



2024 CSR Regional Report



Data sheet



Sector:
Precious Metals Recovery



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, Bienne

Ownership and legal form (private/family)

The Company has been incorporated as a Limited Liability Company.

Product sector (prevalent)

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

Scale of the organisation

The company consists of a warehouse area of 1.000 sqm in Riva San Vitale, and an administrative/reception and preliminary inspection areas of approximately 200 sqm at the Biel branch.

Information on employees and other workers

In 2024, the company employed 46 permanent employees.

Size of the organisation (annual turnover)

In 2024, the company registered a turnover of 420 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 01.01.2024 – 31.12.2024, which also corresponds to the end of the reporting period.

Contact

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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 from the director



“If you can dream it, you can do it!” (Walt Disney). We closed our eyes so tightly that we managed to dream it, and then we devoted commitment and resources to that dream: in 2024, we broke ground on the construction of our new headquarters! For those of us who wished for it so deeply, it feels true that, as the little animals sang to Cinderella, “A dream is a wish your heart makes; if you keep on believing, the dream that you wish will come true”.

I am deeply convinced that the most admirable actions of adults are inspired by their childlike spirit and that, as a result, certain professional choices can genuinely stem from a place suspended between dreaming and willing. Many years ago, we began to envision a new headquarters; at that stage, we had neither a definite project nor the certainties we later acquired, nor even the needs we recognise today. The truth is that imagining our future has always been something we enjoyed, and perhaps it is precisely from this desire to picture ourselves ahead that strategies are born. It was not easy to find a suitable building or to design it properly, but today the new space where this remarkable professional adventure can continue to grow has fully taken shape. New, but not the only one: we will continue operating at the Riva San Vitale site as well, which we intend to renovate thoroughly to ensure the same standards and the same level of comfort offered by the new headquarters. What does all this have to do with sustainability? It relates in several ways – not only because of the environmental measures we have implemented (such as sourcing clean energy, enhancing fume treatment, and creating new green areas), which will be described later, but also because we reach these milestones together, standing side by side with all our collaborators.

Thanks to the work of each one of them, we have been able to invest in such ambitious projects; thanks to their enthusiasm, we find the confidence needed to overcome the inevitable concerns experienced by those who take a very long step forward. Thanks to their professional insight, we were able to allocate the spaces in the best possible way, ensuring the ergonomics and comfort of every area. We like to think that our future offices will be our homes and, as we all know, every home has a family. I often smile when I hear these words associated with the world of work – how often they are used rhetorically and hypocritically! Well, not at SAR.

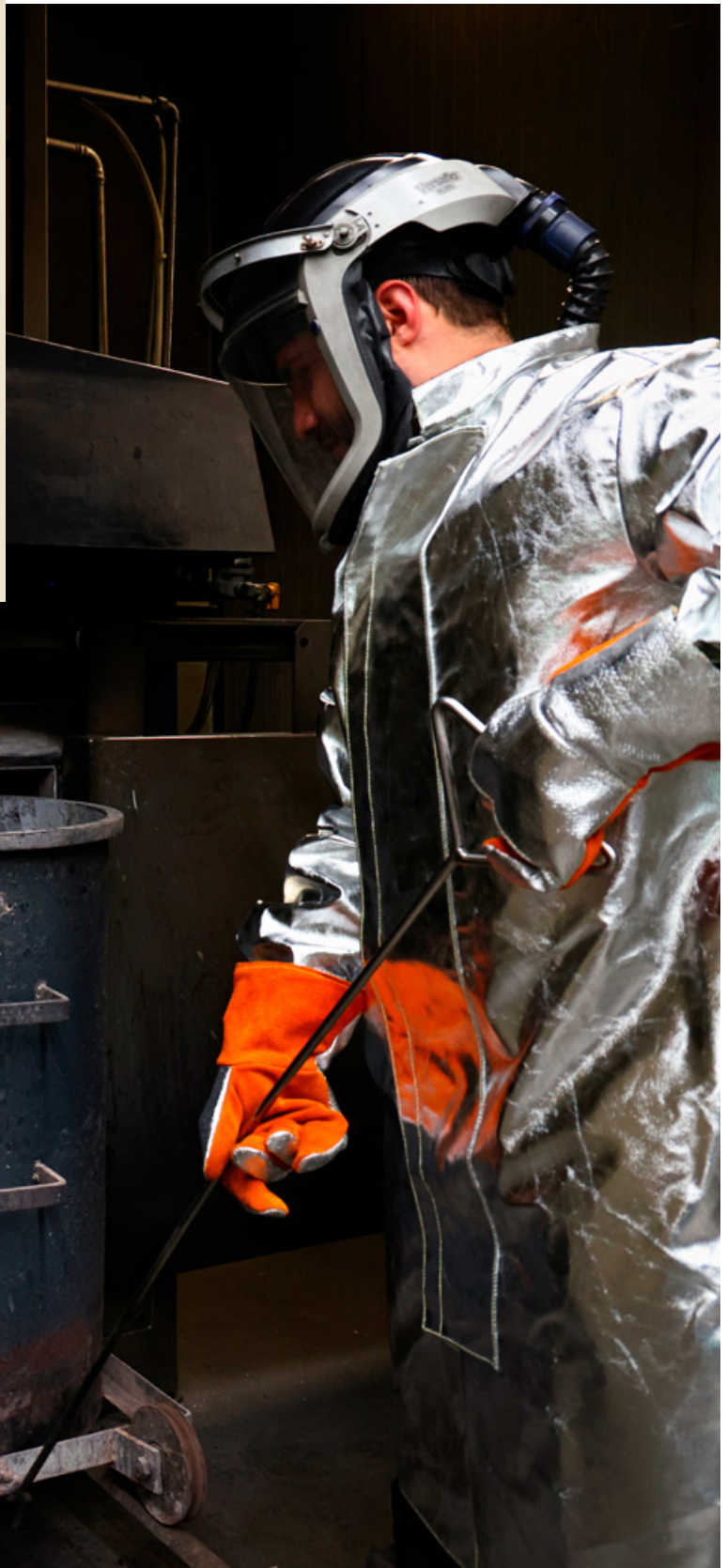
Forgive me if I take pride in this, but every single day we genuinely strive to build something that goes far beyond a mere “workplace,” and I am so proud of it that I simply cannot remain silent. “Joy makes a lot of noise,” reads the title of a beautiful book. So, consider my words as the sound made by happiness. I do not know how many entrepreneurs feel that they are part of the company’s population – part of it in the truest sense, not “other” than the “others.” If work is, in its own way, an endless school, then my colleagues are my classmates, my teachers, the friends with whom I share the break. At SAR, we believe that an entrepreneur should not be the “lonely man in command.” There are days when – sticking to the cycling metaphor – it is our turn to pass the water bottle so that someone else can win; our turn to ride in the slipstream or to be the one cutting through the air; our turn to change a punctured tyre, or to be the ones applauding. In the end, what matters is that the team wins. We are now more than fifty. We are a very small company that is growing steadily and healthily – healthy in its results and healthy in its principles. And if there is something I truly continue to dream of, it is that things may always remain this way. We continue to believe in it. *“If you keep on believing, the dream that you wish will come true”.*

For the Board of Directors,
Filippo Andreani

About us

We are committed every day to ensuring that the concept of continuous improvement within our company is truly embraced by everyone – at every moment of their work and with passion.

*Matteo Corrias,
member of the Board of
Directors*



In 2006, the year of its foundation, SAR RECYCLING SA dealt exclusively with the treatment of spent catalysts. The operational sites were two: an administrative office in Chiasso and a small garage – formerly a mechanical workshop – where we removed the ceramic monolith for subsequent external processing. In 2024, eighteen years later, SAR RECYCLING SA is an industrial company with two operational sites and a third under construction, employing dozens of people and continuing to expand rapidly. How was this possible?

Many factors contribute to the achievement of our results. Among these, we would like to highlight the following three:

First and foremost, there is the selection of our counterparties: having well-structured clients, capable of tracing the origin and quality of the goods, who combine productivity with meticulous attention to detail and who operate with robust strategies, is undoubtedly a strength in the pursuit of our objectives. The credit for this certainly goes to our sales team, together with the utmost thoroughness of our Compliance Office.

Secondly, we are fortunate to be driven by a complete absence of greed. We are interested in money only insofar as it is a necessary means to sustain our operations, improve the standard of living of every colleague, and support the numerous investments we aim to make. We have never worked to buy ourselves a Ferrari; we have always worked to turn SAR into a Ferrari!

Third, we have gradually built a genuine, enthusiastic, and capable team. You may recall how Leicester City won the Premier League ten years ago. The bookmakers placed their chances at 1 to 5,000, and the so-called “miracle” was anything but a miracle; it was the result of exceptionally high motivation and an extraordinarily strong team spirit. Working together, working serenely, sharing results, toasting to the future: our small company can be summed up in this sequence of actions.

Our history

Step by step, we trace our path across the ground of SAR RECYCLING SA, much like farmers surveying their fields at the end of the day. From them, we learn that sowing comes before the harvest; we learn about rotation – which, for us, takes the form of diversification; and we learn respect for, and gratitude toward, hard work. We have always been accustomed to taking small steps, at a pace suited to our stride, waiting for the seeds to sprout and resisting the temptation to empty the barn of all its hay.

2006-2014

Establishment of SAR RECYCLING SA. Opening of the sales and administrative offices in Chiasso and the production unit in Pedrinate.

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

Relocation of the administration and production to the Riva San Vitale site.

Installation of new machinery for the extraction of the ceramic monoliths from spent catalysts, a grinding plant equipped with electronic sampling, and an XRF laboratory for analysis.

Research conducted on possible business-diversification opportunities.



2014-2020

Construction of the foundry and the chemical laboratory.

Hiring of the first "Sworn Assayer" and training of laboratory technicians and foundry staff.

First contacts with the watchmaking industry.

Training and qualification of a second "Sworn Assayer".

Purchase and installation of a pyrolysis plant, together with the related machinery and equipment (mills and mixers).

Expansion of the trading room. Achievement of RJC certifications.





2020-2022

Upgrade of the pyrolysis plant and related services. Hiring of chemistry specialists.

