

SUSTAINABILITY REPORT

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Dear Stakeholders,

Please find enclosed the Sustainability Report of Fope Spa for the year ended 31 December 2022. Compared with previous financial years, where the financial statements were an integral part of the Group's consolidated financial statements, this year it is represented by a stand-alone document.

At consolidated level, the Fope Group reported a positive result of €10.8 million and net revenue amounted to €62.16 million, showing an increase of 54.22% compared to the value of the year 2021. 89% of revenue originated from sales made on foreign markets.

The whole financial year 2022 was marked by a positive sales trend in the markets where the Group operates. The numbers, which measure the change and growth over the financial year 2021, indicate this is not a recovery of positions and sales volumes due to the overcoming of the total or partial restrictions imposed by COVID, but rather an affirmation phenomenon in the markets, interrupted by the pandemic, which has now recovered.

The Fope collections are made with a cycle of processes carried out entirely in-house. The production departments, which have been working with maximum efficiency also thanks to the productivity gains achieved through process optimisation and the hiring of new members of staff, have fulfilled the order volumes acquired in accordance with our service quality levels for delivery and time frames.

The collections are distributed through a network of dealers, multi-brand jewellery shops with an international presence and loyal Group partners where Fope is present, as well as our single-brand boutiques in Venice in Piazza San Marco, in London in Old Bond Street, in Tokyo Ginza, Kuala Lumpur and Dubai.

The business mission pursuit cannot be considered apart from the business sustainability ethics; therefore, ethics and sustainability issues are always a priority and focus for the Group, which continues, with sensitivity for each business activity, the process of improving its position.

The sustainability report, which we compile since 2017, has the main purpose of sharing the company's position through precise data, as well as showing the commitment and results reached throughout the year.

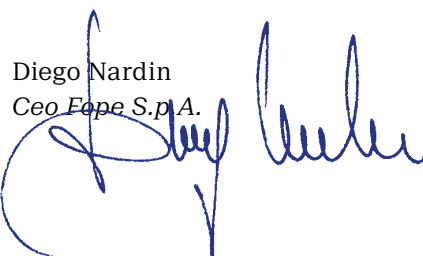
With particular reference to the environmental sustainability, it is worth mentioning the "Neutral Carbon Footprint" project, whose goal is the CO2 emission offsetting, and through which we confirm we have neutralised the CO2 emissions produced in 2022. Such commitment will be maintained also for 2023.

The report has been compiled in compliance with the Global Reporting Initiative (GRI) International standards of non-financial reporting. The materiality matrix, which shows the most relevant aspects of our business, being in line with the Sustainable

Development Goals (SDGs) designed and adopted by the United Nations for the 2030 Agenda, was realized thanks to the active involvement of the staff as well as a highly relevant group of external stakeholders, clients, suppliers, credit institutions, investors and professionals.

Fope's outstanding and positive results have been achieved thanks to the professionalism, passion and commitment of the its team, to whom we extend our most sincere thanks for their hard work and for sharing our ideals as well as our development project, that combines the strength of our long-standing values with a strong drive for innovation.

Diego Nardin
Ceo Fope S.p.A.



A handwritten signature in blue ink, appearing to read 'Diego Nardin', is written over the printed name and title.

KEY DATA			
62.2M	15.8M	33.6M	89,4%
REVENUE (FOPE GROUP)	EBITDA (FOPE GROUP)	NET WORTH (FOPE GROUP)	PERCENTAGE OF FOREIGN MARKETS SALES (FOPE GROUP)

ECONOMIC RESPONSIBILITY		STRUCTURE	
58.9M	52.8M	4	1
GENERATED ECONOMIC VALUE (FOPE SPA)	DISTRIBUTED ECONOMIC VALUE (FOPE SPA)	SUBSIDIARIES	BRANCH

PERSONNEL			
65	51%	26,4%	0,77
EMPLOYEES (FOPE SPA)	WOMEN (FOPE SPA)	PERCENTAGE OF NEW HIRES (FOPE SPA)	GENDER PAY GAP (FOPE SPA)

