









OUR JOURNEY TOWARDS SUSTAINABLE DEVELOPMENT

Recarlo

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"Meeting the needs of the current generation without compromising those of the future generation."

In recent years, Recarlo has grown both in economic and financial performance and in the awareness of the role that the company can and must play in its relations with its stakeholders from the point of view of social responsibility.

We have therefore continued our path of sustainable growth with the goal of respecting the changing economic, social, and environmental context.

As part of this process, our first sustainability report is intended to be the tool with which to share our strategy with our stakeholders and, more generally, with all those who come into contact with Recarlo to help ensure a better today and tomorrow.

For these reasons, this report, and more generally our approach to sustainability, take on a strategic value for the company I founded in 1967, outlining the guidelines that will validate future business choices, ensuring their consistency with the responsible models that are the subject of this document.

This report reflects our commitment to addressing the environmental, social and economic challenges that surround us and to contributing to a more sustainable and fair future for future generations.

Through transparency, conscious management and innovation, we are working to reduce our environmental impact, promote diversity and inclusion as well as improve working conditions in our supply chain and promote training initiatives dedicated to future generations. Finally, to create shared value for the whole community as a result of synergistic and collaborative actions with the whole social fabric in which Recarlo operates.

I am therefore proud to present to you Recarlo's Sustainability Report for the year 2023.

Carlo Re

Chairman Recarlo S.p.A.

1. HIGHLIGHTS



1. HIGHLIGHTS



2. SUSTAINABILITY

2. APPROACH TO SUSTAINABILITY

Recarlo has always put its value system front and centre, establishing itself as a company capable of guaranteeing reliability, seriousness and responsibility. Since 2020, we have been committed to embodying these values by structuring our own path towards sustainable growth.

Through the implementation of an action plan, we have formalised our responsible business model, focused on minimising our environmental impact and respecting the people and communities in which we operate.

We have therefore reaffirmed our commitment to

contributing to a positive change in the jewellery industry with a new strategy, **"Our Promise to You"**, which aims to be our pledge to our stakeholders. Tradition and craftsmanship, the founding values of our company, remain at the heart of the new strategy, which is based on three fundamental pillars: **People, Planet and Product**. We are therefore committed to investing in the professional growth of our employees and the development of the local community, minimising our environmental impact, favouring innovation, and promoting craftsmanship.



2.1 STAKEHOLDERS

Our stakeholders' expectations and needs are at the heart of our sustainability strategy. Proper identification of stakeholders and the establishment of priorities for action are crucial

aspects of ensuring the development of a sustainable strategy. In this context, Recarlo's main objective is to advance the creation of economic, social, and environmental value.



2.2 MATERIALITY ANALYSIS

The purpose of the materiality analysis is to identify the most relevant sustainability aspects **for Recarlo and its stakeholders**.

The materiality analysis shall be carried out in the context of the **sustainability report** in order to highlight the **intersection** between the interests of the company and those of its stakeholders.

The term "materiality" is used to emphasise the **importance, concreteness and measurability** of these elements. As a result of this analysis, Recarlo is able to effectively communicate its **sustainable commitment** externally by starting to develop the **stakeholder engagement** process.

The methodological approach followed to carry out the materiality analysis is that provided by the

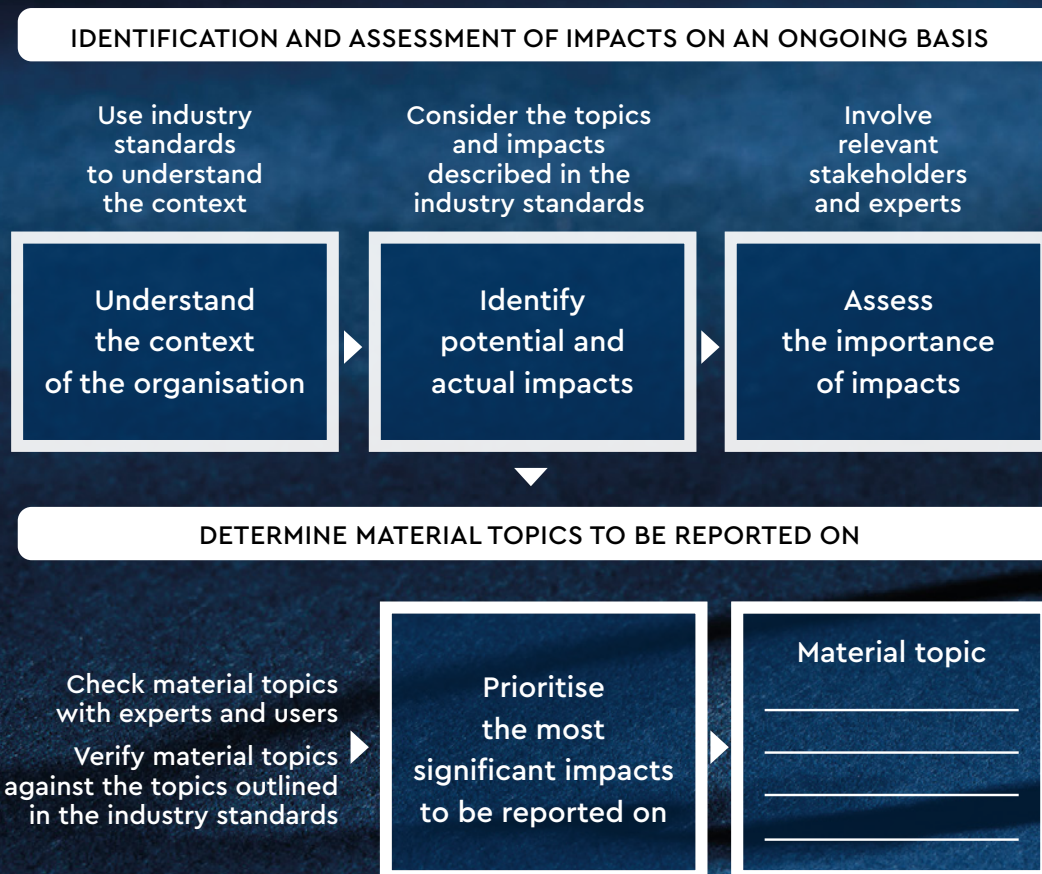
GRI standards which define:

— **the purpose of the materiality analysis:** to identify the most relevant aspects or topics related to sustainability for Recarlo and its stakeholders;

— **material topic:** topics that represent the impacts of the company on the economy, the environment and people;

— **stakeholder:** an entity or individual who can reasonably be significantly influenced by the activities, products and services of the Company or whose actions can reasonably affect the company's ability to successfully implement its strategies and achieve its objectives.

The standards define the process for determining material topics as described below.