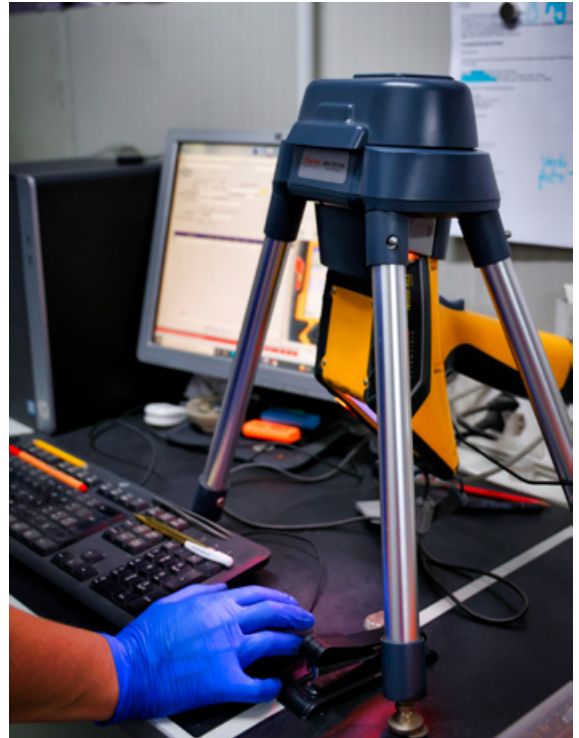
Consolidation of the company's position in the Swiss watchmaking market for the recovery of manufacturing waste.

Training and qualification of the third "Sworn Assayer". Opening of the Biel branch.

Revision of the company structure to enable business succession.

Expansion of the "Accounting and Finance" Division.

Opening of the Waste Management Office.



2022-present

Further enhancement of the plant through the acquisition of new-generation incinerators. Hiring and training of new personnel.

Study of improvements to the fume extraction and treatment system, and implementation of several preventive measures aimed at eliminating fire risk.

Executive design of the new company headquarters.

Obtaining of the "Additional Authorisation for the Trading of Bank Precious Metals".

Preparation of the "Quality Manual".

Further progress in digitalisation; publication of Sustainability Reports; hiring of two legal professionals to strengthen the Compliance function; opening of the department dedicated to the treatment of funeral cremation residues.

Continuation of the investment policies undertaken.

Opening of the construction site for the new headquarters in Mendrisio-Rancate. Further strengthening of Compliance processes.

Hiring of additional personnel. Reinforcement of the Management body and the Sales Division.

Our figures

In 2024, we surpassed CHF 400 million in global turnover. The current price of Au has certainly contributed significantly to this increase; however, the chart shows a consistently steady growth trajectory.

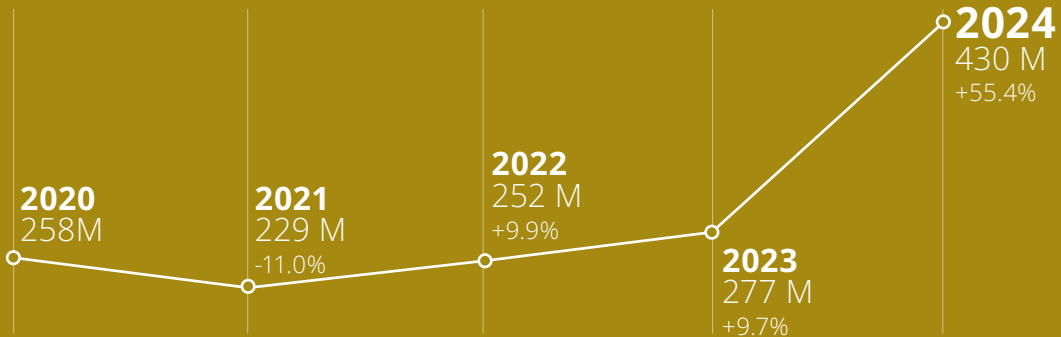
The absence of spikes or drops reflects the strength of our commercial relationships. This is even more evident when considering the evolution of turnover from processing activities alone, which we have also published for previous years to ensure full transparency. Since 2019, a clearly visible growth trend has been underway: our entry into the watchmaking industry for the recovery of precious metals contained in manufacturers' scrap represented an important milestone. This has now been followed by ongoing investments aimed at recovering precious metals from

other sectors – first and foremost from funeral cremation residues.

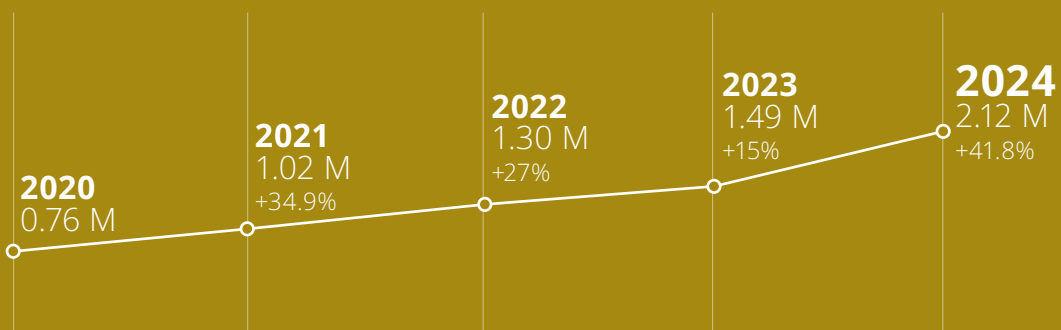
The number of commercial relationships is growing, and 2024 revenue – referring exclusively to processing activities – has exceeded CHF 2 million.

It goes without saying that producing more requires more hands and more minds. Recruiting new personnel was, in 2024, a key priority. We were fortunate to meet other remarkable individuals. We were also determined in this

TURNOVER 2020 / 2024



PROCESSING 2020 / 2024



regard – for example, with the hiring of David Diotto, whose role is to assist the Board and support the Sales Division. A task that is by no means an easy one, which David is approaching with great dedication, commenting on his decision as follows: *“After 15 years in the banking sector, particularly in Corporate Banking at one of the leading Swiss banks, in 2024 I chose to take on a new professional challenge by radically changing sector. Having long been familiar with SAR, its management and the welcoming corporate environment that distinguishes it, joining the company came naturally. Since September 2024, I have therefore been part of this small yet great family!”*.

Quantities processed over the past 3 years

IOur core business consists of processing waste from the

watchmaking industry, from which we recover the precious metals it contains. In 2024, we doubled the quantities processed in 2023, a year that had already recorded a 22% increase compared to 2022.

This is a highly satisfactory result, achieved thanks to everyone’s daily commitment and to a shared vision of what we aspire to become in the future – a vision firmly rooted in each colleague. We have further strengthened our position in the market, and we are proud that our clients consider us a solid, efficient and loyal organisation.

Positive increases in processed quantities have also been recorded in other areas (goldsmith scraps, other waste, etc.), partly due to the rise in the price of gold. Beyond this

↑ +55.4%

TURNOVER
compared to 2023

↑ +41.8%

PROCESSING
compared to 2023

↑ +54.0%

WATCHMAKING
INDUSTRY WASTE
compared to 2023

↑ +8.2%

CREMATORIA SERVICES
compared to 2023

↑ +11

NUMBER OF FTE
EMPLOYEES
compared to 2023

↑ +20%

COMMERCIAL
RELATIONSHIPS
compared to 2023

objective factor, our daily efforts to become increasingly efficient, precise and responsive to each client's specific needs have certainly helped attract to SAR materials whose recovery our current clients had previously entrusted to other operators.

The 'Crematoria Services' division, established for the recovery of precious metals resulting from funeral cremations, is also experiencing growth. SAR is the only company in Europe to carry out all stages of the process in-house – which are numerous and diverse, ranging from the initial sorting of materials through to the production of the ingot, its analysis and liquidation. Investments in this field are constant and substantial. The team working in the production departments has grown exponentially, and the techniques employed – given the extremely heterogeneous nature of the materials – are continuously improving. Looking ahead, we envisage the construction of a facility capable of automating several processes, ensuring improved ergonomics and greater precision; our technicians are currently studying the most effective construction solutions.

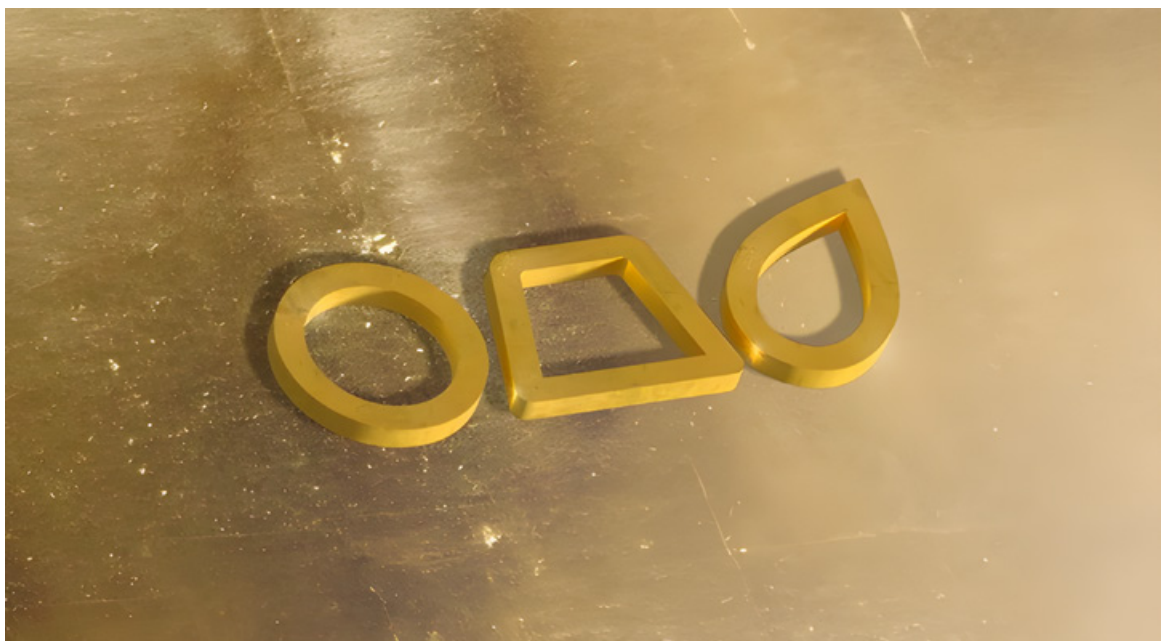
The market for spent catalysts (from which SAR recovers Pt, Pd, and Rh) has, however, been in decline since the second half of 2022. This downturn, which began with a shortage of semiconductors for newly manufactured vehicles, is still

largely attributable to a combination of factors, including uncertainty regarding future propulsion systems (fossil fuels or electricity). This uncertainty has led to an expansion of the used-vehicle market, with a consequent decrease in vehicle deregistrations. In Switzerland, the increase in value recognised by the international market for used vehicles has, in fact, resulted in the near elimination of vehicle scrapage: almost the entire volume of decommissioned vehicles is exported as-is and subsequently re-registered abroad.

Change in Company Locations

The operating sites opened in 2021 (in Cassina Rizzardi – CO and Longiano – FC, Italy), dedicated to the storage of spent catalysts, remain fully operational despite the above-mentioned circumstances. SAR RECYCLING holds these sites through the Italian company RECUPERO SCARTI INDUSTRIALI SRL. These sites hold all the authorisations required under current legislation for the storage of waste (spent catalysts contaminated or not contaminated with hazardous substances). The warehouses are equipped with alarm systems and video surveillance, and operators are provided with personal protective equipment (PPE).

