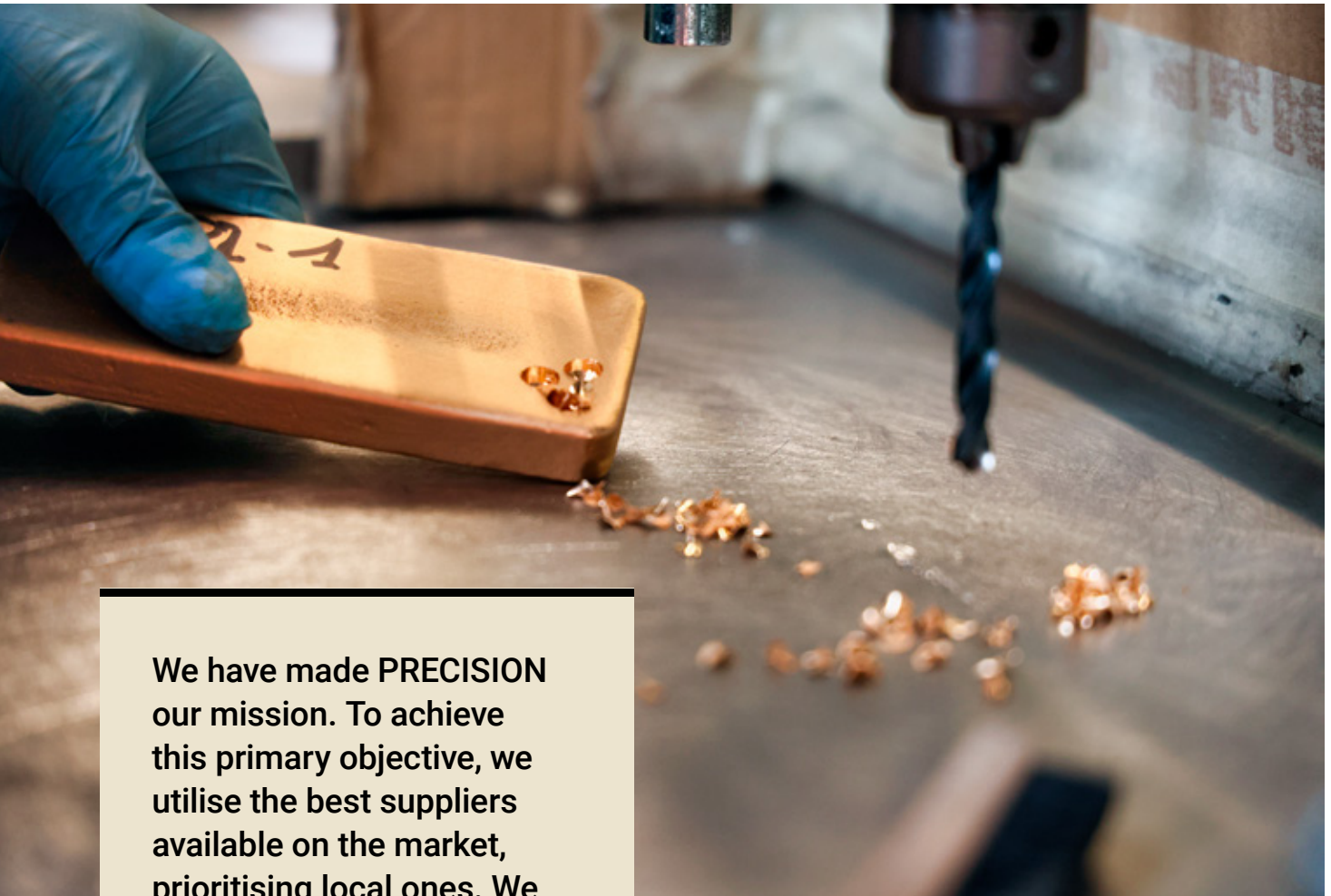


Territory indicators

Sustainability is increasingly becoming a territorial issue and measuring the impact of companies is a key contribution.

As part of their activities, companies not only generate economic profit but also produce significant social and environmental impacts. A company that has a positive balance sheet and contributes to the well-being of its employees, the community and the environment generates shared value and offers valuable help to the development of the region. Measuring this contribution becomes fundamental not only to allow the enterprise itself to evaluate its strategies and plan its interventions, but also to construct parameters that allow performance to be compared and benchmarked. Territory indicators also represent an opportunity to increase the dialogue among public administration, business associations and enterprises, offering a valid tool to guide choices and investments. A shared orientation on the issue of sustainability can indeed accelerate growth and protect the competitiveness of the territory, favouring energy transition and social inclusion. With this document, our company intends to offer its contribution to this path, with the aim of constantly improving its results.

Relations with the market



We have made **PRECISION** our mission. To achieve this primary objective, we utilise the best suppliers available on the market, prioritising local ones. We engage with them, as well as with institutions and authorities, in an honest and fair manner, promptly fulfilling every obligation. This spirit is, of course, consistent with how we interact with our clients and our collaborators.

1. Distribution of Economic Value

Attention is drawn to the figure for "Shareholders" (amounting to CHF 0.00): the shareholders' decision not to distribute any dividends and to reinvest all profits into the company's operations is confirmed for 2023.

The largest added value among those distributed is in favour of personnel. The payroll amounted to CHF 2,202,940 and is set to grow significantly as new highly qualified professionals are expected to be hired in 2024/2025. This is to further enhance the quality of service.