2.2 MATERIALITY ANALYSIS (cont'd)

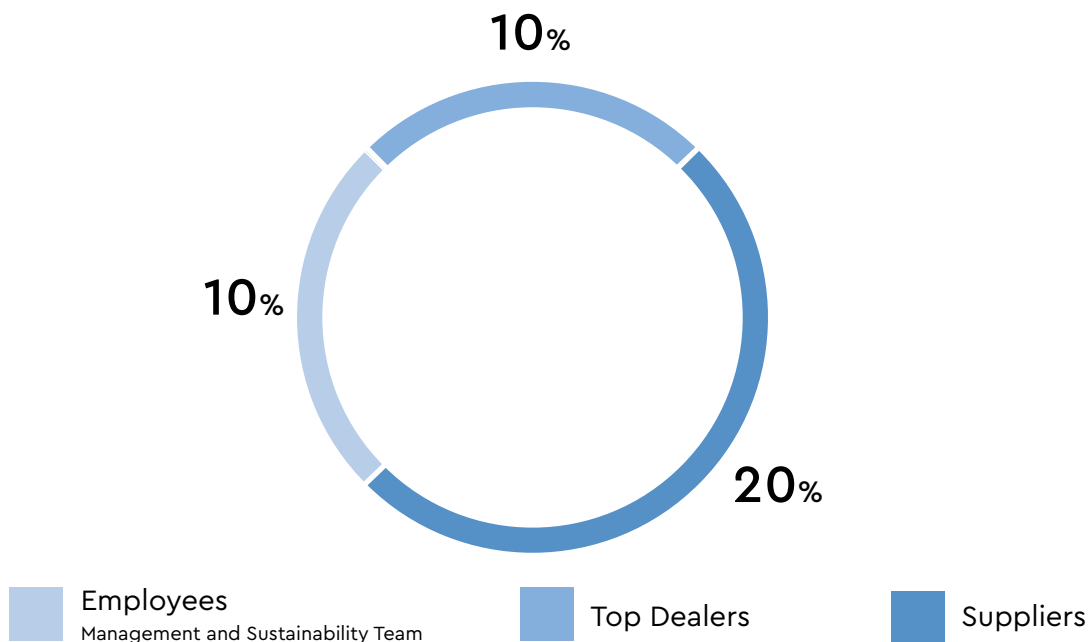
The application of the above has resulted in a process of understanding the processes and methodologies applicable in the materiality analysis and, more generally, in the approach to sustainability consistent with today's applicable standards and observable best practices.

The first step was to understand Recarlo's context. Recarlo's context was defined through a comparison with the company's management, focusing on the company's topics and relationships and industry trends. In addition, the documents of the main Standard Setters and the insights emerging from reference documents and studies that nonetheless presented peculiarities and affinities with Recarlo's world were jointly evaluated. Once Recarlo's context was defined, the second phase of the materiality analysis process was carried out: the identification of relevant topics for the reference sector.

Here too, the process involved a discussion with Recarlo's management, who, appropriately stimulated by the findings of the context analysis, narrowed down the potentially relevant topics for Recarlo, dividing them into governance, social, and environmental topics. The analysis was carried out, as required by the standards, by identifying the topics that have or may have even theoretically significant impacts on sustainability areas.

Given that the methodology considers the involvement of employees and external stakeholders in the materiality analysis to be one of the factors that most influences the definition of the business strategy, the company has invited business entities that have an impact on this area in various ways to complete a survey to identify the most significant and relevant topics. Key stakeholders were consulted as follows:

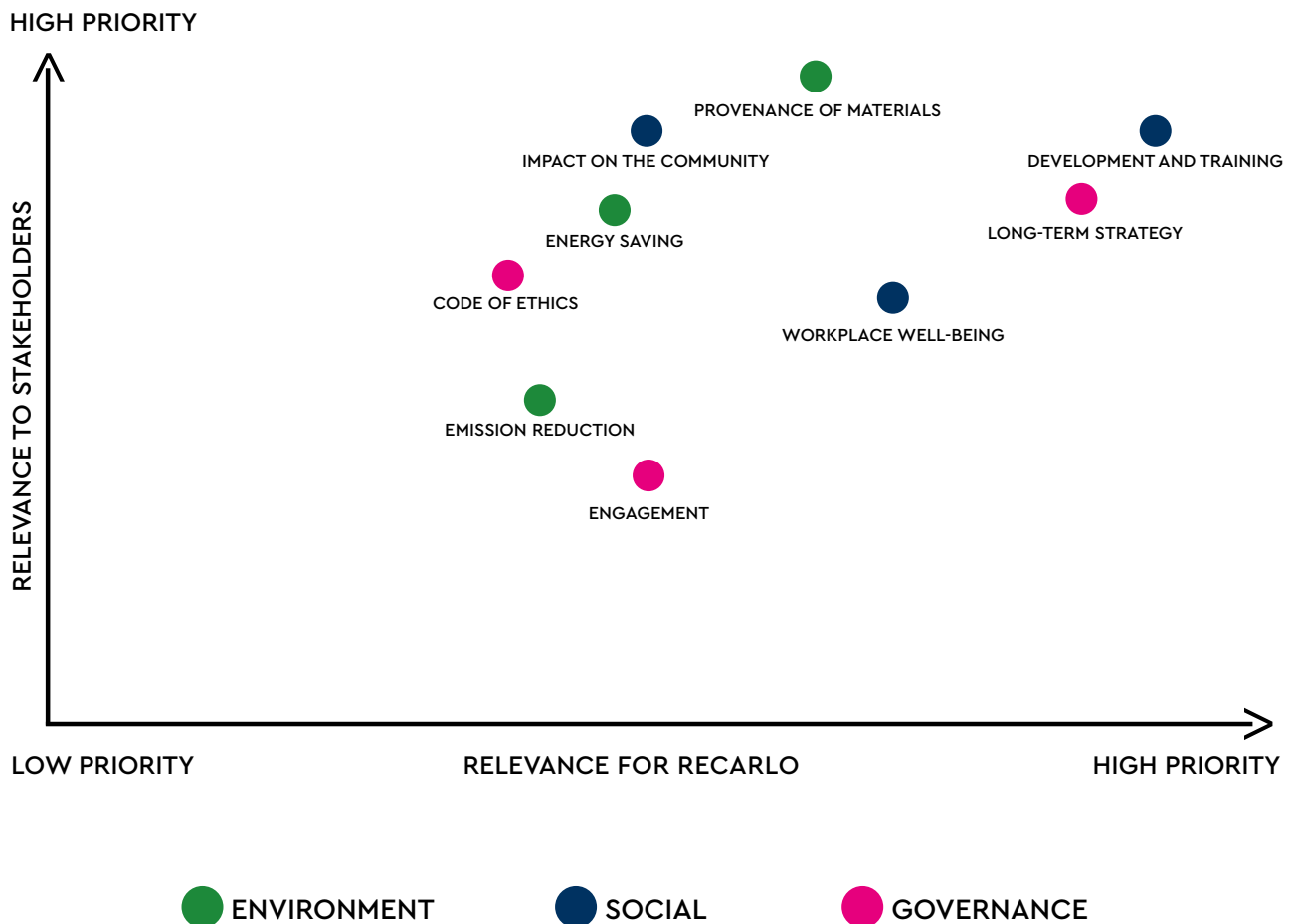
STAKEHOLDER SURVEY METHOD



2.2 MATERIALITY ANALYSIS (cont'd)

It emerges from the materiality analysis conducted that the most significant topics for Recarlo are environmental and social issues, with particular reference to the provenance of

materials (gold, diamonds, precious stones), the impact on communities and the attention to resources through development and training plans.



2.3 ECONOMIC VALUE GENERATED AND DISTRIBUTED

In the context of shared value, an important tool is the statement of determination and allocation of the economic value directly generated by Recarlo.

This statement has been prepared by reclassifying the consolidated income statement in accordance with the GRI Standards in order to represent the value created by the company, which is then

redistributed among the various stakeholders: suppliers (operating costs), employees (employee remuneration), Public Administration (PA remuneration) and community (external donations), shareholders and financiers.

In 2023, the economic value generated by Recarlo was about € 41 million And the distribution was about €30 million fully allocated to stakeholders.