The Biel branch is located at 46 Rue Centrale, in the very heart of the city. The building is of high standing and is equipped with numerous security systems (a bank occupies



the ground floor), thus ensuring the highest level of safe-keeping for all goods. The branch is equipped with safes, weighing instruments and spectrometric analysis tools.

The site, originally conceived as a logistical hub to provide local customers with fast and excellent service, has now become a true commercial reference point. Branch management is entrusted to our colleague Marcos Barrigon, who consistently and with great dedication contributes to defining new commercial strategies in close coordination with the Board of Directors.

The Riva San Vitale facility will undergo a comprehensive renovation, already scheduled for 2026, with the aim of ensuring greater comfort for employees working in the administrative and production departments.

The Mendrisio facility has meanwhile been completed and will be discussed in detail in the 2025 Report. In the meantime, below is the testimony of Remo Cattaneo, Chairman of the Board of Directors:

"Many people have expressed positive comments about the colour chosen for the exterior paintwork of the Mendrisio facility, with remarks such as: 'Beautiful! It fits well into the vineyard landscape and enhances the industrial area.' These comments

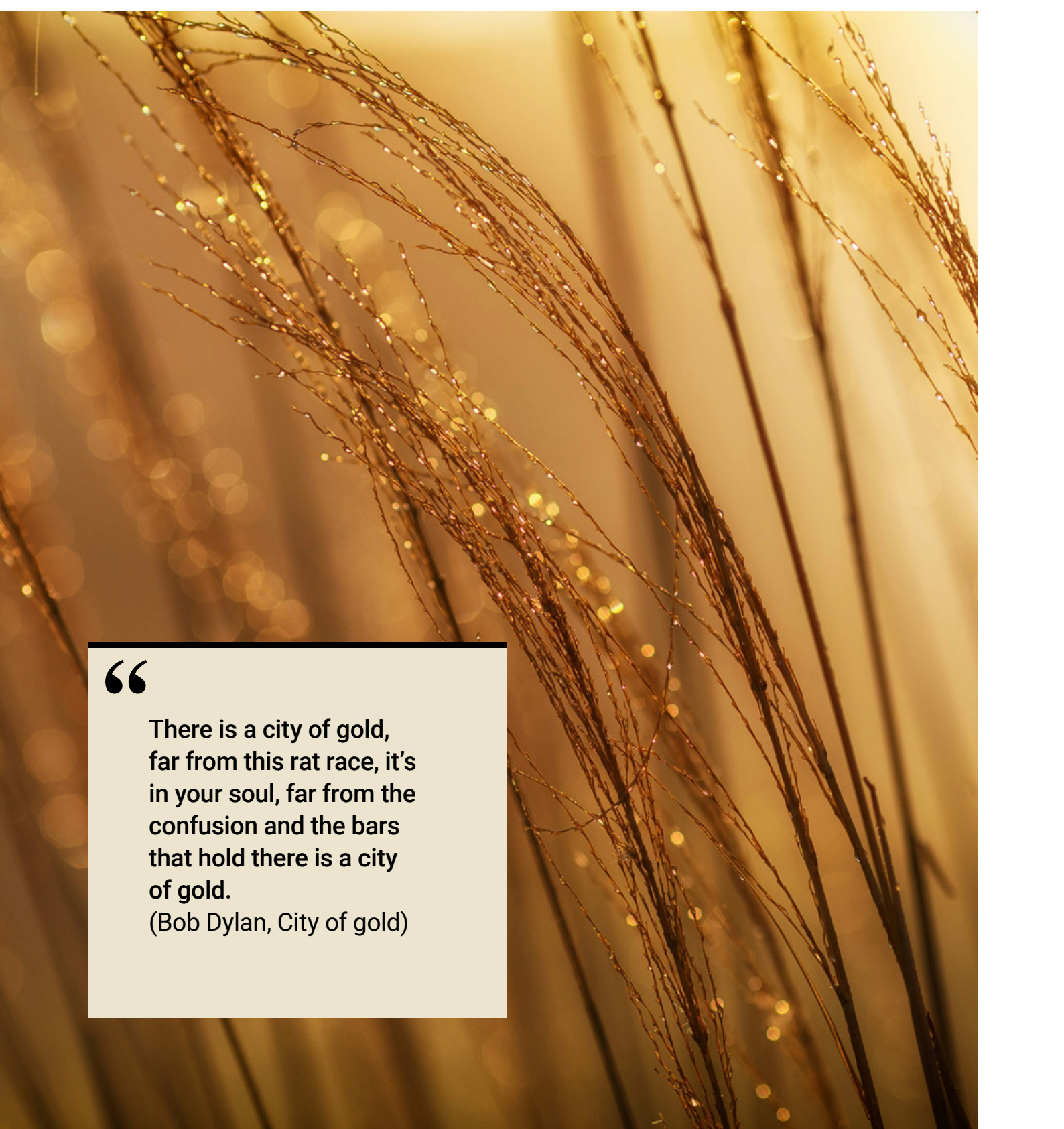
refer to the deep green used for the exterior walls, made even more elegant by the dark grey window frames. For us, green is not just a colour; the reference to the environment is evident, and its protection is very important to SAR. The choice of this colour is almost a statement of intent: we are fully committed to ensuring that our operations have no negative impact on the surrounding area. We have always been very willing to collaborate on any local project aimed at protecting our land."

Change in the number of new commercial relationships over the last five years

The increase in commercial relationships has been continuous: from 2019 to 2023, an average of 41 new relationships were established each year. In 2023 alone, new openings reached the round figure of 50. In 2024, this success was repeated, with the establishment of a further 56 commercial relationships (over 20% more than the average annual growth recorded in recent years). This growth is particularly noteworthy in light of the thorough preliminary checks carried out by our Compliance Office, which is tasked with screening applications and ensuring that only sound and secure commercial relationships are established.



Our idea of sustainability



“

There is a city of gold,
far from this rat race, it's
in your soul, far from the
confusion and the bars
that hold there is a city
of gold.

(Bob Dylan, City of gold)

We never expected the new Mendrisio production site to become the ideal place sung about by Dylan, but we strongly wished for it to be a place capable of reflecting – above all – our soul.

We use the word “soul” to describe the set of deeply held convictions, often ethical in nature, on which we base our daily work and the meaning that the concept of “sustainability” holds for us.

As we have repeatedly stated in previous Reports, we are committed every day to ensuring that SAR is not merely a business venture, but a microcosm in which people can live and work together in harmony.

Although this idea may appear objectively beautiful, bringing it to life requires daily effort, which we face with great passion. Indeed, now that we have grown well beyond fifty colleagues, it is not easy to preserve the same spirit and habits we had when we were around twenty. Yet, not without some surprise, we have discovered that it is entirely possible – and that it therefore deserves all our determination.

There will never come a time when, in speaking about ourselves, we will refer only to figures and results. In every discussion, in every decision taken by the Board of Directors, and in the development of every new strategy, PEOPLE continue to play a central role. We know each colleague's attitude; we are familiar with their needs and aspirations, their skills, their family situation, their ambitions, and even the football team they support. This is the point: we believe that an entrepreneur cannot truly understand the needs of their “employees” without knowing them deeply – without dedicating time and attention to them, without sharing moments such as an aperitif or a midday run, and without creating opportunities for genuine connection and meaningful exchange.

We involve our colleagues in most of the decisions we make on a regular basis. Together, we decide on working hours, holiday periods and recreational initiatives; together, we plan the organisation and layout of new workspaces, choose the company Christmas gifts and the menu for our next dinner; together, we decide how to adapt a work process to a specific client's needs, how to improve productivity and how to ensure accuracy. Working together and moving forward together is one of the greatest and most rewarding aspects of our experience.

Territory also encompasses the Environment, and it is our clear duty to ensure that our presence has as little impact as possible on the beautiful vineyards and woodlands surrounding our facilities. For this reason, we have researched technologies capable of ensuring a drastic reduction in emissions, we have effectively eliminated the risk of occasional or process-related fires, and we have created compartmentalized areas for containing and recovering any spills of acidic substances.

Governance policy

“

The industrial environment is a blend of diverse competencies that intersect with one another; each plays an important role, and none can be overlooked. A well-managed workflow makes it possible to enhance and streamline processes and daily operations. To mention just a few examples:

- the sales division, which requires the tools and solid production-based foundations, as well as administrative support to manage the service it offers;
- the production division, which sets processing times enabling the sales division to sell its service, and provides information to the financial department for smooth liquidity management;
- the administrative and accounting department, without which goods and routine operations could not be managed;
- the Compliance Office, which acts as a safeguard for the company and for its clients and suppliers.

Lastly, the role of Management should not be forgotten. It is responsible for maintaining the balance among all departments and for identifying solutions – whether simple or complex – that are effective in optimising operational flows and coordination between the various areas.

In conclusion: if an outstanding individual is an asset, it is the entire team that truly makes the difference.

Paolo Grassi, Member of the Board of Directors



Strategy and Business Model

LEGALITY, TRANSPARENCY and RESPECT: respectful of the law, open towards stakeholders, and respectful of colleagues and of the territory. These are our guiding principles, the foundations on which our business model is built.

They may appear to be rhetorical statements, but in our day-to-day reality they are supported by concrete and consistent behaviour.

For example, with regard to legality, we employ two lawyers within the Compliance Office. This is a well-structured and highly qualified department, designed to protect both the company and all of our stakeholders.

The Head of this office, Lawyer Rosita Di Martino, comments on the company climate as follows:

"I have known SAR since its early days and have literally watched it grow exponentially before my eyes. I assisted SAR as a self-employed lawyer in Italy and have always appreciated its integrity and its willingness to reach amicable solutions, even with counterparties that did not deserve it. After many years as an independent professional, the company gave me the opportunity to reinvent myself, offering constant new challenges and an important role within the organisation. It was not easy to close that chapter, but I am grateful to SAR because I truly found everything I expected: openness, collaboration, constructive dialogue, genuine attention to employees that makes a real difference, and a significant added value compared to my previous professional experience – feeling part of a team."

Our Compliance Model will be illustrated in detail in the following pages of this Report. Where necessary, the Compliance Office is supported by the esteemed law firm Kellerhalls Carrard Lugano SA, with offices in Lugano, Basel, Bern, Geneva, Lausanne, Sion and Zurich.

Transparency is achieved in several ways. We would like to emphasise that our facilities are always open to welcoming clients and suppliers. Processing activities can be followed on site, allowing the counterparty to be involved in every stage of the production process. Internal documentation is always available to clients and to the Authorities.