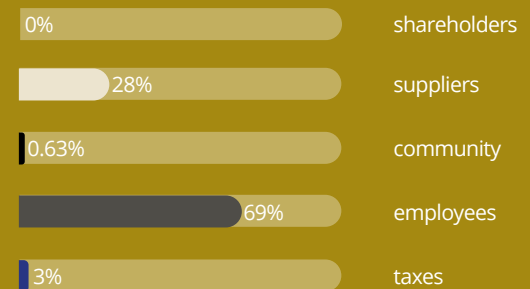
Ticino suppliers represent the majority. We only turn to suppliers outside the territory when the specific nature of our profession does not allow us to source supplies locally, or when the quality of the product necessitates it.

NOTE: Unlike the CSR 2022, we have decided to indicate ONLY suppliers of goods and services and not suppliers of materials to be processed, resulting in a reduction in the turnover indicated.

1. DISTRIBUTION OF ECONOMIC VALUE

1.1 ECONOMIC VALUE DISTRIBUTED IN TICINO *

3.17M^{CHF}



* The figure is the total sum of salaries and employee benefits, taxes (municipal, cantonal, federal, VAT, withholding tax, financial charges), donations to associations in Ticino and payments to suppliers with registered offices in Ticino

2. Investment in research and development

Our investments continue across the board! In 2023, we purchased new machines and installed new equipment for approximately CHF 140,000. These machines are prototypes of those that will be housed on a larger scale in our new premises in Mendrisio, with the relocation beginning in 2025. These instruments are equipped with enhanced safety controls and improved fume treatment. Specifically, we have focused on reducing VOCs by installing afterburners, ensuring that these compounds remain well below legal limits. Additionally, we have committed to eliminating fire risks by developing a customized system that, through various “tricks”, makes the occurrence of a damaging event highly unlikely. We continued our significant investment in IT, increasing automation and expanding the management system. The migration to the new system was successful! Our staff completely designed the system to be perfectly tailored to our daily needs. We have also invested in the future location, working with specialized engineering firms to design each individual department. Last but not least, our manual continues to grow: operating instructions and procedures are being standardized, significantly improving the company's operations.

Percentage of Investments

In 2023, the percentage of investments reached more than 20% of the processing turnover, the same as in 2022. This percentage is expected to rise in future years (2024-2025) due to new and important development projects.

We would like to emphasize that our financial readiness to invest is also due to the fact that no dividends were paid to shareholders; this policy will continue because the company's development has absolute priority for the shareholders.

To provide a clearer understanding of our data in 2023, we have decided to show the percentage of investments relative to the processing turnover. For comparison with 2022, we report that the percentage of investments in relation to the overall turnover is 0.122%.

2. INVESTMENT IN RESEARCH AND DEVELOPMENT

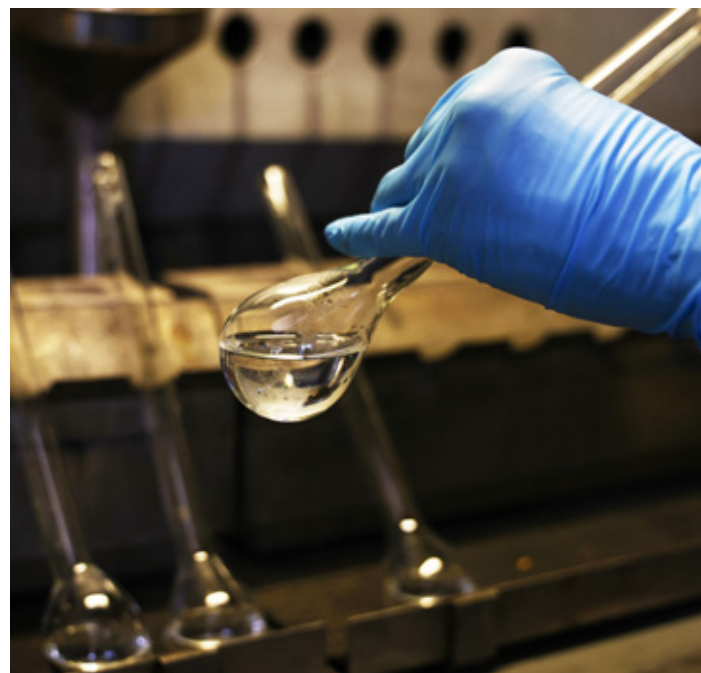
2.1 RDI INVESTMENT VALUE *

0.33M^{CHF}

2.2 RDI INVESTMENT VALUE AS A PERCENTAGE OF TOTAL TURNOVER

22.1%

* Total costs incurred for personnel, materials, external collaborations, patents, etc. for RDI (Research, Development and Innovation) during the reporting period



3. Relationship with suppliers

The principles of honesty, fairness, and precision are also exercised for the benefit of our suppliers. Their contribution is fundamental to the conduct of daily business and strategic planning. Over time, we have established strong relationships of trust with most of them and have never had any disputes.

The first step in identifying a supplier is to find one in the area closest to our location. This ensures reduced CO2 emissions and a more flexible relationship. Given the specificity of our business, this is not always possible. In these cases, the choice falls on whoever guarantees the best quality of service and demonstrates innovative features. For example, in the area of incineration, we rely on a supplier who equips machinery with special systems for VOC abatement.

As witnessed by some of them in CSR 2022, we guarantee absolute respect for our commitments, which over time has given us the credibility to further strengthen business relations.

Within SAR, a manager has been appointed to oversee the entire relationship with technical suppliers, from price negotiation to the execution of supply or intervention. This not only makes the relationship more practical but also more personal. We like to emphasize that this dedicated employee, who is just over twenty years old, has proven to deserve this growth opportunity on a daily basis.