I) ECONOMIC VALUE GENERATED	€ 41,196,117
A – PROCURED GOODS & SERVICES OPERATING COSTS	€ 26,739,345
B – EMPLOYEE REMUNERATION	€ 2,473,311
C – CREDIT CAPITAL REMUNERATION	€ 174,651
D – RISK CAPITAL REMUNERATION	€ 0
E – VALUE DISTRIBUTED TO PA	€ 952,432
F – VALUE DISTRIBUTED TO THE COMMUNITY	€ 3,200
(II) DISTRIBUTED ECONOMIC VALUE (A+B+C+D+E+F)	€ 30,342,939
(III) RETAINED ECONOMIC VALUE (I-II)	€ 10,853,178

A full-page background image showing the silhouettes of several people climbing a steep, dark hill. The sky is a pale, overcast blue with soft, wispy clouds. The people are positioned along the upper ridge of the hill, moving from left to right. The overall mood is one of perseverance and achievement.

3. GOVERNANCE

3.1 GOVERNANCE STRUCTURE

We have adopted a traditional governance system that operates on a balance between international best practices and the specificities of our business. This system is geared towards transparency in management decisions and the adoption of

reliable behavioural principles that allow us to build a relationship of trust with our stakeholders. Our corporate governance structure is based on the traditional administration and control system; the corporate bodies are:



THE
SHAREHOLDERS'
MEETING

THE BOARD
OF DIRECTORS

THE BOARD
OF STATUTORY
AUDITORS

The **Board of Directors**, consisting of members of the Re Family, is joined by the following committees:



STEERING
COMMITTEE

PRODUCT
COMMITTEE

SUSTAINABILITY
COMMITTEE

The **Steering Committee** is responsible for analysing, managing and directing all business functions on key projects.

The **Product Committee** is responsible for defining the new product launch strategy in line with the overall brand strategy. In particular, it analyses costs and determines prices for new products, performs analyses for possible product phase-outs and price list updates.

3.1 GOVERNANCE STRUCTURE (cont'd)

The **Sustainability Committee** is responsible for managing economic, environmental and social issues, formally approving the Sustainability Report and ensuring that all material topics are covered. In order to carry out its tasks the Committee meets once a month with proactive sustainability and decision-making functions, with a focus on the points below:

- 1 Invest in the development of employees and partners, fostering diversity and operating to the highest standards throughout the supply chain, creating and fostering employment opportunities.
- 2 Minimise the impact on the environment by promoting innovative low-impact solutions also in the supply chain with the involvement of our suppliers.
- 3 Work with increasing transparency throughout the supply chain to ensure the highest standards of environmental and social commitment are met.
- 4 Work with partner companies and industry associations to foster innovation and promote the craft work that has always been one of the key values of our business.

Sustainability team

In order to further disseminate the sustainability culture within the organisation and to coordinate the operational activities related to it, Recarlo



identified a number of operational actors who have been assigned responsibilities for the implementation of sustainability project initiatives.

3.2 CODE OF ETHICS

We have always set ourselves the goal of continuously improving the environment in which we operate to uphold rights, safety and traceability, principles on which we have structured our work ethic over the years and which must be observed in order to ensure the proper functioning, reliability and reputation of our brand.

In 2019, we adopted a Code of Ethics for the first time, which was updated in 2023. The Code of Ethics is a document that clearly demonstrates our commitment to improving the social performance and environmental impact impacts of our business.

The principles enshrined in our Code of Ethics constitute an ethical reference within which all our employees, suppliers and partners are invited to act and collaborate to realise the passion that unites them.

Following national and international laws, rules and

regulations, as well as good practices, especially in ethical, social and environmental matters, is the indispensable prerequisite for the company's credibility and image.

Recarlo is committed to respecting the content and spirit of the Code of Ethics, and translating its values and principles into responsible behaviour.

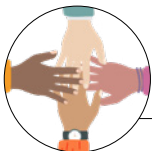
The Code of Ethics enacted by Recarlo is inspired by the fundamental values set out in the OECD Guidelines for Business and the UN Women's Empowerment Principles, the UN Global Compact, the Universal Declaration of Human Rights, and is the foundation upon which our work is based.

Recarlo respects human rights and adheres to the UN guiding principles on Business and Human Rights in a manner appropriate to the size of the company, its business and circumstances.

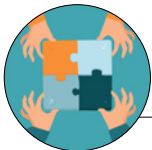
The Company, by adopting social responsibility policies, undertakes, among other things, to:



operate in respect of Human Rights, acting in a responsible and supportive manner



act with integrity in carrying out activities



provide a welcoming, safe and stimulating work environment



protect the environment



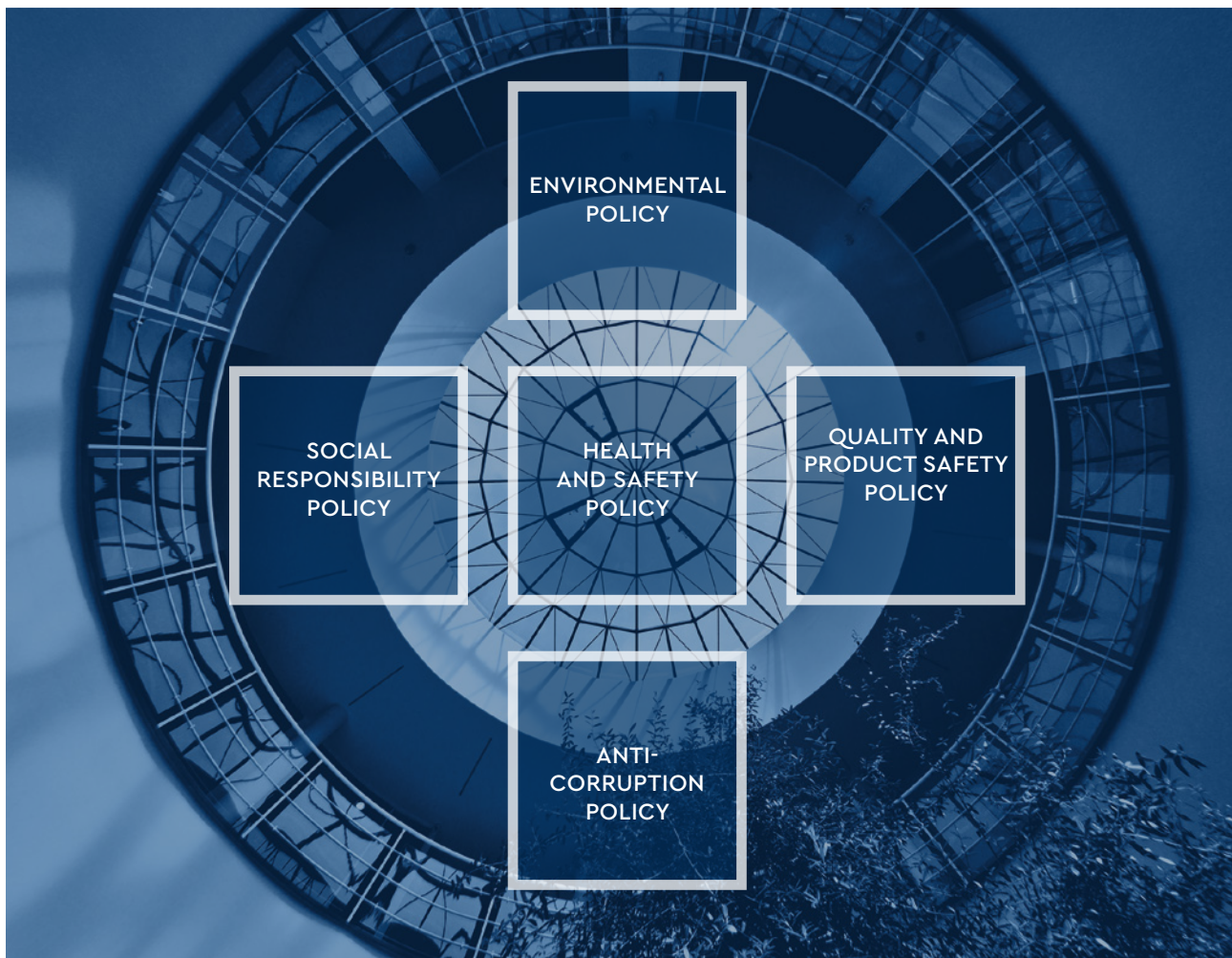
achieve product traceability

3.3 ORGANISATIONAL STRUCTURE

We have an organisational structure that is periodically evaluated and reviewed so that it is consistent with both "internal" needs and those of the business. In the definition of the company organisation, we have considered compliance with the principle of segregation of functions. The business organisation is governed by policies and procedures that define specific principles

of conduct in certain business areas, as well as operating rules for managing certain business processes.