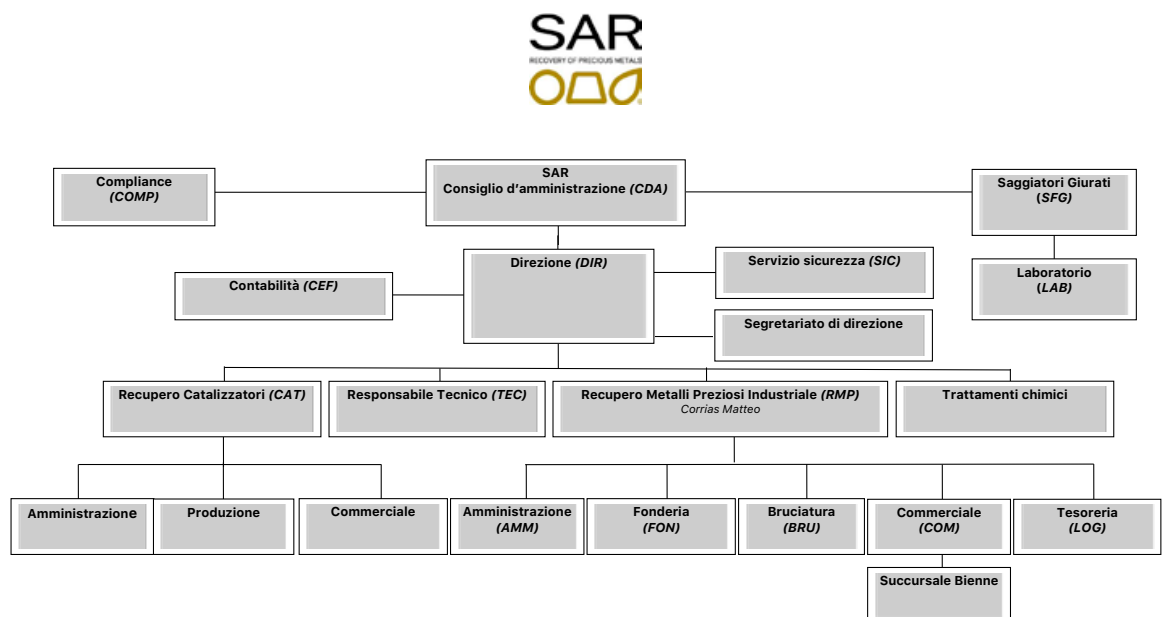
Respect deserves a discussion of its own, part of which (respect towards colleagues) will be addressed later in this Report. Respect for the territory takes shape through numerous actions: continuous monitoring of emissions, research into and installation of anti-pollution systems, support for local sports and social initiatives, and the promotion of culture. These aspects will also be discussed further on.

Company organigram

SAR has a pyramidal organisational chart with specific and independent roles. The entire Board of Directors is also part of the Management, separate from the key figures of Compliance and the Analysis Laboratory; all signing authorities are limited to two signatories. Management is supported by the Security Service, the Accounting Department, and the Management Secretariat. Branching out under the Management are the "Catalyst Recovery" and "Industrial Precious Metals Recovery" sectors. Both sectors have their own Administration, Production, Processing,

and sales departments; only the 'Industrial Precious Metals Recovery' sector also 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 of 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 to, and continuous improvement in, the quality of its services, while respecting Human Rights, Business Ethics, health and safety in the workplace, and environmental protection. Accordingly, in the implementation and management of its Organisational System, the company has committed to adopting the principles of the Responsible Jewellery Council for the responsible management of its activities. Aware of the social responsibility that companies are expected to uphold in order to achieve sustainable and long-term growth, Management applies the management requirements set out by the Responsible Jewellery Council and is committed to applying and promoting ethics, respect for human rights and responsible social practices in a transparent and accountable manner. The application of the Responsible Jewellery Council Standard entails a series of commitments identified as follows:

- **Business Ethics**

In particular, the company commits to:

- conducting its activities in full compliance with ethical standards, ensuring integrity, transparency and compliance with applicable laws;
- not tolerating any form of corruption or money laundering, and monitoring its activities to ensure that any suspicious practices are identified, reported and effectively addressed;
- clearly, fully and transparently describing the characteristics of its products and services;
- ensuring the traceability of precious metals associated with its processing activities, in order to guarantee their exclusive use and to ensure that they do not originate from illicit sources or from armed conflict zones financed through the sale of precious metals;
- ensuring compliance throughout its supply chain through direct and continuous monitoring of counterparties;
- promoting awareness of the importance of a responsibly and carefully managed supply chain.

- **Human Rights**

In particular, the company undertakes to:

- uphold the Universal Declaration of Human Rights as proclaimed by the United Nations;
- refrain from the use of child labour and from any form of forced or coercive labour;
- ensure high standards of workplace health and safety in accordance with national and international regulations;
- refrain from any form of discrimination and from applying

degrading treatment, harassment, abuse, coercion or intimidation of any kind.

- promote the importance of transparent communication at all levels of the organisation, encouraging the reporting of any improper conduct by anyone acting in the name and on behalf of the Organisation;
- comply with applicable labour legislation and ensure its observance.

- **Responsible supply chain**

In particular, the company undertakes to:

- conduct its activities in full compliance with ethical standards, ensuring integrity, transparency and compliance with applicable laws;
- not tolerate any form of corruption or money laundering, in compliance with all applicable national and international regulations;
- prevent any form of abuse for the purposes of money laundering and the financing of terrorism;
- fulfil all required due diligence obligations towards counterparties by strictly applying KYC requirements;
- verify each counterparty and ascertain the lawful origin of the materials to be recovered;
- terminate any business transaction deemed suspicious and promptly report it to the competent authorities;
- refrain from entering into any business relationship with organisations whose beneficial owners cannot be identified;
- fully and transparently disclose the characteristics of its products and services.

During the RJC Code of Practices certification period, in reporting on the overall performance of the system, no deviations from the procedures were identified, nor were any supply-chain risks identified on the basis of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs). OECD Given the nature of the company's activities, procurement from conflict-affected or high-risk areas is not contemplated. Based on the risk assessment carried out, all sources fall within a documented level of acceptability. Furthermore, no direct or indirect violations of human rights attributable to us were identified.

Any comment, recommendation, notification, or complaint concerning the management system adopted by our company may be sent to the following email address: info@sarrecycling.com

Corporate Compliance

Sources and meaning

Being a compliant company means strictly adhering to the regulations governing the trade in banking and non-banking precious metals, namely: the Federal Act on Money Laundering (LRD) and its implementing Ordinance (ORD); the Federal Act on the Control and Trade of Precious Metals and Precious Metal Articles (LCMP) and its implementing Ordinance (OCMP); as well as the UDSC Ordinance on Money Laundering issued by the Federal Office for Customs and Border Security (ORD-UDSC). Compliance also entails adherence to Regulation R-247, issued by the Central Office for Precious Metals Control on 1 January 2022, together with numerous other applicable regulations and circulars.

Compliance represents a form of protection not only for the Company but also for its stakeholders. Being compliant means being able to prevent and identify potential risks that could threaten the Company's stability or its impeccable reputation.

As regards the Code of Conduct, which implements the management requirements set out by the Responsible Jewellery Council, it is available for consultation on our website.

Profiling and counterparty control

The Compliance Office receives from the Sales Manager the documentation relating to the establishment of the business relationship and first of all assesses its completeness, verifying in particular, in accordance with the applicable operating procedures:

- FATF lists, Swiss sanctions and OECD lists
- compliance with applicable regulations regarding the identification of the identity documents provided;
- proper execution of the Base Contract and Form A/K by the legal representative duly vested with the necessary powers pursuant to the Commercial Register (or equivalent) and duly identified in accordance with the law;
- consistency of the activities carried out with the corporate purpose;

- reputational integrity, assessed through sanctions screening (SECO and World-Check), website review, customer feedback, press coverage, references, etc.
- assessment of the requirement for any necessary licences or authorisations, or for registration with self-regulatory bodies applicable to the relevant business sector;
- assessment of the need to execute additional forms (Banking Precious Metals Trading, Trading Regulations, Gold Purchase Form);
- assessment of the potential need for a more in-depth on-site visit, following the completeness evaluation of the Short Client Profile and the First Visit Report prepared by the Sales Department.

Should the Compliance Office, following the screening of the documentation submitted and/or supplemented, issue a negative opinion regarding the client's suitability, it shall notify the Board of Directors in writing, which will suspend the process of establishing the business relationship. Conversely, where completeness and compliance are confirmed, the Compliance Office shall proceed with the completion of the Risk Profile (point-based table).

Profiling is deemed complete when both the Compliance Office and the member of the Board of Directors involved in the final approval issue a favourable opinion on the establishment of the business relationship. The Compliance Office confirms the product-related indications provided by the Sales Department and previously agreed with the Sworn Assayer, in accordance with the prescribed procedure. The categorisation of materials is therefore specific and compliant for the relevant source, based on commercial requirements and the company's operational capabilities.

The Compliance Office's monitoring activity is continuous over time. It intervenes whenever there is a regulatory change, when updates to blacklists become available, when it is informed by the Laboratory of materials or quantities that are inconsistent or atypical in relation to the counterparty's profile, or when it becomes aware of information relevant to the management of the profiling process.

The dossier update is documented, and a record of modifications is maintained.

Notwithstanding the fact that SAR reviews the Commercial Registers and annually monitors the expiration dates of the identification documents of legal representatives, attorneys-in-fact, and controlling parties, a more targeted and in-depth review of commercial relationships is also envisaged, carried out based on the score obtained in the specific Risk Profile table.

Additional actions

- NOTICE OF TERMINATION TO ALL CLIENTS ENGAGED IN THE PURCHASE OF SMELTING MATERIALS CONNECTED TO THE EXCHANGE OFFICE, effective as of 07.02. 2024
- REFUSAL TO ESTABLISH BUSINESS RELATIONSHIPS with clients lacking a purchaser's licence, with the exception of small-scale goldsmiths for purchases or exchanges related to their business activities;
- STRENGTHENING OF THE COMPLIANCE OFFICE through the hiring of two lawyers and the introduction of a more robust and structured activity management system;
- INTRODUCTION OF A NEW CLIENT PROFILE, document optimization and request for additional information.
- IMPLEMENTATION OF VOLUME CONTROL, initially focused exclusively on purchasers of smelting materials until 31.12.2024 and, as of January 2025, extended to all clients through our management system with periodic evaluations.
- IMPLEMENTATION OF ON-SITE CLIENT VISITS IN CASE OF INCREASE OF VOLUMES, for the purposes of carrying out the necessary documentary checks and clarifications, including the completion and execution of a dedicated form;
- IMPLEMENTATION OF ON-SITE CLIENT VISITS aimed at providing support through specific training on the materials that may be accepted by SAR in accordance with applicable legislation;
- INTRODUCTION OF THE BUYER FORM for all buyers of smelting materials and for goldsmiths.

Activities of Sworn Assayers in relation to KYP and Material Traceability

Inspection of all incoming materials, including the recording of photographs of each batch and of the inspected items (material inspection procedure), as well as the assignment of primary and secondary categories. With regard to silverware, the inspection is carried out on the contents of the batch. All inspections are performed under the supervision of sworn assayers and, in the event of any non-compliance, the Compliance Office and the competent Authority (BCMP) are involved and duly notified.