3. RELATIONSHIP WITH SUPPLIERS

3.1 TOTAL NUMBER OF SUPPLIERS

216

3.2 PERCENTAGE OF LOCAL SUPPLIERS *

48.61%

3.3 ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS

1.73M^{CHF}

3.4 PERCENTAGE OF ECONOMIC VALUE DISTRIBUTED TO LOCAL SUPPLIERS *

53.52%

3.5 NUMBER OF LOCAL SUPPLIERS *

105

3.6 TURNOVER OF LOCAL SUPPLIERS *

0.91M^{CHF}

*Local suppliers are defined as having their registered office in Ticino

2. Good Practices

Our relationships with suppliers and customers are characterized by absolute transparency, which translates into:

- The opportunity to observe every step of the work process at our plant, with the sole condition of complying with our System's health and safety regulations.
- Access to administrative, laboratory, and liquidation data.

We have developed specific contracts and general terms and conditions that describe our activities in detail, making it easier for suppliers and customers to understand our company.



“

Working with Sar Recycling is a pleasure. They are punctual in their payments and operations, and provide clear and timely instructions for transport and customs clearance, allowing us to anticipate and manage every logistical aspect without surprises. We greatly appreciate their ability to innovate and explore new solutions and markets: a distinguishing feature for anyone looking for a reliable, efficient, and professional partner.


**Roberta Cippà Cavadini
CEO at CIPPA' TRASPORTI SA**

The collaboration between Sar Recycling SA and Spinelli is an example of a shared commitment to sustainability and corporate social responsibility. Both parties have adopted corporate policies geared towards environmental and social sustainability, demonstrating a strong commitment to environmental protection and the wellbeing of the communities in which we operate. In particular, Sar Recycling has asked us to install energy-optimized and sustainable facilities and is willing to invest for the benefit of sustainability.

The project for the new building represents a joint effort in this regard. Our partnership is a tangible demonstration of our commitment to creating a better world for future generations.

**Giorgio Ortelli
General Director at SPINELLI SA**

Relationship with co-workers

A high-angle photograph of a group of seven SAR team members in a huddle. They are wearing black t-shirts with the SAR logo in yellow and white. They are in a warehouse or industrial setting with blue storage bins and equipment visible in the background. The team members are standing in a circle, with their arms around each other, looking down at the center.

In the 2022 Report, we wrote that at SAR, we are all COLLEAGUES, regardless of the roles we play or our positions in the organizational chart. It is natural for us to have an absolutely equal relationship with everyone who works with us. “With us” is very different from “for us”. In fact, our relationships are complementary: everyone contributes effectively to achieving our objectives, making each person indispensable. Consequently, everyone must benefit from the same treatment.

4. Corporate Welfare

The drafting of a welfare plan will be incorporated into the Staff Regulations currently being drawn up. It should be emphasized that SAR is a constantly and rapidly growing entity, which leads us almost daily to address new needs expressed by our colleagues and previously unknown situations. This makes it difficult to set rules in stone, as they will almost certainly need to be amended and improved in the near future. However, Management is always promoting new opportunities for staff well-being by seizing opportunities that arise over time. An example of this is the recent issue of "caring relatives", where employees need to be absent from work to care for family members. Upon learning of this issue, SAR immediately decided to grant this opportunity to staff, believing that the grief of colleagues and the associated organizational difficulties should not remain the sole responsibility of the individuals concerned; the employer must also contribute to the employees' peace of mind as much as possible. We are pleased to report that this attitude was recognized by the municipality of Mendrisio during a public celebration held on 27/11/2023.

The welfare plan will also include **the right to be absent on one's birthday** (and the day after, for a total of two days for those over 50); this benefit was introduced in 2023 and was happily received by every employee. During the current SAR year, the construction site for the new headquarters will finally open, with employee welfare being a priority in the planning. The interventions and measures related to this will be described in the next Reports.

All employment contracts are open-ended, because we believe that workers are not just assets to be used but resources to be invested in. This approach ensures that everyone can plan their private future with economic stability. In terms of remuneration, salaries are well above the legal minimums, and it is customary to pay annual bonuses to anyone who has distinguished themselves through perseverance, commitment, or the achievement of particular targets. This applies irrespective of the role, so both the cleaner and the department manager are eligible. Hard work, dedication, and results are to be rewarded in every sphere. Beyond what is strictly laid down in the employment contract, SAR has a flexible attitude towards each employee to help them best balance professional and private life.

4. CORPORATE WELFARE

4.1 TOTAL
NUMBER OF
EMPLOYEES

35

4.2 PERCENTAGE
OF FULL-TIME
CONTRACTS

89.6%

4.3 NUMBER OF FIXED-
TERM CONTRACTS
(TRAINEES EXCLUDED)

0

4.4 NUMBER OF
APPRENTICESHIP
CONTRACTS

0

4.5 PERCENTAGE
TURNOVER *

0%

4.6 INVESTMENT
IN WELFARE PER
EMPLOYEE **

2'394^{CHF}

* Percentage of employees who left the company during the reporting period out of the total number of employees at the beginning of the reporting period

** Expenditure on employees' fringe benefits including social security charges in addition to statutory obligations (e.g. extra-mandatory illness, disability and old age insurance), home-work transport cards, canteen vouchers and various discounts

Regarding contractual obligations, it is worth mentioning that CONFIDENTIALITY plays an important role in our business, along with strict compliance with internal regulations on workplace safety. We are very attentive to this and do not tolerate the non-use or incorrect use of personal protective equipment. Additionally, we are constantly seeking more effective protective gear and safer working procedures. The company offers its employees a pension fund that exceeds the compulsory system and makes contributions at a 70-30 ratio instead of the standard 50-50.