In particular, in 2020, in order to give increasing attention to the assessment of the social and environmental impact of our activities as an expression of our commitment to sustainable development, we issued the following policies:



through which we are committed to spreading a culture of responsibility, promoting behaviours

that protect employees, customers, suppliers and the environment.

These policies were updated in 2023.

3.4 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

We have adopted an Internal Control and Risk Management System that comprises the set of rules, procedures, and organisational structures aimed at enabling sound, ethical, and consistent

management of the company in line with our strategic objectives. In particular, for Recarlo, the effectiveness of its internal control and risk management system contributes to:

Monitoring efficiency, awareness and the verifiability of corporate operations and, in general, ensuring the correctness and reliability of the Company's corporate and business management

Ensuring and verifying the quality and reliability of accounting and management data and, in general, financial information, including through the verification of the processes used to record such data and the exchange of information flows

Ensuring and monitoring compliance with the requirements of the Code of Ethics and, in general, applicable laws and regulations

Ensuring protection of the company's integrity, also in order to prevent fraud to the detriment of the Company and third parties in general

3.5 ANTI-CORRUPTION POLICY

The Anti-Corruption Policy adopted by Recarlo includes a commitment to:



prohibit bribery in all practices and transactions by the company and agents acting on its behalf



establish the criteria and approve the procedures to be adopted by employees regarding the offer and/or acceptance of donations by third parties



protect the company's reputation



promote responsible practices among key business partners



support the communities in which we operate by supporting them in their initiatives



ensure compliance with all anti-corruption laws applicable to the Company



strengthen international enforcement and awareness of anti-corruption laws



protect employees from negative consequences for having identified corruption-related aspects in good faith, for refusing to participate in bribery or to make a payment to facilitators where payments to facilitators are prohibited, even if such conduct could cause losses to the firm

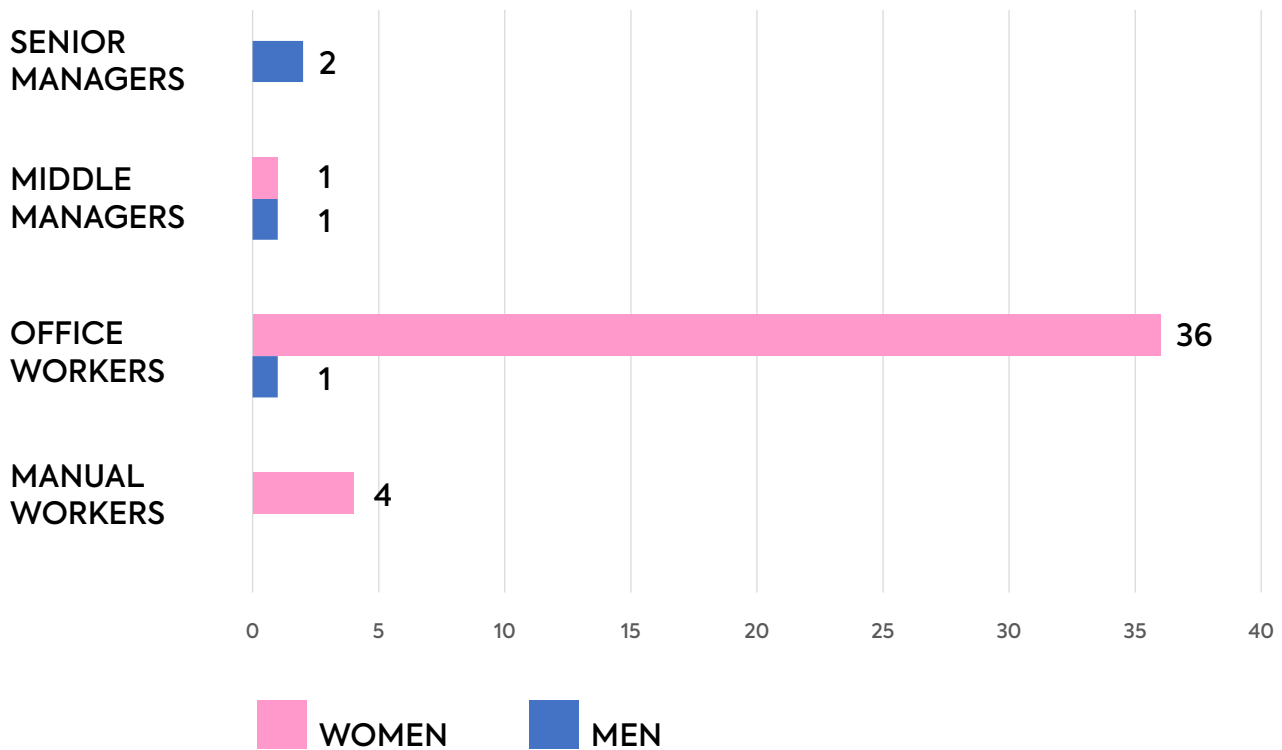


4. PEOPLE

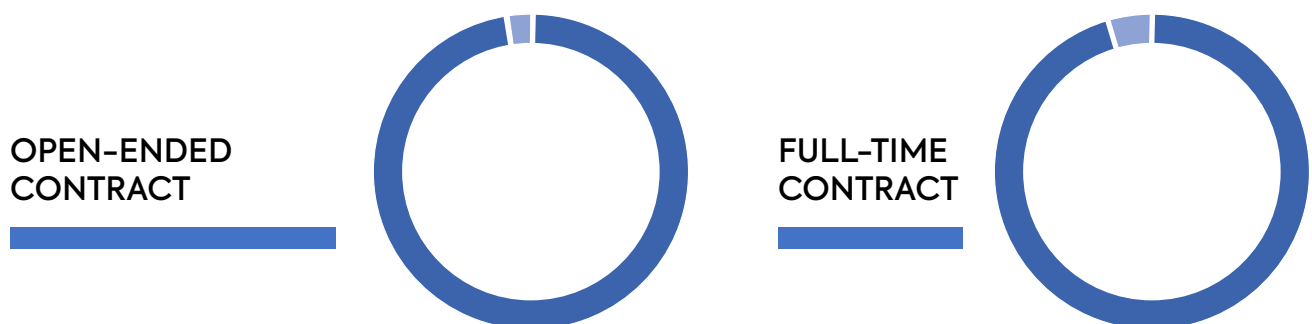
4.1 WORKFORCE

At the end of 2023 the workforce comprised **45 people**. During the financial year, **6 employees were employed, representing 13%** of the total workforce.