Monitoring of incoming volumes: each client is assigned specific categories of deliverable materials, together with annual and per-delivery weight thresholds. The IT system automatically flags any anomalies, both with regard to authorised categories and to exceeded volume limits.

Where required, training and support are provided to clients on the applicable laws and ordinances governing precious metals. To this end, a dedicated vademecum has been prepared covering products of smelting, semi-finished products and casting by-products, with the aim of clarifying clients' doubts and concerns. This initiative represents a corrective action implemented following certain instances of non-compliance identified in relation to clients.

Cooperation with the Authorities. Our Laboratory provides consultancy services to law enforcement agencies and other Authorities (cantonal and federal), where requested. Through its sworn assayers, the Laboratory maintains regular interaction with the BCMP.

Stakeholder Map

At the centre of the chart could be none other than our colleagues. In 2024, particularly with regard to the design of the new headquarters, we made significant investments in their safety and well-being. As this Report is being drafted in 2025, we are already in a position to state that we will shortly proceed — with the sole aim of improving comfort and liveability — with the refurbishment of the Riva San Vitale site.

From an organisational standpoint, we once again underscore the full independence of the Analysis Laboratory and the Compliance Office.

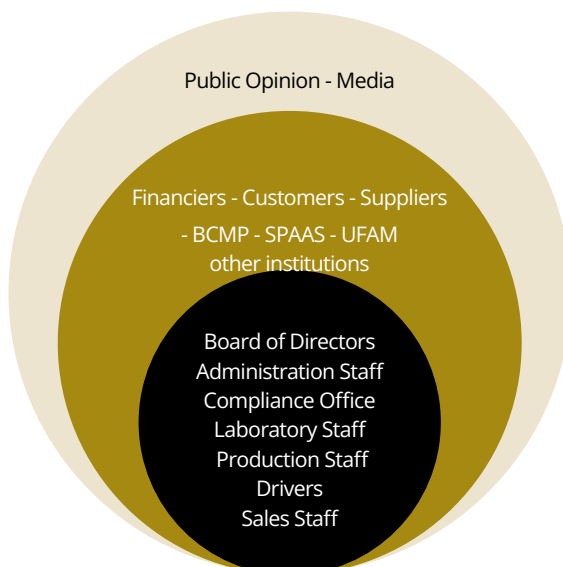
With regard to the second level (clients, suppliers, financiers and institutions), we highlight that:

our compliance practices are designed to ensure — for their benefit as well as for our own — that we engage commercially only with counterparties that are appropriate to the circumstances;

- We make our accounting data available upon legitimate request.

- We manage our finances through highly specialised personnel.
- We measure environmental emissions on a voluntary basis, sharing the results with the cantonal authorities.
- We track and control the movement of all waste.
- We provide services tailored to the needs of each individual client.
- We favour local suppliers.

At the outermost level are the recipients of our image: public opinion and the media. We guarantee them the utmost transparency and openness. We promote or support initiatives and organisations of various kinds throughout the Canton of Ticino.



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. No. 180)



APPRENTICES TRAINER



Partnerships, Business and Trade Associations

THE SWISS ASSOCIATION OF MANUFACTURERS AND TRADERS IN PRECIOUS
METALS



ASSOCIATION OF TICINO INDUSTRIES

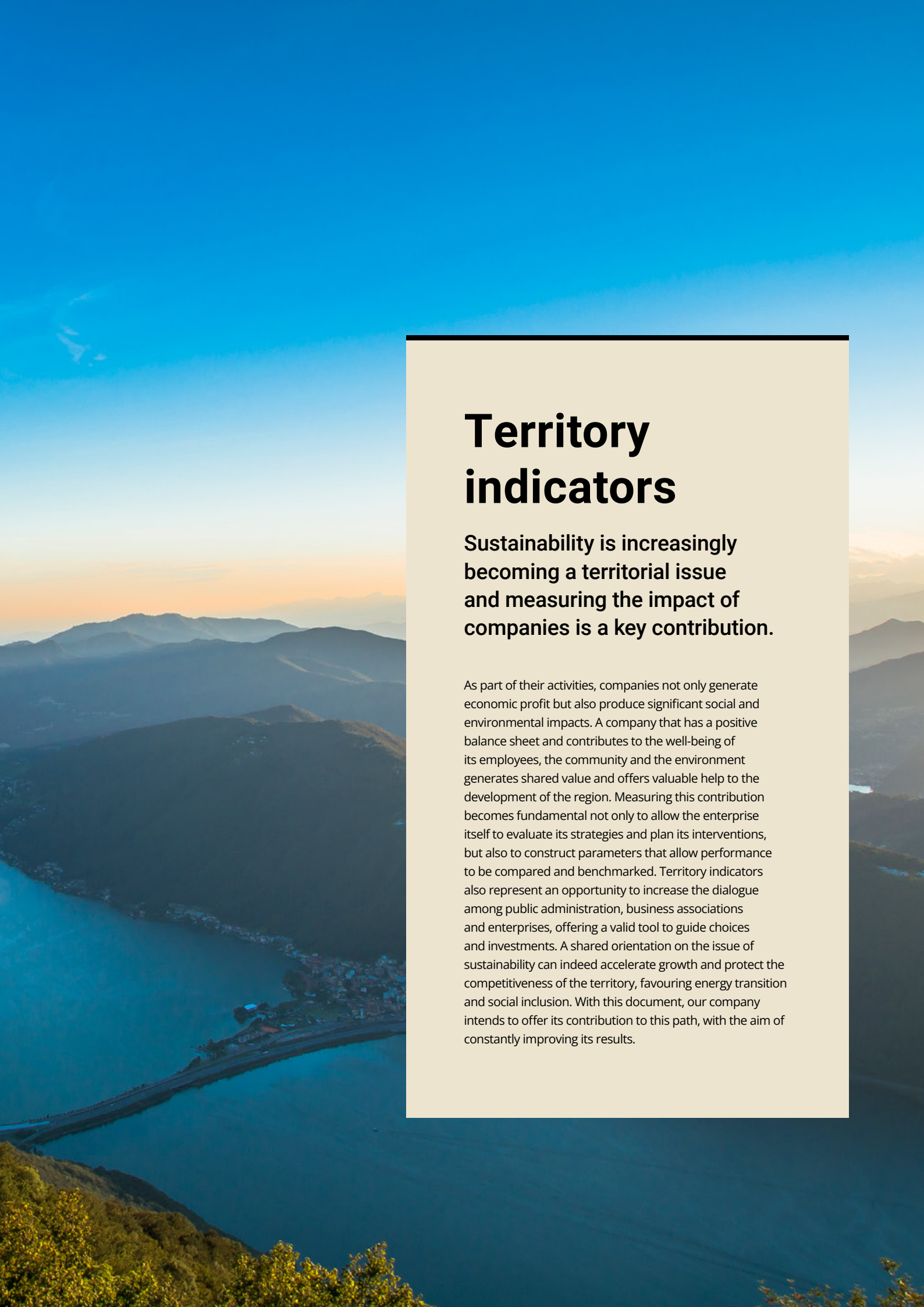


IMPRENDITI



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

Even in 2024, as in all previous years, no dividends were distributed to shareholders: the profit generated was consistently reinvested in the company's operations.

The payroll amounted to CHF 2,474,068 (CHF 2,202,940 in 2023), confirming a steady growth trend in this respect as well. New hires were made to manage increased volumes and to ensure that customers continue to receive high-quality services, including in terms of execution speed.

We primarily engage Ticino-based suppliers, turning elsewhere only for goods and services that are not available at local or national level.

1. DISTRIBUTION OF ECONOMIC VALUE

1.1 ECONOMIC VALUE DISTRIBUTED IN TICINO *

4.04M^{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

Investments made during 2024 exceeded one million francs by a wide margin; in 2025, further investments totalling two million francs are planned. The vast majority of these investments were allocated to the design and construction of the new Mendrisio facility, as well as to the purchase of equipment and machinery for that production unit. Investments in “manuals” are also continuing, in order to ensure that procedures and all other elements forming part of an overall quality framework are accessible to everyone.

Investment Percentage

In 2024, the investment percentage reached 50% of revenue from processing operations. In previous years, this percentage stood at around 30%.

We believe in the continuous reinvestment of the profits generated in order to ensure the company's steady growth. As always, no profits were distributed to shareholders.

2. INVESTMENT IN RESEARCH AND DEVELOPMENT

2.1 RDI INVESTMENT VALUE *

1.06 M^{CHF}

2.2 RDI INVESTMENT VALUE AS A PERCENTAGE OF TOTAL TURNOVER

50.03%

* 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 selection of suppliers is an activity that requires great care. Our choice consistently falls on suppliers who demonstrate professionalism and sound organisational capability. As we demand high quality, we have never selected suppliers based solely on the cost of their services. What matters to us is that they are responsive, that the personnel assigned — when required to operate on our premises — arrive already equipped with the necessary personal protective equipment (PPE), which reflects their employer's attention to their well-being, that the outcome of their work meets our expectations, and that their technical expertise can enrich our own development.

It is worth emphasising that we primarily seek suppliers based in the local area; only where none are available — for example due to the technical specificity of a particular supply — do we turn elsewhere. Typical supplies include machinery and consumables related to operational activities, as well as a wide range of services (plant engineering, insurance, digitalisation, etc.).

Direct testimonials from others are always the best way to describe us. We are proud of the regard in which our suppliers hold us, and we will always do our utmost to be — on our part — the “perfect customer.”

We have chosen these three testimonials for two reasons: they are all Ticino-based suppliers, and they have all been involved in ensuring the highest levels of safety for our operators and our clients.

3. RELATIONSHIP WITH SUPPLIERS

3.1 TOTAL NUMBER OF SUPPLIERS

236

3.2 PERCENTAGE OF LOCAL SUPPLIERS *

44.5%

3.3 ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS

1.84M^{CHF}

3.4 PERCENTAGE OF ECONOMIC VALUE DISTRIBUTED TO LOCAL SUPPLIERS *

49.5%

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



“

From the initial preparatory phase of the project — during which all necessary information was collected — and throughout every subsequent execution phase essential to its completion, we clearly perceived an extraordinary level of attention on the part of the Management of SAR Recycling SA towards achieving, through our systems, the highest possible level of security. This commitment was directed not only at safeguarding the company's material assets but, above all, at protecting the safety of its employees, who work daily at the newly established Mendrisio site with passion and dedication, without overlooking, of course, the safety of visitors and suppliers.

The strong human-centred focus demonstrated by the Management of SAR Recycling SA is evident — among other aspects — in their strict adherence to agreed payment deadlines, which reflects genuine care and respect for those who have diligently carried out the work entrusted to them.