“

What makes SAR unique is its attention to everyone's needs: they may seem small, but they immediately become important in the eyes of us workers, who are colleagues and also friends. It is the birthday given as a holiday, despite the amount of work; the dinner offered, the “how are you?” at the start of the day, and the thanks before going home. It is the atmosphere of serenity that one breathes and that lightens even the heaviest days: teamwork, which always pays off!

Enrica Roncoroni
Sworn Assayers

SAR is family! It is a collection of people, hearts, ambitions, successes, and challenges... always all together. Everyone is considered and valued both professionally: with stimuli, new assignments, and skills to be acquired, such as French courses, and personally: where the most personal and “private” needs are always considered important.

Rosi Roncoroni
Administrative Employee

“

Thank you for the opportunity to express ourselves and for everything we have seen and appreciated since I became part of the big “family”! At SAR, I have found a workplace where everyone knows what they are doing, and each sector supports the others by giving their best. Each sector is made up of PEOPLE, including the office and management. SAR is the people who make it up!

Gabriele Cattaneo
Foundry Worker

I am a foundry worker and also a professional boxer, twice Italian champion. I would like to thank SAR very much for supporting me by providing a work schedule that allows me to prepare at my best, including access to three multi-talented professionals in the field.

Iuliano Gallo
Foundry Worker

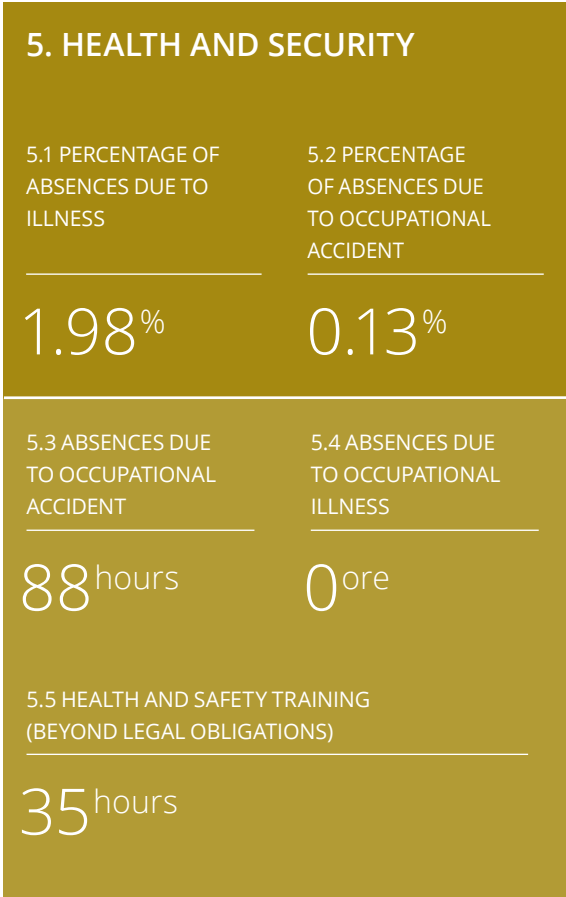


5. Health and security

The area of security is given special consideration because we see it as a priority duty to ensure the health of our colleagues. This type of training, which includes knowledge of I.P.D. and the reasons for its use, is provided extensively to new recruits and repeated annually, as required by internal procedures. This also includes First Aid training, attended by at least one person per department.

Health-related training goes beyond legal obligations to cover the effects of contact with hazardous substances. All persons working with open flames are trained in the use of fire extinguishers and extinguishing media. Here too, the level of training exceeds legal requirements, which stipulate a specific number of trainers per department rather than training all members.

Finally, an unannounced evacuation test is conducted twice a year.



“

For several years now, I have been supporting SAR Recycling in implementing their occupational health and safety and environmental management systems. The commitment of everyone, from management to employees and the safety officer, has always provided fertile ground for building a culture aimed at a sustainable environment in all respects. The family atmosphere and the open, welcoming mentality make our cooperation pleasant and fruitful!

**Carla Marcolli - OQual Safety Engineer,
AICAA Fire Specialist and Expert -
C5 Safety Sgl**

6. Employee training

SAR is deeply committed to having intensively trained employees because the quality of the service it guarantees to customers depends on the quality of those providing these services daily.

There are essentially three areas of training: 1) professional training, which involves providing staff with know-how; 2) safety and emergency training; 3) extraordinary training, such as study courses for new Sworn Assessors or language courses.

Professional training lasts for months after recruitment, with the duration varying according to the role. Generally, it takes at least six months for a colleague to acquire all the necessary know-how to work expertly. This is also true for less complex roles in the production departments, as we want every minute detail to be thoroughly understood by the trainee. These trainings are provided by experienced colleagues, sometimes under the supervision of department managers.

Each training session, conducted according to the annual plan, is recorded on paper and then entered into a management program. Regarding extraordinary training, we cover all costs, including travel and accommodation, for our Sworn Assessor candidates. They have repaid us by obtaining this title without hesitation.

We also have two in-house language courses: one in Italian at the Biel branch to facilitate communication with colleagues in Ticino, and one in French in Ticino, aimed at enabling communication with colleagues in Biel and French-speaking customers. The French course takes place every Wednesday during working hours and consists of two classes: an advanced one, primarily attended by administrative staff, and a basic one, attended by many production staff interested in communicating with customers who frequently visit the factory.

6. EMPLOYEE TRAINING

6.1 TRAINING FOR
EMPLOYEE

40 hours

6.2 PERCENTAGE
OF TRAINED
EMPLOYEES

50%

6.3 EXTERNAL
TRAINING

90%

“

For me, Sar is a big family, full of smiling people, always ready to get involved and take on new challenges. It is a wonderful environment that I would wish for anyone. Since I started, I have received many concessions such as flexible working hours and additional holidays not stipulated by contract. Last but not least, the French course has been a fantastic opportunity for me to learn a new language.