ENVIRONMENTAL SUSTAINABILITY			
1,6TJ	0,07TJ	SCOPE 1 45,3 SCOPE 2 3,7 SCOPE 3 212,2	100%
ENERGY COMSUMPTION (FOPE SPA)	SELF-PRODUCED ENERGY(FOPE SPA)	CO2 TONS EMISSIONS (FOPE SPA)	OFFSET EMISSIONS

CERTIFICATIONS	
 <p>RESponsible JEWELLERY COUNCIL CERTIFIED MEMBER 0000 2125</p>	 <p>CARBON neutral</p>

The Sustainability Reporting complements Fope's financial statements in order to inform all stakeholders about the company's performance, not only from an economic-financial point of view, but also environmental and social. The drafting of a "complementary report" is done so as a voluntary exercise for Fope, which pursuant to Legislative Decree 254/2016, does not fall under the case of groups required to report on their non-financial performance.

The Sustainability Reporting was prepared by taking into account the GRI Sustainability Reporting Standards (GRI standards) - option "with reference" guidelines - issued in 2021 by the Global Reporting Initiative, which constitute the most authoritative international reference for sustainability reporting.

As required by the standard, the reporting activity has focused on economic, social and environmental issues that may mostly affect the strategic choices of Fope and its stakeholders. These "material" issues were identified through an analysis carried out involving a sample consisting of part of the company's population and external stakeholders (see also the next section "Materiality analysis").

The ability to capitalise on existing business processes, from internal information systems and, from experience already gained by Fope in the field of non-financial reporting has meant that the qualitative and quantitative information presented below have been collected in an accurate and efficient manner.

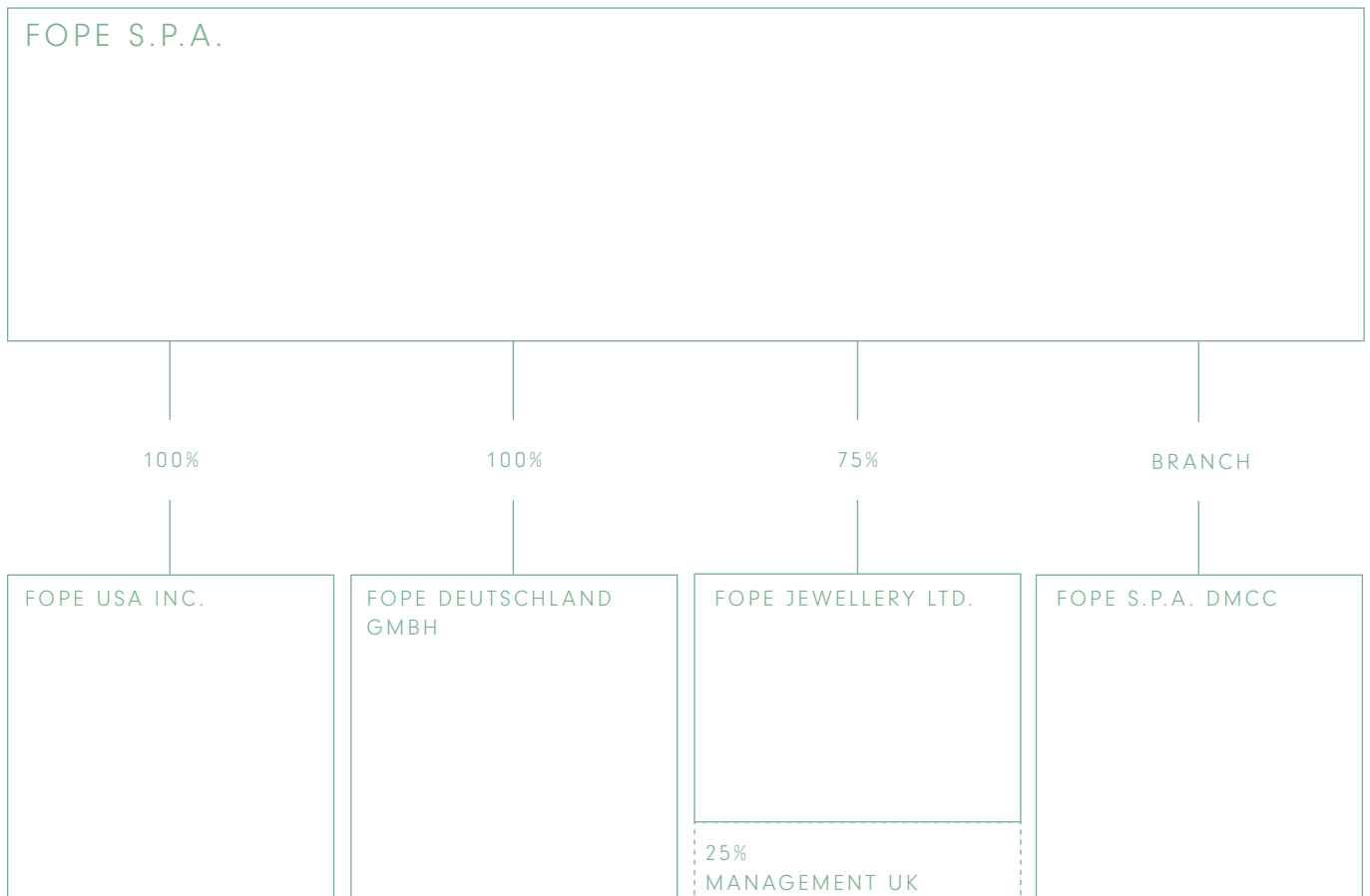
The data reported in this report relate to the financial year which ended on 31 December 2022 and relate exclusively to the parent company Fope S.p.A.. Affiliated companies did not cause significant impacts on environmental and social sustainability.