In light of the above, and in recognition of the ongoing efforts made by SAR Recycling SA to achieve ever greater environmental sustainability, we wish to express our sincere appreciation for a company that appears to have embraced a new economic paradigm — that of a humanistic economy.

With esteem and admiration.

P.E.R.C. Security & Safety SA

The expansion of SAR RECYCLING SA continues. Any company operating with high-value products requires absolutely secure storage facilities. To ensure the security of deposited assets and to meet the continuously growing demand — and the consequent need for additional space — a vault with a total weight exceeding 22,000 kg was installed.

Its armoured door weighs 2,000 kg and is equipped with state-of-the-art electronic locking systems, tested and certified in accordance with the stringent European security standard EN 1143-1. The entire structure meets the highest security requirements and is capable of withstanding even the most sophisticated burglary tools — a fundamental requirement for SAR RECYCLING SA since the very inception of the project.

AURELIO FERRARI SA

“

A Solid and Forward-Looking Client. Since 2006, the year in which SAR Recycling SA was founded, I have had the pleasure of supporting the company in the management of risk and in defining the most appropriate insurance coverages to meet its needs. Over more than thirty years of collaboration, SAR Recycling SA has consistently demonstrated an open, forward-looking and constructive entrepreneurial vision, capable of dynamically adapting its insurance coverage in line with the development of its core business, the expansion of its activities, and the increasing managerial complexity associated with its two operational sites dedicated to the recovery and refining of precious metals from industrial waste.

The shared objective has always been clear: to maximise the protection of investments, activities and clients' interests, while minimising – if not entirely eliminating – potential risks. Insurance coverages have been custom-designed on each occasion and, where risk transfer was not feasible, targeted investments were made in infrastructure and machinery to ensure high safety standards. This approach has enabled SAR Recycling SA to distinguish itself not only through its technical and industrial expertise, but also through its advanced and well-informed management of insurance-related risk.

This approach has received positive recognition from underwriters at leading international insurance companies during site inspections, audits and technical assessments carried out at the company's facilities. One particularly commendable aspect of SAR Recycling SA's approach is the attention devoted to its workforce. The company presents itself as an employer that is attentive to workplace safety and to the quality of insurance coverage provided to employees, thereby contributing to the creation of a solid, respectful and motivating professional environment.

In a global context in which sustainability, reliability and quality are increasingly central values, SAR Recycling SA stands out as a tangible example of an ethical, innovative and forward-looking enterprise. I wish to express my sincere thanks to the company's Management for having shared, over the years, a significant growth journey founded on solid values and an entrepreneurial vision capable of successfully addressing market challenges, while respecting people, the environment and safety.

Marco Ferri,
General Broker ASSIFIN

Relationship with co-workers



Our colleagues are our greatest treasure. After many years of dedicated effort in this direction, we have created the corporate environment we had always envisioned: a cohesive and happy group in which new colleagues are welcomed with genuine enthusiasm.

It is by no means an exaggeration to say that we are a group of **FRIENDS**: there is a strong spirit of collaboration in the workplace and a great deal of time shared beyond working hours.

4. Corporate Welfare

No formal welfare plan is in place. We believe that one of our responsibilities is to continuously improve the lives of our colleagues within the company and to meet their needs, which naturally evolve over time. We therefore choose to remain as flexible as possible; the only fixed point is our unwavering commitment to implementing every measure that helps achieve the objectives outlined above.

SAR is not just about work: it is joking together, the impromptu Friday evening barbecue, the aperitif after a particularly intense day, dinner in a tavern as if among relatives or old friends, birthday celebrations marked by fresh croissants from the bakery, and much more. As one can easily imagine, none of this can be planned: it is driven by the heart, by the desire to feel good together, and there are no impositions.

There are certain habits — indeed, so well established that they could almost be considered part of a formal plan (such as taking one's birthday off, or the "family caregiver" policy, etc.) — but, as we reiterate, these are not measures adopted out of contractual obligation or regulatory requirement. Rather, they are natural and not strictly professional inclinations that the Board of Directors frequently puts into practice simply in order to remain faithful — quite simply — to its own nature.

All employment contracts are open-ended, both because we do not view employees as assets to be used but as resources in which to invest, and because we believe it is right for everyone to be able to plan their private future on the basis of economic stability.

With regard to remuneration, salaries are well above statutory minimum levels, and it is customary to grant annual benefits to those who have distinguished themselves through consistency, commitment or the achievement of specific targets.

Beyond what is strictly provided for in employment contracts, SAR adopts a flexible approach towards each employee, enabling them to reconcile professional and private life as effectively as possible.

4. CORPORATE WELFARE

4.1 TOTAL
NUMBER OF
EMPLOYEES

46

4.3 NUMBER OF FIXED-
TERM CONTRACTS
(TRAINEES EXCLUDED)

0

4.5 PERCENTAGE
TURNOVER *

0%

4.2 PERCENTAGE
OF FULL-TIME
CONTRACTS

87%

4.4 NUMBER OF
APPRENTICESHIP
CONTRACTS

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

The Company offers its employees a pension fund that goes beyond the mandatory scheme and also covers contributions on a 70–30 basis, instead of the standard 50–50 split.

The following section features direct testimonials from our colleagues.

“

I am the mother of two young children and I work at SAR on a reduced-hours schedule. I consider myself fortunate not only because I was given the opportunity to return to work on reduced hours, but also because I was able to take additional time at home after childbirth. I was able to dedicate myself to both of my children when they were little, and this was a wonderful gift. The company supports me on a daily basis whenever I have needs, and I am truly grateful for this. Being calm and happy in the environment in which one works is a great privilege.

**Anna Corrias,
Administration**

Working at SAR is not simply about holding a role and carrying out tasks. What I have found is the kind of relationship that develops within a family, where, despite many challenges, we strive together to find solutions to every situation. The environment is young and dynamic, and I have never experienced differences in rank: there are no superiors or mere workers — we are all colleagues working together towards a greater goal, that of growing alongside the company.

This creates a serene atmosphere, where I have been able to face daily, stimulating challenges together with my colleagues and, at the same time, receive genuine, fraternal support during difficult moments. The person always comes first.

I am sincerely grateful to SAR for giving me the opportunity to continue pursuing my passion, even though I had joined the company only a few months earlier. For almost ten years, I have worked as a youth football coach in the Ticino youth sector — a commitment that is very important to me, but not easy to reconcile with working hours. At SAR, I found people willing to adjust my schedule to allow me to continue my sporting activity with FC Lugano in a professional manner — an opportunity that is far from common.

**Luca Bernasconi,
Foundry Manager**

“

For me, working at SAR means being part of a serene, family-like environment. Among colleagues, there is not only collaboration, but also a genuine sense of friendship that makes each day lighter and more enjoyable. The relationship with the company's owners is also very open: we are free to express our ideas and to pursue our projects, which truly makes us feel valued.

One aspect I particularly appreciate is the company's willingness to accommodate our needs, such as the adjusted working hours that allow us to start at 7:00 a.m. and finish at 4:00 p.m., thereby improving the balance between work and personal life. Furthermore, SAR offers us the opportunity to attend a free French course. For me, this is a valuable tool that is proving extremely helpful also from a professional perspective.

Despite the company's steady growth, the working environment remains the same as ever: familiar, based on mutual respect, support among colleagues and a genuine willingness to share.

This is what makes working here truly special.

Simone Brignoli,
Treasurer

For me, SAR is a place where it is a pleasure to work, in a serene and welcoming atmosphere. There is a genuine focus on people, which makes everyone feel appreciated and listened to every day. At SAR, there is always room for collaboration and mutual support, creating a positive and motivating environment. Communication is simple and authentic, which helps us overcome challenges together and find creative solutions.

Working at SAR makes me feel truly valued; I always feel part of a great team that recognises and appreciates every single contribution.

Simone Gallo,
Warehouseman

“

The year I am about to begin marks my eighteenth year working at SAR; one could say I have come of age with the company. Before joining SAR, I worked for other organisations, and what I have noticed—compared to my previous workplaces—is that at SAR human relationships are given priority over purely productive ones. I believe this is because SAR pursues a model of collective corporate growth that involves every employee and, by taking each person’s abilities into account, enables them to meet the company’s needs as well. In short, SAR helps its employees grow almost as if it were a school: on a regular basis, everyone is offered refresher training courses and even free language courses (French, for obvious reasons). It is this approach—together with the humanity that characterises interpersonal relationships—that sets SAR apart from many other working environments.

**Giuseppe Martello,
Treasurer**

I have been with SAR since mid-October 2024, initially through an agency, and since February 2025 I have been employed on a permanent contract. I feel very comfortable here: my integration was smooth, as I found a close-knit team where everyone supports one another. I can assure you that finding such a healthy working environment is by no means a given. Despite the ever-increasing workload, we always work with calmness and composure, never losing our sense of seriousness and professionalism, which for me is the most important aspect.

**Samuele Maternini,
Incineration**

I have been working at SAR for less than a year, yet it feels as though I have been here forever. The Company’s flexibility is exceptional: flexible working hours, children in the office — even the dog is welcome! But what I appreciate most is the recognition of the employee — or rather, of the person.

Hearing “thank you” or “great job” for something that, in many other workplaces, would be considered simply “doing one’s duty” is truly rewarding. Thank you, SAR!

**Giuseppina Mazza,
Compliance Office**

“

For me, working here is not merely a job, but a place where I genuinely feel at home, like being part of a second family. There is always support and a willingness to help one another, which makes the days lighter and more enjoyable. What truly makes me feel good is knowing that my commitment is noticed and acknowledged: this does not happen everywhere, and for me it means a great deal.

**Consuelo Ostinelli,
Trader**

SAR represents a new chapter in my life. I was a professional boxer (Italian champion) and coach, and I began working at SAR out of necessity during the COVID period. At that time, it felt like taking a hard blow and finding myself on the canvas; however, my instinct to get back up led me to reinvent myself and change roles—from boxer to smelter—where I discovered a fascinating new profession.

From the very beginning, SAR supported my boxing career and now continues to do so from a professional standpoint, providing us with the conditions to work as professionals in a family-like environment. I am happy and grateful to be part of this team.

**Iuliano Gallo,
Melter**

I have been with SAR for only a short time, but I have been struck by the approach of all its employees, who help newcomers feel integrated from the very beginning. Furthermore, the company's way of operating clearly conveys the group's commitment and willingness to train new colleagues, preparing them properly and helping them feel truly valued.

I believe these are two major strengths that set SAR apart from other companies.

**Greta Scardassa,
Laboratory Technician**

“

“I am very pleased to have become part of this great family, where I have found a truly special working environment. It is by no means a given to find a Management team that maintains this kind of relationship with its employees.

**Pietro Migale,
Incineration**

Success is not about how much money you earn, but about the difference you make in people's lives. In my opinion, SAR does exactly this with us.