Simone Gallo
Incineration department employee



7. Diversity and inclusion

We have never assessed an application based on the gender, race, or religion of the prospective colleague, nor will we ever do so. Likewise, we will never have colleagues who advocate discrimination based on these aspects.

We have colleagues of different nationalities, cultures, and languages, both Caucasian and non-Caucasian. This diversity is an obvious enrichment for us.

With particular reference to the female gender, we would like to point out that:

1. Their remuneration is calculated solely based on their role in the company, just like that of their male counterparts.
2. They are hired based on their abilities and aspirations, without any discriminatory criteria, such as the potential for future motherhood.
3. Their roles disregard gender stereotypes.

In production departments, there is a large prevalence of male labour due to the very physical nature of the tasks. By "key roles", we mean positions with full and exclusive responsibility in a specific area

7. DIVERSITY AND INCLUSION

7.1 TOTAL FEMALE REPRESENTATION

15%

7.3 WOMEN REPRESENTATION IN THE BOARD OF DIRECTORS (BOD)

0% women

100% men

7.2 GENDER PAY GAP *

0%

7.4 WOMEN REPRESENTATION IN LEADERSHIP ROLES

25% women

75% men

7.5 PERCENTAGE OF EMPLOYEES UNDER 30

15%

7.6 PERCENTAGE OF EMPLOYEES OVER 50

18%

7.7 EMPLOYEES IN PROFESSIONAL REINTEGRATION

0

7.8 NATIONALITIES REPRESENTED IN THE COMPANY

2

7.9 EMPLOYEES WITH FLEXIBLE HOURS

35

7.10 PARENTAL LEAVE (IN ADDITION TO LEGAL OBLIGATIONS)

1

* Gender pay parity is achieved when the indicator equals 0%

“

I am sincerely grateful to SAR for giving me the opportunity to continue pursuing my passion, even though I had only been there a few months. For almost 10 years, I have been working as a trainer for Ticino's youth football teams, a commitment that is very important to me but difficult to reconcile with my work schedule. At SAR, I have found people who are willing to adjust my schedule to allow me to continue my sporting activities at FC Lugano in a professional manner. This is an opportunity that doesn't come around in every place.



Luca Bernasconi
Foundry Manager

I really appreciated the two days off given for my birthday. It's not something everyone gets!

Fabio Notari
Incineration Department Worker

“

I have been working at SAR for almost three years and became a father in August. One of the rarest resources nowadays is time to be with one's family. SAR has given me this opportunity by accommodating my schedule to suit my needs as a new father. This is not something that happens in every workplace, and for that, I am grateful.

Davide Civati
Chemist and Laboratory Technician

I thank SAR for always making me feel comfortable. They allowed me to bring Pablo, my dog, to the office and to organize my schedule after each maternity leave. They paid me 100 percent during maternity leave and allowed me to work remotely on the required days to make it easier to manage the girls at home. Last year, during my daughter's two hospital stays, SAR's management, as well as all my colleagues, were very supportive, understanding, and helpful. Last but not least, the French course: the management's willingness to organize a course suitable for us with a native speaker and the time to follow the course during working hours, also supported by our colleagues. All this creates a nice environment where we feel comfortable and can share thoughts, ideas, and opinions. We are a great group.

Claudia Roncoroni
Administrative employee

“

What I appreciate most about SAR is the incredible flexibility in working hours. Knowing that I can take time off for a doctor's appointment without having to use my personal time off is a great relief. This demonstrates their commitment to us as employees and their dedication to creating a healthy and positive working environment. I also appreciate the small gestures, such as croissants or ice cream on a Saturday morning when we have an extra workday. There are many opportunities for growth, such as learning French, which is opening new doors for me both professionally and personally. Being able to speak directly with customers has greatly improved our communication and interpersonal skills, enabling us to build stronger and more profitable relationships. Participating in trade fairs around Italy and Switzerland was an incredible experience that enriched us enormously, allowing us to meet new people, expand our knowledge, and acquire skills we would not otherwise have had the opportunity to develop. Finally, I am pleased to be free of work commitments on my birthday. It was truly a very welcome and appreciated gesture.

Renè Benzoni
Incineration Department worker and
Head of Maintenance

Community Relations



8. Community projects

SAR has supported numerous local associations, from Castello Calcio to the Balerna Scouts, and is always willing to contribute financially to the expenses faced by organized groups (both sports and others), often with great difficulty.

2024 will be an important year for us because, as we mentioned earlier, we will reach our 18th year. We asked ourselves how we could share the wealth that each moment of growth brings to the outside world, and, envisioning ourselves as high-schoolers about to enter university, we decided to do this through CULTURE. We chose to involve La Filanda in Mendrisio, a multi-purpose venue offering a wide range of services and activities for leisure, education, and entertainment in a spirit of sharing. It's a place of freedom open to all, with only one rule: respect for others and the space, so everyone feels at ease. To give you an idea of the impact of this space, here are some numbers from 2023:

- 174.000 visitors
- 43.000 books lent
- 2.000 new books purchased
- 1.400 inter-library loans
- 480 new memberships
- 1.731 activities and 204 events

Together with La Filanda, we are planning a series of SAR-funded cultural events featuring high-profile speakers (well-known journalists, historians, authors of notable fiction, etc.), starting in September 2024. The entire program will also be available on our website. Before that, our legal age must be celebrated with music and fun! We will be one of the official sponsors of the Mendrisio Music Festival, a wonderful opportunity to gather and have fun, featuring very interesting musical acts each year. All SAR employees will be present under the stage, raising a glass—at the company's expense—to a wonderful future together!