Employees by job title and gender



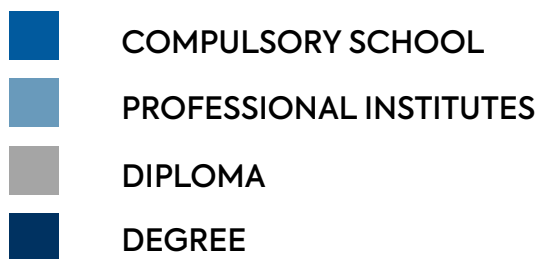
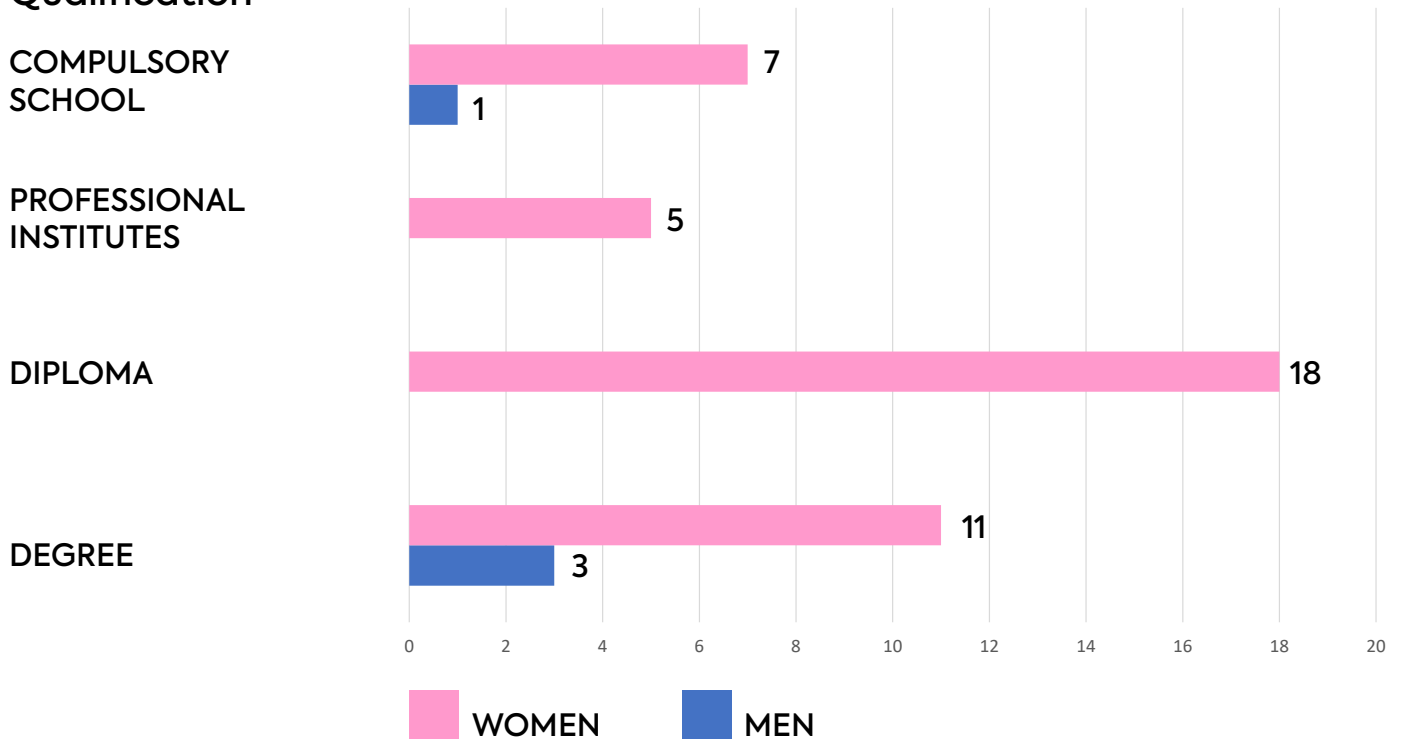
As many as 98% of employees (44 out of 45) have an open-ended contract under the CCNL [National Collective Bargaining Agreement] for Commerce and 96% (43 out of 45) have a full-time contract.



4.1 WORKFORCE (cont'd)


In relation to qualifications, more than 30% of the staff are graduates and more than 50% have a diploma or professional qualification.


Qualification





4.2 HUMAN RIGHTS


The Social Responsibility and Human Rights Policy includes a commitment to:


-  operate with respect for Human Rights and follow the UN guiding principles on business and human rights


-  condemn and prohibit all forms of violence and harassment


-  condemn and prohibit child labour and forced labour


-  operate in compliance with the applicable mandatory legislation and other requirements that may be signed (national and international laws, ILO Conventions) as regards respect for workers' rights (freedom of association, respect for working time, respect for fair pay, prevent discrimination, prevent the trafficking of human beings)


-  review it regularly with a view to continuous improvement, taking into account legislative changes, changes to the requirements of its code of conduct, and any other business requirements

-  work toward a continuous improvement of working conditions for the internal satisfaction of employees and key stakeholders

-  engage and raise suppliers' awareness of availability for monitoring activities throughout the supply chain

-  satisfy employees and listen to requests from stakeholders

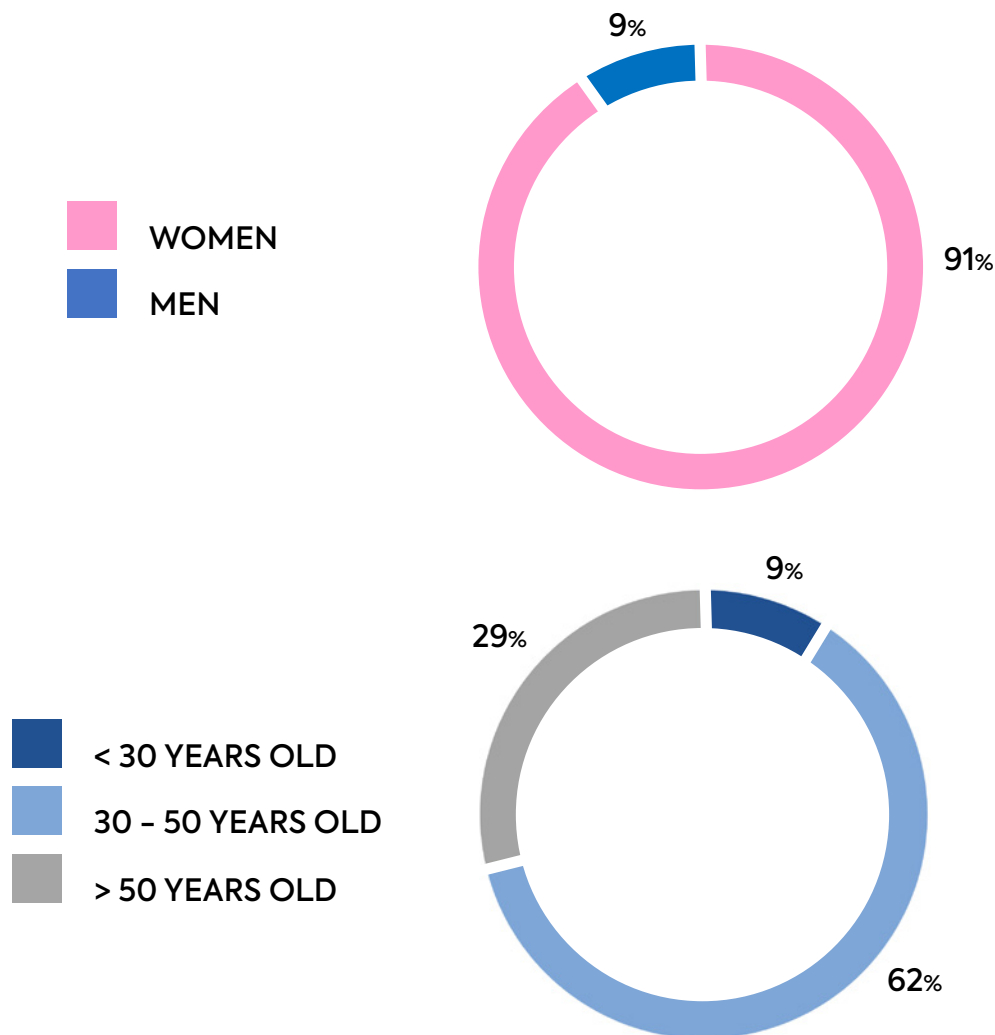
-  promote appropriate training with the ultimate aim of protecting the safety of workers

-  support the development of communities in the areas in which the company operates

4.3 DIVERSITY

Recarlo will not tolerate any discriminatory conduct, harassment and/or personal offence. The company is therefore committed to providing a working environment that excludes any form of discrimination and harassment on grounds of race, sex, religion, nationality, age, sexual orientation, disability, political ideas, or other personal characteristics not related to work. To this end,

Recarlo, complying with the laws and collective bargaining, ensures that the composition of the payroll does not reveal discrepancies between people with similar duties and experience and that employees are offered the same training and development opportunities for the same job roles and duties.