**Fabio Notari,
Sampling Technician**

I joined this company only recently, and I still have much to learn. What has struck me positively is the working environment, which is highly collaborative and dynamic. People are motivated and approachable, and this makes my journey more enjoyable. It is by no means a given to be made to feel part of the team right from the start.

**Simone Realini,
Foundry**

I have been with SAR for almost a year. After several professional experiences, I have found here a harmonious, family-like environment where everyone is listened to and treated as equals—something that is truly rare. A family in which everyone, from the “youngest” to the “most senior”, has something important to contribute.

**Roberto Larghi,
Production Manager**

5. Health and security

The area of health and security is given particular importance, as we regard ensuring the health of our colleagues as a primary duty. This type of training—which includes knowledge of PPE (Personal Protective Equipment) and the reasons for its use—plays a central role for new employees and is repeated annually, in strict accordance with internal procedures.

This area also includes First Aid training, in which at least one person per department takes part.

Health-related training extends beyond legal requirements and also covers the consequences of contact with hazardous substances. All personnel working with open flames are trained in the use of fire extinguishers and fire-fighting equipment. Here too, the level of training exceeds statutory obligations, which require only a limited number of trained individuals per department rather than the entire workforce.

Lastly, unannounced evacuation drills are carried out twice a year.



6. Employee training

Each training session, conducted according to the annual plan, is recorded on a paper form and then entered into a management programme.

As an organisation experiencing continuous and rapid growth, it is clear that training must be ongoing.

It is particularly encouraging to see the dedication with which more experienced colleagues pass on working methods and company values to younger staff. It is equally gratifying to note that formal training opportunities are enthusiastically embraced by employees.

For example, our language courses—considered essential for effective communication with colleagues in Biel/Bienne and with clients—are extremely well attended. We are especially pleased to see that even staff outside administrative or commercial roles, such as warehouse operatives, are keen to learn French. This clearly reflects their desire to keep pace with a company that has a significant presence in the francophone region. We greatly appreciate the fact that everyone is able to engage with clients upon their arrival—sometimes by explaining their role, and sometimes simply as a courtesy.

Among the various training initiatives implemented, those related to workplace health and security are fundamental. SAR has always devoted considerable attention to this area, requiring that Personal Protective Equipment (PPE) be fully understood and used without exception, and that all activities be carried out without risk.

As fire—generated by both smelting and incineration furnaces—is a central element of our operations, we rely on direct training provided by the Mendrisio Fire Department on fire prevention and emergency management.

Each training session, carried out in accordance with the annual plan, is recorded on paper and subsequently entered into a dedicated management system.

6. EMPLOYEE TRAINING

6.1 TRAINING FOR
EMPLOYEE

40 hours

6.2 PERCENTAGE
OF TRAINED
EMPLOYEES

50%

6.3 EXTERNAL
TRAINING

90%

7. Diversity and inclusion

We have never assessed a job application on the basis of a prospective colleague's gender, race or religion, nor will we ever do so. Likewise, we will never tolerate colleagues who promote discrimination based on such factors.

Our workforce includes both Caucasian and non-Caucasian colleagues, of different nationalities, cultures and languages. This diversity represents a clear source of enrichment for our company.

With specific reference to women, we wish to emphasise that: 1) their remuneration is determined exclusively by the role they hold within the company, in the same way as for their male counterparts; 2) hiring decisions are based solely on their skills and aspirations, without any opportunistic or discriminatory criteria (such as, typically, assumptions related to potential future maternity); 3) the roles they perform are entirely independent of gender stereotypes.

In the production departments, there is a predominance of male personnel due to the inherently physical nature of many tasks. By "key roles", we refer to positions involving full and exclusive responsibility within a specific area.

7. DIVERSITY AND INCLUSION

7.1 TOTAL FEMALE REPRESENTATION

15%

7.2 GENDER PAY GAP *

0%

7.3 WOMEN REPRESENTATION IN THE BOARD OF DIRECTORS (BOD)

0% women

100% men

7.4 WOMEN REPRESENTATION IN LEADERSHIP ROLES

25% women

75% men

7.5 PERCENTAGE OF EMPLOYEES UNDER 30

18%

7.6 PERCENTAGE OF EMPLOYEES OVER 50

37%

7.7 EMPLOYEES IN PROFESSIONAL REINTEGRATION

0

7.8 NATIONALITIES REPRESENTED IN THE COMPANY

2

7.9 EMPLOYEES WITH FLEXIBLE HOURS

46

7.10 PARENTAL LEAVE (IN ADDITION TO LEGAL OBLIGATIONS)

5

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

Community Relations



8. Community projects

Our engagement with the friends hosted by the Cantonal Sociopsychiatric Organisation (OSC) in Mendrisio continues with great joy. In 2024, our work with them focused on the collective writing of a song, which was completed, recorded and performed during a conference held in the auditorium located in the park surrounding the facility. It was a wonderful opportunity to “fly elsewhere” together with these individuals who, it must be said, are at times truly pushed to the margins of civil society. In them, we discovered a beauty, a sensitivity and also a warmth that are extremely rare to encounter.

SAR has supported numerous local associations (ranging from Castello Calcio to the Balerna Scouts, as well as the Mendrisio Music Festival) and is generally very willing to provide financial support to the expenses faced by organised groups—both sporting and non-sporting—which often operate under challenging conditions.

The year 2024, in which we reached our 18th anniversary, was a particularly significant one for us. We therefore chose to conclude it—during its final months—by offering cultural initiatives to the local community. We created PRECIOUS MOMENTS, a literary programme developed in collaboration with LA FILANDA. La Filanda is a true cultural hub within the local context, whose importance is well illustrated by the following figures (year 2023):

- 174,000 visitors
- 43,000 books loaned
- 2,000 new books acquired
- 1,400 interlibrary loans
- 480 new memberships
- 1,731 activities and 204 events

We were particularly pleased to see the enthusiasm with which our employees embraced the project, taking part in the events on a voluntary basis.

8. PROJECTS FOR THE LOCAL COMMUNITY

8.1 TOTAL AMOUNT
DISBURSED IN
DONATIONS AND
SPONSORSHIPS

8.2 ASSOCIATIONS
BENEFITING FROM
DONATIONS AND
SPONSORSHIPS

30'000^{CHF} 6

The programme, as mentioned above, was met with considerable success, as could be expected given the calibre of our guests, including Alice Basso (a highly successful Italian author), Marcel Huwyler (a Swiss crime novelist whose works have been translated internationally), and Denise Tonella (Director of the National Museum).

In 2025, the initiative will be presented again, this time in a musical format, featuring truly exceptional guests.

8. Good practices

Precious Moments

We take great pleasure in being able to give back to the local community the benefits generated through our work. In 2024, we launched “Precious Moments”, a cultural series consisting of a programme of events offered by us and held at the public venue known as La Filanda in Mendrisio. We welcomed highly distinguished guests from both the Swiss and international cultural scenes, achieving a level of public participation that further encouraged us to continue the initiative. As we write, the new edition—this time with a musical focus—is about to begin, featuring, among others, artists of the calibre of Giorgio Conte, Andrea Mirò, Mimmo Locasciulli and Davide Van De Sfroos.

Agnès Pierret, Head of the Economic Development Department of the City of Mendrisio, who worked alongside

us to develop the above-mentioned series, comments as follows:

“SAR Recycling SA is a truly special company. Commitment, competence and reliability are its defining characteristics—essential qualities for operating successfully in a complex industrial sector. At the same time, the company embodies genuine values such as attentiveness, generosity and respect for the local community. The arrival of SAR Recycling SA in the City of Mendrisio represents added value: a virtuous example of how industry can contribute to the development—economic, but not only—of the community in which it operates.”

It goes without saying that we are deeply honoured by such appreciation.



**LA
FI
LAN
DA**

La Filanda
Via Industria 5
CH-6850
Mendrisio



è lieta di presentare

PRECIOUS MOMENTS

22.09.24 h. 17.00	Alice Basso, fenomeno letterario balzato in testa alle classifiche di vendita con i suoi romanzi a sfondo poliziesco e storico. Con lei Antonella Janett Realini, cotitolare della Libreria al Ponte di Mendrisio.
13.10.24 h. 17.00	Maria Serena Mazzi, storica medievista, autrice di numerosi saggi che mettono in evidenza le persone, le relazioni, i rapporti con il potere. Tema dell'incontro sarà la peste nel Medioevo, un argomento che si iscrive nella storia sociale del Basso Medioevo italiano ma che, dopo i recenti anni pandemici, ha risvolti di grande attualità.
20.10.24 h. 17.00	Denise Tonella, direttrice del Museo nazionale di Zurigo, parlerà del tema del viaggio in epoca medievale. Come si viaggiava? Quali le mete, preparativi, insidie, tempi di percorrenza? Lo storico e giornalista Roberto Antonini, integrerà con l'esperienza ciclistica effettuata tra Assisi e Bruges alla scoperta di edifici medievali ancora oggi visibili
22.10.24 h. 18.30	Marcel Huwyler, i cui romanzi sveltano nelle classifiche d'Oltre Gotardo, in Germania e in Austria. Un fenomeno nazionale che sta conquistando anche il pubblico italofono, grazie alle tre recenti traduzioni in italiano presentate con successo al Salone del libro di Torino.
07.11.24 h. 18.30	Tributo al compianto cantautore milanese Enzo Jannacci. Enzo Gentile, scrittore e critico musicale, insieme al figlio d'arte Paolo Jannacci, descrive la vita e la carriera dell'artista e dell'uomo, tra musica, medicina, dischi, teatro, televisione, umorismo. Con loro la band comasca I Solutumana eseguirà dal vivo alcuni brani iconici di Jannacci. Ospite della band anche il cantautore della vicina Valmorea Luca Ghielmetti, dallo stile graffiante e delicato.

Ingresso libero

Environmental Management

The new Mendrisio facility, from which this report is being drafted, is surrounded by vineyards and wooded areas. From the large windows of the analysis laboratories, Monte Generoso reveals itself in all its beauty, rising more than eight hundred metres and, when viewed from here, appearing to grow with almost rigorous verticality. It is not uncommon to see a pair of roe deer walking along the edge of a forest that covers a small rocky ridge just a few metres from the plant.

We are literally surrounded by breathtaking beauty. Constantly reminding ourselves of this is the best way to protect it, and safeguarding it is the very least we can do.

With no hypocrisy, and with the utmost commitment.



9. Materials

All the materials we process consist of waste. Each type of waste is identified by a specific OTRif code (Waste Traffic Ordinance).

Some materials are classified as non-hazardous waste (NHW), such as mixed metals; slags from primary and secondary production; absorbents, filtering materials, wiping cloths and protective clothing, except those covered by code 15 02 02; components removed from end-of-life 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 covered by code 16 08 07; coatings and refractory materials from non-metallurgical processes, except those covered by code 16 11 05; ferrous materials extracted from bottom ash; and metals.

Other materials are subject to control (CW), such as electronic components removed from end-of-life equipment, except those covered by code 16 02 15.