8. PROJECTS FOR THE LOCAL COMMUNITY

8.1 TOTAL AMOUNT
DISBURSED IN
DONATIONS AND
SPONSORSHIPS

20'000^{CHF}

8.2 ASSOCIATIONS
BENEFITING FROM
DONATIONS AND
SPONSORSHIPS

5

8. Good practices

Laveggio Park

"LAVEGGIO PARK" is finally a reality. SAR financially supported the project and joyfully participated in its inauguration. The project involves the restoration and enhancement of the bed and banks of the Laveggio, a beautiful stream that flows near our headquarters. Along its course dwell many species of fish and aquatic birds, and it is surrounded by lush flora. This small stream has found itself flowing through areas where progress has installed motorways and industrial estates. Fortunately, the sensitivity of local administrators, associations, and even some companies has given it dignity, making it the protagonist of a fantastic pedestrian path that starts in Stabio and reaches its mouth in the Ceresio. We are truly proud to have contributed to the realization of this corner of paradise and express our great gratitude to the municipalities involved and the Dipartimento del Territorio.

Cantonal sociopsychiatric organisation (OSC) of Mendrisio

The friends hosted by the Cantonal Socio-Psychiatric Organisation (OSC) in Mendrisio continue to attend with joy. There are no targeted projects or public occasions; simply, SAR grants its employees the opportunity to spend time at the facility to empathize with the guests. Why? Because the subject of so-called "diversity" fascinates and enriches us, and because all too often these people find themselves in situations of marginality that they absolutely do not deserve. SAR has volunteered to 'reciprocate the visit' by giving them access to our industrial spaces so they can see and understand what we do and how we work. We believe this could be another great opportunity for MEETING (capitalized not by chance), and we hope it will happen soon!



Treebù

In 2023, we also supported Treebu', a project aimed at young people who have interrupted their education, find it difficult to continue their studies, or need additional support and guidance. Treebu' accepts young people based on recommendations from their families, schools, social services, or training organizations. It works closely with a network of services, complementing the specific support each provides.

Treebu' offers sustainable and competitive activities in environmental ecology and promotes peer-to-peer interactions, providing opportunities for exchange, integration, and socialization.

The goal is to enhance skills through practical and educational experiences, motivate continued learning to prevent school dropout, and develop competencies to face daily challenges and future opportunities.



Environmental Management

For SAR, it is essential to have a highly constructive approach to environmental issues. As mentioned in the introduction, we find the association between the word “green”—or the concept it represents—and industry to be somewhat ironic. Regardless of the specific industrial activity, it is universally agreed that the world would be healthier covered in flowers rather than cement, cars, and chimneys. However, this is our reality, and we have a duty to minimize the impact of industrial activities that, for better or worse, allow us and our coworkers to live with dignity in the present day. Money is necessary, and it is work, including industrial work, that produces it.

This premise is essential because, if SAR has any faults, hypocrisy is not one of them. However, we must state forcefully that if our goal is profit, we reject Machiavelli’s quote that “the end justifies the means”. The company’s mission cannot disregard the means we continuously deploy to reduce our environmental impact.

In 2023, we have consistently focused on waste management and disposal, emission control, and water and environmental protection.



9. Materials

All the goods we handle are classified as waste, each identified by a specific OTRif (Waste Traffic Ordinance) code.

Some are non-hazardous waste (ncw), such as: "mixed metals", "slags from primary and secondary production",

"absorbents, filter materials, wiping cloths and protective clothing (except those covered by code 15 02 02)", "components removed from discarded equipment (except those covered by codes 16 02 15 or 16 02 97)", "spent catalysts containing gold, silver, rhenium, rhodium, palladium, iridium, or platinum (except those mentioned in 16 08 07)", "coatings and refractories from non-metallurgical processes (except those mentioned in 16 11 05)", "ferrous materials extracted from bottom ash and metals".

Others are subject to control (RC), such as "electronic components removed from discarded equipment (except those covered by code 16 02 15)".

Other wastes are classified as Special Wastes (SR), including: "Packaging containing residues of or contaminated by particularly hazardous substances or special wastes", "Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths and protective clothing contaminated by hazardous substances", "Spent catalysts contaminated by hazardous substances", "Paints, inks, adhesives, and resins containing hazardous substances".

Each material contains precious metals (Au, Ag, Pt, Pd, Rh, Ir, Ru) in varying concentrations, and our primary goal is the complete and efficient extraction of these metals.

Waste management is regulated by rules governing its circulation, storage, and treatment. SAR RECYCLING SA operates in full compliance with these regulations.

Depending on the physical state of the material and the type of treatment required, employees use appropriate personal protective equipment.

9. MATERIALS

9.1 MAIN MATERIALS
USED BY THE
COMPANY

200^t

9.2 MATERIALS OF
RECYCLED AND/OR
REUSED ORIGIN

100%

10. Energy

We have decided to source our electricity exclusively from renewable sources. Specifically, the 322 MWh consumed during the review year came from hydroelectric power. Electricity accounts for almost all of the company's energy consumption, resulting in an energy intensity of 0.2 MWh per unit of material processed.

It is also worth noting that the company plans to install a photovoltaic system on the roof of the new headquarters, scheduled for completion in 2024.