4.4 WELFARE

During 2023, Recarlo implemented a platform through which all employees can access a variety of services in different areas:



Culture



Long-term care



Health/Pension



Medical expenses



School expenses



Social welfare expenses



Transport expenses



Sport



Free time



Travel and holidays



Vouchers

4.4 WELFARE (cont'd)

During 2023, employees received about €20,000 in welfare services.

The table below shows the monthly breakdown

of the number of employees who have used the welfare platform and the amounts used by category of service:

Welfare 2023	Employees who have benefited from Welfare	Services					
		Reimbursement Medical expenses	Reimbursement School Expenses	Free time	Vouchers	Pensioner Fund	Total
JANUARY 2023	14				1,850.00	258.00	2,100.00
FEBRUARY 2023	15				2,375.00		2,375.00
MARCH 2023	16	37.15	100.00		1,705.00		1,842.15
APRIL 2023	8		100.00	132.00	533.00		765.00
MAY 21023	10	474.00	260.00	190.81	750.00		1,674.81
JUNE 2023	5				550.00		550.00
JULY 2023	15	1,280.285	585.39		1,325.00		3,196.67
AUGUST 2023	4			44.00	100.00	625.00	769.00
SEPTEMBER 2023	12	303.61	675.00	947.80	566.46		2,492.87
OCTOBER 2023	16	983.91	535.00	610.00	550.00		2,678.91
NOVEMBER 2023	7	212.00			1,200.00		1,412.00
DECEMBER 2023	0						
TOTAL		3,294.95	2,255.39	875.00	11,504.46	875.00	19,854.41

4.5 TRAINING

Our success also depends on attracting and retaining qualified people in key business roles, which is why we have always worked toward continuous improvement of working conditions, monitoring the internal satisfaction of employees and key stakeholders, promoting appropriate

training with the ultimate aim of protecting the safety of workers and their professional development.

For our company, developing our employees' skills is essential, which is why we have designed various training courses.



4.5 TRAINING (cont'd)

RECARLO ACADEMY

Employees

The training course dedicated to our employees aims to strengthen relationship areas through Group consolidation. Particular attention is therefore paid to creating a common culture and language, which stimulates personal motivations also through an awareness and self-esteem course, to effectively manage the complexities of the operational context.

In particular, with the **Recarlo toward excellence** course, multidisciplinary sessions are held every year in the field of soft skills, such as conflict management, acceptance of change, and collaboration between departments.

In addition, during the year courses on more technical skills such as the use of Excel and Business English are also provided.



4.5 TRAINING (cont'd)

RECARLO ACADEMY

Business partners

We organise dedicated training sessions for the sales staff of our jewellery partners in Italy and abroad for constructive discussions and to share our values such as elegance, refinement and attention to detail, which we want to accompany the customer on their purchase journey, allowing them to have a unique and exciting experience within the jewellery shop.

The sessions take place in different ways:

- **at our premises**, by welcoming our partners at our headquarters in Valenza for a tour of our manufacturing facility to show them the artisan production processes;
- **in-store**, at our partners' points of sale;
- **on the road**, in locations suitable for different partners to meet in a regional context.



4.6 ATTRACTING TALENT

Recarlo has long established fruitful collaborations with leading Italian and European Universities:

- Bocconi University
- Università Cattolica del Sacro Cuore
- Carlo Cattaneo University - LIUC
- ESCP Business School
- Politecnico di Milano

Bocconi



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

LIUC

Università Cattaneo



**POLITECNICO
DI MILANO**

ESCP
EUROPE
BUSINESS SCHOOL



4.6 ATTRACTING TALENT (cont'd)

UNIVERSITÀ CATTOLICA DEL SACRO CUORE

As part of the three-year Bachelor's Degree Course in the Faculty of Language Sciences in the Business Languages Curriculum, in the context of the course **Business Communication Economics and Techniques**, students in the third year were given a brief for project work, which contributed to the final grade for the course.

290 students between the ages of 22 and 23 took part who formed 36 working groups and as many project works to which a final grade was awarded. The activity was fully curricular and aimed at forming the final grade on the afore-mentioned course.

POLITECNICO DI MILANO

In collaboration with the Jewellery Design School we developed a project that aimed to

study and design a new solitaire, iconic jewel for our brand.

ESCP BUSINESS SCHOOL



Recarlo's goal was to support one of Europe's leading business schools during an international sporting event that brings students, seniors, and deans from various campuses.

The event, called **"Regatta"**, has been organised for 15 years, in Italy, by a group of business school students. The first edition of the regatta was conceived as a way to bring various stakeholders together: students, alumni and companies. The event combines a passion for sailing and

competition with the desire to strengthen links between the 5 European campuses: Paris, Berlin, London, Madrid and Turin.

Since then, the project has grown both in terms of success and size, and now includes over 50 sailing boats and more than 500 international participants, from five universities, becoming an important reference point and meeting point for the business school community.

For the occasion it was decided to test how the world of jewellery is perceived by new generations through a questionnaire that provided important information to improve and continue the dialogue with future generations.

The value of sustainability was one of the pillars that immediately united Recarlo with the ESCP's values and in fact on the occasion of the partnership a statement was issued on the value of sustainability in the jewellery industry: **"Can natural diamonds be sustainable?"** where our **"Our Promise To You"** sustainability strategy and Recarlo's ongoing commitment to help build a better planet for future generations was mentioned and explained.

4.6 ATTRACTING TALENT (cont'd)

MANI INTELLIGENTI

We continue to support the Foundation, whose objective is to research and train new generations of master goldsmiths in Valenza region, known throughout the world as the district of excellence

in superior jewellery for innovation, creativity and meticulous attention to manufacturing. The intergenerational transfer of company knowledge is essential so that craft skills are not lost.



4.7 SAFETY AND WELL-BEING AT WORK

Recarlo pays fundamental attention to the health and safety of its employees in the workplace. For this reason, **during 2020, Recarlo adopted a health and safety at work policy.**

As stated in the policy, Recarlo considers that improving and maintaining the health and safety of workers in the workplace is a fundamental and indispensable component of these primary

objectives within the framework of its activity and with a view to achieving the business goals of providing reliable and qualified services.

In order to support the application of the management system implemented for the prevention of injury or poor health and for the improvement of health performance, management undertakes to:



comply with all applicable legal and subscribed health and safety at work regulations



disseminate the principles and culture of health and safety at work to all personnel through adequate training and information



provide all necessary human and material resources



ensure systematic awareness-raising among personnel to prevent and reduce accidents



evaluate the reports and suggestions of each company actor in the field of health and safety at work, considering that it is essential to collaborate with all company roles so that they promote, with their behaviour and actions, the continuous improvement of the conditions of safety and health of workers

There have not been any accidents at work for 10 years. The last one, an ongoing incident, dates back to 2013.