Still others are classified as special waste (SW), including packaging containing residues of, or contaminated by, substances or special waste with particularly hazardous characteristics; absorbents, filtering materials (including oil filters not otherwise specified), wiping cloths and protective clothing contaminated by hazardous substances; spent catalysts contaminated by hazardous substances; and paints, inks, adhesives and resins containing hazardous substances.

Each material contains precious metals (Au, Ag, Pt, Pd, Rh, Ir, Ru) in varying concentrations, and the complete and efficient recovery of these metals is the core purpose of our activity.

9. MATERIALS

9.1 MAIN MATERIALS
USED BY THE
COMPANY

400^t

9.2 MATERIALS OF
RECYCLED AND/OR
REUSED ORIGIN

100%

Waste management is governed by regulations that regulate the circulation, storage and treatment of waste. SAR RECYCLING SA operates in full compliance with these regulations.

Depending on the specific physical state of each material and on the type of treatment required, designated personnel use appropriate Personal Protective Equipment (PPE).

10. Energy

As regards electricity, SAR sources power for the Riva San Vitale site from photovoltaic panels and, for the remaining share, from Swiss hydroelectric generation. Thermal energy consumption is met through the use of natural gas.

For the Mendrisio site, while awaiting the installation of a photovoltaic system, electricity is sourced from national hydroelectric power.

10. ENERGY

10.1 TOTAL ENERGY CONSUMED

466^{MWh}

10.2 ENERGY CONSUMPTION FROM RENEWABLE SOURCES

100%

10.3 ENERGY INTENSITY *

n/a

10.4 ELECTRICITY CONSUMPTION **

264.12^{MWh}

10.5 ELECTRICITY FROM RENEWABLE SOURCES

100%

* Energy consumed per company reference unit

** Total electricity consumed, both fossil and renewable, purchased off-site. Excluding self-generated electricity



11. Water resources

All cooling water operates within a closed-loop system, meaning that the same volume of water is cooled and re-circulated within the plant without drawing on additional mains water. Wastewater generated by certain processes, which cannot be discharged into the sewage network, is disposed of exclusively by authorised professional operators, following temporary storage in compartmentalised conditions in order to prevent any potential dispersion.

11. WATER RESOURCES

11.1 WATER WITHDRAWALS

24^{m³}

12. GHG emissions

We continue to carry out measurement campaigns at our own expense, despite the fact that they are not required by the supervisory authorities, through an independent third-party sampling and analysis laboratory for which we have applied for cantonal accreditation.

With regard to greenhouse gas emissions, Indicator 12.1 reports the total emissions generated by electricity and thermal energy consumption.

12. GHG EMISSIONS

12.1 TOTAL GHG EMISSIONS *

43.35^{tCO₂e}

12.2 GHG EMISSION INTENSITY **

n/a

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

** GHG emissions per company reference unit

13. Waste Management

Waste management is carried out in accordance with the principles of responsibility and cooperation among all parties involved in the production, distribution, use and consumption of the goods from which waste originates, in compliance with national and European regulatory principles. Waste destined for final disposal must be reduced as far as possible by strengthening prevention, reuse, recycling and recovery activities.

The complete procedure is known to all personnel involved in waste-related activities.

We wish to emphasise that we also record the waste generated internally and that we frequently provide consultancy services to our clients on waste-related matters, within the scope of our expertise and capabilities, always in coordination with the cantonal authority (for example, pre-completed Annex VII forms containing client data; retrieval of documents uploaded to the system; preparation of transport documentation; etc.).

At present, the following are the types of waste we are authorised to store and process:

Special waste (rs)

OLTRif Code	Description
06 05 02	Sludges produced by on-site treatment of effluents, containing hazardous substances
16 08 07	Spent catalysts contaminated by hazardous substances
13 02 05	Non-chlorinated waste mineral oils from engines, gears and lubrication
15 01 10	Packaging containing residues of, or contaminated by, substances or special waste with particularly hazardous characteristics (R153)
15 02 02	Absorbents, filtering materials (including oil filters not otherwise specified), wiping cloths and protective clothing contaminated by hazardous substances (R153)
16 08 07	Spent catalysts contaminated by hazardous substances
20 01 27	Paints, inks, adhesives and resins containing hazardous substances (R153)

13. WASTE MANAGEMENT

13.1 TOTAL WASTE PRODUCED

400^t

13.2 PERCENTAGE OF WASTE RECYCLED OR REUSED

n/a

Waste subject to control (rc)

OLTRif Code	Description
16 02 97	Electronic components removed from end-of-life equipment, except those covered by code 16 02 15
16 02 13	End-of-life equipment, except those covered by codes 16 02 09 or 16 02 12 or 20 01 21

Other waste

OLTRif Code	Description
10 07 01	Slags from primary and secondary production
10 07 04	Other dust and particulates
11 02 99	Waste not otherwise specified
15 02 03	Absorbents, filter materials, wiping cloths and protective clothing, except those covered by code 15 02 02 (<i>waste subject to notification</i>)
16 02 16	Components removed from end-of-life equipment, except those covered by codes 16 02 15 or 16 02 97
16 08 01	Catalysts containing gold, silver, rhenium, rhodium, palladium, iridium or platinum, except those covered by code 16 08 07
17 04 07	Mixed metals
19 01 02	Ferrous materials extracted from bottom ash
19 12 03	Non-ferrous metals
20 01 40	Metals

14. Investments

In the design and construction of the Mendrisio facility, several measures aimed at environmental protection are envisaged.

- Post-combustors installed on incinerators for the oxidation of volatile organic compounds (VOCs).
- Extraction system designed based on our established know-how, developed through extensive experience in this field, to eliminate the risk of fire in bag filters.
- Installation of underground, watertight containment tanks for the collection of accidental acid spills in proximity to the analytical laboratories.
- Periodic monitoring of emissions.

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

14.1 INVESTMENTS IN INFRASTRUCTURE, FURNISHINGS, MACHINERY

0.9M^{CHF}







Conclusions

We consider Corporate Social Responsibility (CSR) to be a fundamental tool. It enables Management to analyse the Company's performance from multiple perspectives, fostering an increasingly attentive approach to sustainability-related aspects. At the same time, it allows our stakeholders to gain a clear and accurate picture of our Company, facilitating a deeper understanding of its identity, philosophy, and conduct.

Summary outline

The following table presents all the data collected in this Report, thus providing an overall view of SAR RECYCLING SA's commitment to sustainability. Looking ahead, these indicators may be compared with data collected at cantonal level, allowing for the definition of average reference thresholds useful for assessing the Company's positioning within the local economy. This data collection also represents a valuable tool for analysing results over time, making it possible to monitor positive or negative trends and to plan future actions by defining the objectives to be achieved. The table also enables comparison with the main indicators set out in international guidelines.



Category	N.	Indicator	Unit	2024 data
1. Economic value	1.1	Economic value distributed in Ticino	CHF Mio	4.04
2. Investment in research, development and innovation (RDI)	2.1	RDI investment value	CHF Mio	1.06
3. Suppliers	3.1	Total number of suppliers	n.	236
	3.2	Percentage of local suppliers	%	44.5
	3.3	Valore economico distribuito ai fornitori	CHF Mio	1.84
	3.4	Economic value distributed to suppliers	%	49.5
4. Corporate welfare	4.1	Total number of employees	n.	46
	4.2	Percentage of full-time contracts	%	87
	4.3	Number of fixed-term contracts (trainees excluded)	n.	0
	4.4	Number of apprenticeship contracts	n.	0
	4.5	Percentage turnover	%	0
	4.6	Investment in welfare per employee	CHF/per	2'394
5. Health and security	5.1	Percentage of absences due to illness	%	1.98
	5.2	Percentage of absences due to occupational accident	%	0.69
6. Employee training	6.1	Training for employee	hours	40
	6.2	Percentage of trained employees	%	50
7. Diversity and inclusion	7.1	Total female representation	%	15
	7.2	Gender pay gap	%	0
	7.3	Women representation in the Board of Directors (BoD)	%	0
	7.4	Women representation in leadership roles	%	25
	7.5	Percentage of employees under 30	%	18
	7.6	Percentage of employees over 50	%	37
8. Projects for the local community	8.1	Total amount disbursed in donations and sponsorships	CHF	30'000
	8.2	Associations benefiting from donations and sponsorships	n.	6
9. Materials	9.1	Main materials used by the company	t	400
	9.2	Percentage of materials of recycled and/or reused origin	%	100
10. Energy	10.1	Total energy consumed	MWh	466
	10.2	Percentage of energy consumption from renewable sources	%	100
	10.3	Energy intensity * - * Energy consumed per company reference unit	MWh/t	nd
11. Water resources	11.1	Water withdrawals	m3	24
12. GHG emissions	12.1	Total GHG emissions	tCO ₂ e	43.35
	12.2	GHG emission intensity (per unit)	tCO ₂ e/u	nd
13. Waste management	13.1	Total waste produced	t	400
	13.2	Percentage of waste recycled or reused	%	n/a
14. Investments	14.1	Investments in infrastructure, furnishings, machinery	CHF Mio	0.9

Next steps

The next step will be a comprehensive study of all aspects relating to sustainability, with reference to the three facilities that will be operational in 2025: Riva San Vitale, Biel/Bienne and Mendrisio. At the time of drafting this Report, this transition has already taken place. SAR's production has been distributed across two different plants, ensuring greater comfort for employees, significantly larger spaces, advanced security systems, and more. We look forward to preparing the 2025 Report, which will allow us to fully describe everything we see around us each day: a major project, a great dream, has become a reality.

Reporting on the achievement of 2023 objectives:

- Construction works and relocation to the new facility in Mendrisio-Rancate.
OBJECTIVE FULLY ACHIEVED.
- Installation of a photovoltaic system.
Objective achieved at the Riva San Vitale facility; implementation in progress at the Mendrisio facility.
- Installation of additional fume abatement systems.
OBJECTIVE FULLY ACHIEVED.
- Allocation of spaces for recreational and leisure activities.
OBJECTIVE FULLY ACHIEVED.
- Creation of a small "outdoor canteen" in the green areas surrounding the Company.
OBJECTIVE IN PROGRESS.
- Formal invitation to clients, suppliers and relevant stakeholders to visit the new facility.
OBJECTIVE FULLY ACHIEVED.
- Preparation of a welfare plan.
NOT DEEMED NECESSARY.

Future goals

1

Study for the installation of a photovoltaic system on the roof of the Mendrisio facility, with planned implementation.

2

Renovation project for the Riva San Vitale facility, with the development of new employee areas (relaxation areas, canteens, changing rooms).

3

"Precious Moments"
Cultural Programme 2025.

4

Concept development and implementation of a cultural event in the French-speaking region of Switzerland.

5

Design and implementation of new opportunities for interaction and shared experiences beyond the company's premises.

6

Continuous monitoring of flue gas treatment processes and periodic measurements.

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