10. ENERGY	
10.1 TOTAL ENERGY CONSUMED	10.2 ENERGY CONSUMPTION FROM RENEWABLE SOURCES
322 ^{MWh}	100%
10.3 ENERGY INTENSITY *	
0.002 ^{MWh/unit}	
10.4 ELECTRICITY CONSUMPTION **	10.5 ELECTRICITY FROM RENEWABLE SOURCES
270 ^{MWh}	100%
* Energy consumed per company reference unit	
** Total electricity consumed, both fossil and renewable, purchased off-site. Excluding self-generated electricity	



11. Water resources

It is worth noting that the cooling water, which is essential for the foundry, operates in a closed-loop system. This means the same water is cooled and returned to the plant without drawing on new mains water. Wastewater from certain processes, which cannot be discharged into the sewage system, is stored under compartmentalized conditions to prevent any possible dispersion and is disposed of by professionals with the necessary authorizations.

11. WATER RESOURCES

11.1 WATER WITHDRAWALS

nd^{m3}

12. GHG emissions

We continue to conduct measurement campaigns at our own expense, even when not required by the supervisory authorities, through a third-party sampling and analysis laboratory. We provide proof through the laboratory's testimony. The company encourages employees to participate in car-sharing, and many colleagues, who share an interest in reducing GHG emissions, have taken up this invitation. We are also working on offering alternative modes of commuting, such as e-bikes, which will be provided by the company. However, we will need to wait until we move to the new premises, where we will construct a garage and charging point, to implement this initiative. Unfortunately, due to the nature of our products, we cannot use alternative means of transport other than road logistics.

12. GHG EMISSIONS

12.1 TOTAL GHG EMISSIONS *

54.6^{tCO₂e}

12.2 GHG EMISSION INTENSITY **

0.27^{tCO₂e/u}

12.3 GHG EMISSIONS FOR EMPLOYEES TRANSPORT

36^{tCO₂e}

12.4 GHG EMISSIONS FOR LOGISTICS (EXTERNAL)

78^{tCO₂e}

* Total GHG emissions: incl. direct (Scope 1) and indirect (Scope 2) and if available also Scope 3

** GHG emissions per company reference unit

“

Our collaboration with SAR Recycling SA, as a supplier, began in 2019 when the company contacted us to assess its atmospheric emissions. This assessment was of specific internal interest to the company, as there is no obligation in Switzerland, unless prescribed by the canton, to conduct periodic analyses of emission chimneys. In collaboration with the company and the Canton, we defined parameters relevant to SAR's activities, which were then assessed in subsequent sampling campaigns. SAR Recycling SA was always available during the sampling operations and cooperative in providing the information required to compile the Test Reports. This cooperation extended to administrative matters, as we have never encountered any issues, even from an economic standpoint.

Mr Marzorati Alessandro
FIGIT SRL

13. Waste Management

SAR RECYCLING SA has established a precise procedure for managing waste produced within the company, particularly in the laboratory. Waste management adheres to the principles of responsibility and cooperation among all parties involved in the production, distribution, use, and consumption of the goods from which the waste originates, in compliance with national and EU laws. The procedure emphasizes reducing waste for final disposal by enhancing prevention, reuse, recycling, and recovery activities.

The complete procedure is well-known to the personnel involved in waste management.

We also register the waste we produce ourselves and often advise customers on waste matters according to our capabilities and expertise, always referring to the cantonal authority. This includes providing pre-filled VII annexes with customer data, retrieving documents loaded into the system, and creating transport documents.

13. WASTE MANAGEMENT

13.1 TOTAL WASTE
PRODUCED

200^t

13.2 PERCENTAGE OF
WASTE RECYCLED OR
REUSED

100%

14. Investments

We would like to highlight that the planned investments in our new premises include the installation of photovoltaic panels covering the entire roof area, along with the preservation of the surrounding green areas.

Additionally, we have signed a contract for the future supply of electricity, prioritizing domestic hydroelectric production.

14. INVESTMENTS IN INFRASTRUCTURE, FURNISHINGS, MACHINERY (ANNUAL AMOUNT)

14.1 INVESTMENTS IN INFRASTRUCTURE,
FURNISHINGS, MACHINERY

0.3M^{CHF}



A close-up photograph of a brick being processed by a machine. The brick is light brown and has many small, dark, circular indentations on its surface. The machine's components, including a large metal cylinder and a dark metal arm, are visible in the background and foreground. The lighting is warm and focused on the brick. A semi-transparent white text box is overlaid on the right side of the image.

Conclusions

We consider the CSR tool to be fundamental. It enables management to analyze the company's performance from various perspectives, encouraging a greater focus on sustainability. Simultaneously, it provides our stakeholders with a true snapshot of our company, allowing them to better understand its identity, philosophy, and conduct.

Summary outline

The following table presents all the data collected in the report, providing an overview of SAR RECYCLING SA's commitment to sustainability. Looking ahead, these indicators can be compared with data collected at the canton level, allowing for the definition of useful average thresholds to gain insights into the local economy. This data collection also serves as a valuable tool for analyzing results over the years, enabling the monitoring of positive or negative trends and the planning of future interventions by defining specific objectives. Additionally, the table allows for comparisons with the main indicators of international guidelines.