4.7 SAFETY AND WELL-BEING AT WORK (cont'd)

RECARLO HEADQUARTERS

The current headquarters, opened in Valenza in 2010, testifies to the strong union that binds us to the region. It boasts a state-of-the-art facility that is absolutely unique in its genre.

4,800 m² fully sustainable, encompassing the entire supply chain process, where the talent and craftsmanship of Valenza's finest goldsmiths give

life to unique jewels.

Natural light filters through the interior creating a spacious, airy and bright environment, also through an original diamond-shaped glass dome, under which a dreamlike garden comes to life.

A break area has also been created where employees can relax and have lunch.





5. PRODUCT

5. PRODUCT

We have always set ourselves the goal of seeking excellence through the commitment to the artisan production of our jewels with a high quality standard, fully satisfying customer needs and in compliance with mandatory requirements. We have never made untruthful, misleading or false statements, nor have we ever advertised or marketed synthetic or simulated diamonds. **We subject our products to quality checks at all stages of processing, ensuring that the conformity of the product is aligned with the specifications highlighted in the data sheets.**

We have implemented and required the World Diamond Council (WDC) System of Guarantees from our suppliers, training our sales network on legal obligations so that they do not make misleading or false statements (deliberately or accidentally) about the products offered for sale.

We first achieved **Responsible Jewellery Council**

(RJC) certification in 2020, which was then renewed in 2023. As members of the RJC, we are committed to promoting respect for ethics, human rights and the environment by adopting good social and environmental practices, transparently and across the supply chain.

The aim of this commitment is to offer credible guarantees both on the quality of the products and on the ethics of the production chain.



5. PRODUCT (cont'd)

Gold and platinoids: the pureness of gold and platinoids is communicated precisely. The description of the fineness is as evident as the term "gold" or platinoids, or their abbreviations. We buy gold **80% from RJC certified metal banks and 20% from banks** .



Diamond quality: the description of the characteristics of our diamonds such as weight, colour, purity or cut corresponds to the recognised guidelines specific to the relevant jurisdiction and is guaranteed by a gemmological certificate issued by a laboratory outside the company accompanying all diamonds above 0.145 carats. Treated diamonds are disseminated as "treated" or with specific reference to the treatment they undergo.



A QR code accompanies all our jewels: it can be read with a smart-phone and immediately makes the gemmological certificate available accompanied by every diamond over 0.145 carats. Inside it contains a brief technical description of the jewel accompanied by an image of it.

5. PRODUCT (cont'd)



Our diamonds are purchased in accordance with the **Kimberley Process**: an agreement to guarantee



that the profits from the diamond trade are not used to fund rebel movements and their military activities, including attempts to undermine or overthrow legitimate governments.

Quality colour gems: even for jewels with sapphires, rubies and emeralds **the QR code enables viewing of the certificate that certifies the characteristics and origin of these gems.**

These aspects have been declared in the product quality and safety policy.



All paper used to print documents or printed materials supporting sales is **FSC certified**, i.e. paper from responsible sources.



6. PLANET

6.1 ENVIRONMENTAL RESPONSIBILITY

Recarlo has formally adopted an Environmental Policy. By recognising the environment as a conditioning and strategic factor in the conduct and development of business activities, Recarlo has adopted an Environmental Policy aimed at identifying the environmental impacts of its activities and seizing opportunities

for improvement that may arise in the coming years. The company's actions are therefore aimed at not only meeting customer demands and legal and regulatory requirements, but also environmental protection needs with a constructive approach to environmental issues.

In doing so, it undertakes to:



train and authorise staff to identify and reduce the environmental impacts of business activities, promoting a widespread sense of responsibility toward the environment at all levels, including through the promotion of the event management service



manage all business activities in accordance with national and international laws and regulations and others that are subscribed to, and monitor such compliance



prevent pollution through business management, the design and implementation of any changes or new activities taking into account interactions with the various environmental compartments and the regional context



ensure continuous improvement of environmental performance by defining measurement methods for their systematic assessment



replace and/or improve company equipment for a lower environmental impact;



optimise the use of natural resources through the rational and efficient use of energy resources and materials, through consumption control



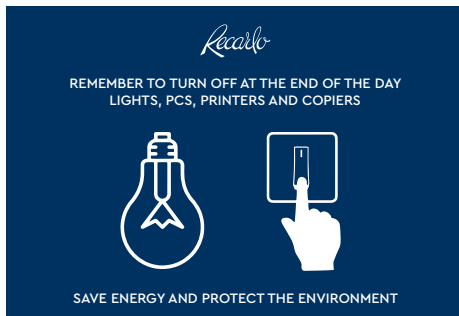
disseminate its environmental policy to its suppliers and include environmental aspects as part of its evaluation criteria



communicate with customers and suppliers and institutions to improve the sharing of environmental management with these stakeholders

6.1 ENVIRONMENTAL RESPONSIBILITY (cont'd)

In particular, we feel that we have a responsibility to future generations and therefore to conserve more and more natural resources while at the same time contributing to the fight against climate change by trying in every way to minimise its impacts on the environment.



We are developing ever greater sensitivity and attention to the correct use of environmental resources, with a view to better protecting and safeguarding the natural heritage around us so that we can fully adhere to the concept of environmental sustainability.



This intention is manifested in the continuous research and testing of useful solutions to reduce the environmental impacts generated by the activities carried out.

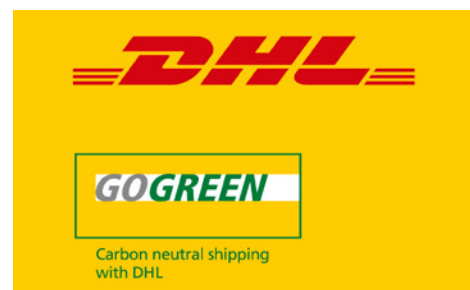
The distribution of containers for **differentiated waste** collection has been completed in all production and administrative areas for some time now.



In addition, the use of single-use plastic has been **eliminated** by replacing plastic bottles with water dispensers and providing all employees with a steel flask, allowing us to save on the annual consumption of around 16,800 plastic bottles, thus avoiding the emission of 2,400 kg of greenhouse gases.



As part of the streamlining of the logistics system, we have joined DHL in the **GoGreen project**, which allows an annual recovery of around 50% of CO₂ emissions for the transport of our products.



6.2 ENERGY & EMISSIONS

Responsible energy consumption and a commitment to environmental protection are fundamental principles for Recarlo. Our aim is to become increasingly energy efficient, to be able to reduce emissions and to start using environmentally-friendly renewable energy. An analysis of the information on energy consumption has been initiated in order to reduce it as much as possible. We will continue to refine the energy

detection and management system in an attempt to further reduce our carbon footprint.

This will include a regular evaluation of our emissions, including through the use of renewable sources, and reporting on both aspects in the financial statements.

In order to reduce energy consumption and emissions, the following actions have been taken:



Since December 2020, the photovoltaic system installed on the roof of our headquarters has been in operation, which in 2023 saved us **61.67 tons of CO₂**;



In 2023, the conversion of lighting systems through the exclusive use of **LEDs** began

The following table shows the energy consumption and related emissions for the year 2023.