Category	N.	Indicator	Unit	2023 data	2022 data
1. Economic value	1.1	Economic value distributed in Ticino	CHF Mio	3.17	64
2. Investment in research, development and innovation (RDI)	2.1	RDI investment value	CHF Mio	0.33	0.39
3. Suppliers	3.1	Total number of suppliers	n.	216	216
	3.2	Percentage of local suppliers	%	48.61	48.06
	3.3	Valore economico distribuito ai fornitori	CHF Mio	1.73	240
	3.4	Economic value distributed to suppliers	%	53.52	37.5
4. Corporate welfare	4.1	Total number of employees	n.	35	33
	4.2	Percentage of full-time contracts	%	89.6	84.8
	4.3	Number of fixed-term contracts (trainees excluded)	n.	0	5
	4.4	Number of apprenticeship contracts	n.	0	0
	4.5	Percentage turnover	%	0	0
	4.6	Investment in welfare per employee	CHF/per	2'394	2'575
5. Health and security	5.1	Percentage of absences due to illness	%	1.98	2.89
	5.2	Percentage of absences due to occupational accident	%	0.13	0.46
6. Employee training	6.1	Training for employee	hours	40	35.84
	6.2	Percentage of trained employees	%	50	6
7. Diversity and inclusion	7.1	Total female representation	%	15	21
	7.2	Gender pay gap	%	0	0
	7.3	Women representation in the Board of Directors (BoD)	%	0	0
	7.4	Women representation in leadership roles	%	25	25
	7.5	Percentage of employees under 30	%	15	15
	7.6	Percentage of employees over 50	%	18	18
8. Projects for the local community	8.1	Total amount disbursed in donations and sponsorships	CHF	20'000	17'000
	8.2	Associations benefiting from donations and sponsorships	n.	5	4
9. Materials	9.1	Main materials used by the company	t	200	160
	9.2	Percentage of materials of recycled and/or reused origin	%	100	100
10. Energy	10.1	Total energy consumed	MWh	322	248
	10.2	Percentage of energy consumption from renewable sources	%	100	100
	10.3	Energy intensity * - * Energy consumed per company reference unit	MWh/t	0.002	1.55
11. Water resources	11.1	Water withdrawals	m3	nd	nd
12. GHG emissions	12.1	Total GHG emissions	tCO ₂ e	54.6	185
	12.2	GHG emission intensity (per unit)	tCO ₂ e/u	0.27	1.15
13. Waste management	13.1	Total waste produced	t	200	nd
	13.2	Percentage of waste recycled or reused	%	100	nd
14. Investments	14.1	Investments in infrastructure, furnishings, machinery	CHF Mio	1.2	0.2

Objectives Achieved

Before setting out our future objectives, we report on the results achieved for those set in the last report:.

- **Implementation of extraction systems through the construction of new hoods and cyclones.** The purpose of this work is to avoid the dispersion of pyrolysis fumes and prevent the possibility of fire in the bag filter. OBJECTIVE FULLY ACHIEVED with numerous investments and the development of valuable know-how by our technicians.
- **Implementation of the Quality Manual.** This will allow our operators to easily consult procedures and working methods, and our stakeholders to verify them. OBJECTIVE IN PROGRESS. We are constantly working on the MoQ, investing considerable resources. This project is extensive, touching on all company issues. While it will continually evolve, we have made significant progress. We sincerely thank all colleagues who are working on it with dedication and seriousness.
- **Emission control.** Continue along the already mapped-out control path by conducting sampling at regular intervals. OBJECTIVE FULLY ACHIEVED.
- **Wastewater control.** Continue along the already mapped-out control path with regular sampling. OBJECTIVE FULLY ACHIEVED.
- **Community efforts.** Implement initiatives similar to the "Laveggio Park" or set up projects aimed at raising awareness of environmental issues. OBJECTIVE FULLY ACHIEVED.
- **Establishment of employee representation.** We asked all colleagues to identify a spokesperson, external to the Board of Directors and Management, through whom they could represent their demands. The company guaranteed a space for workers' meetings and the possibility to meet during working hours. OBJECTIVE ACHIEVED, albeit in a different manner. At the request of the employees, we set up a box that can only be opened by management, in which everyone, even anonymously, can suggest new initiatives or represent needs. This method proved effective, with many messages received. Management responds in writing by posting in the canteen and accepting requests whenever possible.
- **Recreational opportunities.** Plan recreational, cultural, or sports initiatives for all colleagues, covering the full costs. OBJECTIVE FULLY ACHIEVED.

Future Goals

The most important step we are finally about to take is the relocation of production activities to the new building in Mendrisio in 2025. This building will house production in an area of almost 2,000 square meters. In particular, the analysis laboratory, foundry, and incineration area will be almost ten times larger than their current locations. The productivity of the departments, thanks to the new technologies that will be installed, is expected to grow by over 300%.

In the design, we have prioritized safety, smoke treatment, and quality of life. Regarding safety, we have addressed it in every possible way: workplace safety through numerous design measures in each department; safety from theft and robbery through a state-of-the-art alarm system, internal controls, and compartmentalized areas; and material safety through structural measures to ensure it cannot be destroyed or dispersed. Concerning fume treatment, we have designed a very efficient system.

For the quality of life of employees, we have planned spacious canteens and changing rooms, as well as an e-bike recharging center and an outdoor summer dining area. The next step is the construction of an office building adjacent to the industrial building.

Although this is irrelevant to the CSR theme, we would like to point out that at the same time as the opening of the construction site, SAR decided to change its image, abandoning the old logo (which had become obsolete as it only related to the spent catalyst market). We have adopted the logo attached to this report, which, besides having a more up-to-date and minimalist look, represents the variety of services we offer: the circle is the edge of the crucible, a semi-cast, or a drum; the third symbol is the drop of the melt or the spark of the incinerator; and in the middle, the rod.

1

Site works and relocation to the new building in Mendrisio Rancate.

2

Implementation of photovoltaic system.

3

Installation of additional smoke suppressors.

4

Allocation of spaces for play and recreational activities.

5

Creation of a small 'outdoor canteen' in the green spaces surrounding the company.

6

Formal invitation to client/supplier and stakeholders who are interested to visit the new plant.

7

Drafting of the welfare plan.



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