DIRECT ENERGY SCOPE 1						
	CONSUMPTION		ENERGY		EMISSIONS	
NATURAL GAS	M3.	21,909	GJ.	871.34	T. CO ₂	45.30
PETROL	L.	3,308.42	GJ.	112.39	T. CO ₂	8.24
DIESEL	L.	12,809.27	GJ.	488.66	T. CO ₂	33.00
DIRECT ENERGY SCOPE 2						
ELECTRICITY	KWH.	26,492	GJ.	95.37	T. CO ₂	9.40
SCOPE 1					T. CO ₂	86.54
SCOPE 2					T. CO ₂	9.40
TOTAL					T. CO ₂	95.94

6.2 ENERGY & EMISSIONS (cont'd)

OTHER EMISSIONS

Sodium, potassium, sulphuric acid, and rhodium are used in the processing of precious metals for the production of alloys, the cleaning and polishing jewellery. Recarlo is committed, precisely because

sustainability has become a global priority, to adopting responsible production practices that minimise the environmental impact even of the materials used in processing.

Significant emissions	u.m.	2023
Nitrogen oxides (NOx), sulphur oxides (SOx) and other emissions	L	-
NOx		
SOx		
persistent organic pollutants		
volatile organic compounds		
dangerous air pollutants		
particulate matter		
other emission categories litres		131.500
others (SODIUM AND POTASSIUM HYDROXIDE)		32.000
others (SULPHURIC AND SULPHURIC ACID)		57.000
others (RHODIUM)		42.500
TOTAL		131.500

6.3 WASTE

Waste management and recycling are crucial issues in the current global environment geared toward environmental sustainability. In a world that is increasingly aware of the limitations of natural resources and the consequences of pollution, it is crucial to adopt effective practices to reduce our environmental impact and promote sustainable development. Proper waste management includes a number of processes and practices to minimise waste

generation, maximise its reuse and recycling, and responsibly dispose of what cannot be recovered. This approach not only reduces the negative impact on the environment, but also contributes to the conservation of natural resources and the mitigation of climate change. Recarlo is committed to reducing waste quantities and to using all recycling practices to minimise the impact on the environment.

Waste produced	u.m.	2023
Hazardous waste (e.g. print toner)	t	0.260
toner		0.260
electronic devices		
batteries and storage devices		
other (please specify)		
Non-hazardous waste		12.210
paper and paper/cardboard packaging		8.300
plastic		3.910
other (please specify)		
TOTAL		12.470

6.4 WATER

Water is a precious and vital resource for life on Earth. However, its sustainable use has become an increasingly urgent and relevant issue in the context of increasing anthropogenic pressure on water resources and climate change that is altering global hydrological balances. In our increasingly connected and industrialised world, demand for water continues to grow, putting pressure on available water resources. It is imperative to adopt responsible water use

practices in order to preserve the quantity and quality of water resources available for present and future generations. Recarlo believes that the responsible use of water is of paramount importance. Recarlo collects information and knowingly manages water consumption. For this purpose, water meters shall be installed to collect detailed information on consumption. During 2023, water consumption was 2,977 m³.

An abstract graphic composed of thick blue lines and shapes. It features three squares, each containing a smaller dark blue square. These are connected by thick blue lines that form a complex, looping path. Two large blue arrows are also present: one pointing left and one pointing right, both integrated into the overall geometric design.

7. METHODOLOGICAL NOTE

7. METHODOLOGICAL NOTE

The Recarlo Sustainability Report contains information on governance, environmental, social, staff-related issues, respect for human rights and the fight against corruption, to the extent necessary to ensure an understanding of Recarlo's activities and its performance, its results and its impact.

This Report is published on an annual basis and is prepared according to the GRI Sustainability Reporting standards defined by the GRI (Global Reporting Initiative) and updated in 2021 according to the "in accordance with" option.

GRI standards 2021, the most widely accepted and internationally recognised standards for non-financial reporting, have been identified by Recarlo as "reference standards." In order to facilitate the

reader in locating the information, the GRI Content Index is at the bottom of the document.

The sustainability reporting presented in the financial statements reflects the principle of materiality or relevance, which characterises the GRI standards: the topics covered in the Report are those that, following a materiality analysis, were considered relevant as they reflect current positive and negative impacts, potential and more significant that Recarlo generates or may generate on the economy, environment and people, including impacts on their human rights, in light of the activities carried out in the contexts in which it operates, and the expectations of the main stakeholder categories with which it interfaces.

Editorial principles

- ▶ **Materiality:** the information contained in the report refers to topics and indicators that reflect the significant economic, environmental and social impacts of society, or that could substantially influence stakeholder assessments and decisions.
- ▶ **Completeness:** the Report includes all the economic, social and environmental aspects related to Recarlo, to allow stakeholders to evaluate its performance in the reference period.
- ▶ **Stakeholder inclusiveness:** the Report identifies the company's stakeholders and explains how the company has responded to stakeholders' expectations and interests.
- ▶ **Sustainability context:** the Report presents the company's performance with regard to sustainability issues.

Scope and source of information

The data and the qualitative and quantitative information contained in the Sustainability Report refer to Recarlo S.p.A. as at 31 December 2023, unless otherwise stated. The economic and financial information comes from the company's

management system, while all other social and environmental information comes from the so-called "Information sheets", a system used to collect data and information on sustainability according to the GRI guidelines.

8. GRI CONTENT INDEX

8. GRI CONTENT INDEX

GRI CONTENT INDEX RECARLO	
Statement of use	[RECARLO] has reported the information cited in this GRI content index for the period 2023 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	REFERENCE
GRI 2: General Disclosures 2021	2-1 Organisational details	Para. 3.3 page 17
	2-2 Entities included in the organisation's sustainability reporting	Para. 7 page 46
	2-3 Reporting period, frequency and contact point	Para. 7 page 46
	2-6 Activities, value chain and other business relationship	Para. 2 page 7
	2-7 Employees	Para. 4.1 page 21
	2-9 Governance structure and composition	Para. 3.1 page 14
	2-11 Chair of the highest governance body	Para. 3.1 page 14
	2-12 Role of the highest governance body in overseeing the management of impacts	Para. 3.1 page 15
	2-13 Delegation of responsibility for managing impacts	Para. 3.1 page 15
	2-23 Policy commitments	In each chapter
	2-24 Embedding policy commitments	In each chapter
	2-29 Approach to stakeholder engagement	Para. 2.1 page 8
	2-30 Collective bargaining agreements	Para. 4.1 page 21

8.GRI CONTENT INDEX (cont'd)

GRI STANDARD	DISCLOSURE	REFERENCE
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Para. 2.2 page 9
	3-2 List of material topics	Para. 2.2 page 11
	3-3 Management of material topics	Para. 2.2 page 11
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Para. 2.3 page 12
	201-3 Defined benefit plan obligations and other retirement plans	Para. 4.4 page 25
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Para. 3.5 page 19
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Para. 6.2 page 42
GRI 303: Water and Effluents 2018	303-5 Water consumption	Para. 6.4 page 44
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Para. 6.2 page 42
	305-2 Energy indirect (Scope 2) GHG emissions	Para. 6.2 page 42
	305-5 Reduction of GHG emissions	Para. 6.2 page 42
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Para. 6.2 page 43
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Para. 6.3 page 44
	306-2 Management of significant waste-related impacts	Para. 6.3 page 44
	306-3 Waste generated	Para. 6.3 page 44
	306-4 Waste diverted from disposal	Para. 6.3 page 44
	306-5 Waste directed to disposal	Para. 6.3 page 44

8.GRI CONTENT INDEX (cont'd)

GRI STANDARD	DISCLOSURE	REFERENCE
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Para. 4.1 page 21
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Para. 4.7 page 33
	403-9 Work-related injuries	Para. 4.7 page 33
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Para. 4.5 page 27
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Para. 4.3 page 24
GRI 417: Marketing and Labelling	417-1 Requirements for product and service information and labelling	Para. 5 page 36

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