The sustainability reporting is available on the official Fope's website, at the following link <https://fopegroup.com/>.

Fope S.p.A., the parent company, and the three subsidiaries operate in the jewellery sector as producer and distributors on the high-end own brand jewellery markets. Fope is an international brand that made about 89.42% of its turnover with sales on foreign markets in 2022. In addition to developing new product “collections”, the company is historically also focused on the innovation process, to efficiently combine its goldsmith tradition with the best industrial production techniques by making jewellery of elegant and sophisticated designs.

Its headquarters, offices and workshop are located in Vicenza, in one of the main Italian goldsmith districts, where the brand was created and developed.

Fope S.p.A. is a certified member of the Responsible Jewellery Council, an International non-profit organisation that promotes responsible, ethical, social and environmental standards and practices in respect of human rights.



1929 - Umberto Cazzola opened the first handmade jewellery workshop in the city of Vicenza in Contrà Sant'Ambrogio, with the name Fabbrica Italiana Cinturini Metallici (FICM), specialising in the production of extendible metal watch straps.

1960 - Odino Cazzola founded the Fope brand giving the company a new impetus by focusing energy on the export of gold cases and bracelets for watches, whose customers included the greatest Swiss Houses of Haute Horlogerie.

1970 - His children, Ines and Umberto, assumed roles of responsibility in the company and reinvigorated development. Production was renewed, and precious jewels started to be created. During these years, the Novecento mesh was designed, which is still in production today, and went on to become a Fope jewellery classic.

1980 - The product range expanded over these years to meet the needs of an increasingly large and demanding clientele. New productive criteria were introduced in order to meet the rigorous quality standards in addition to the warranty and international certification of products.

1997 - The company transformed into a limited company under the name FOPE S.r.l.

2000 - Fope created important communication campaigns, redefining its commercial strategies abandoning distributors, and creating the direct relationship with the Jewellery market.

2007 - Launch on the market of the extendible Flex'it link designed by the company and covered by an international invention patent, made entirely from gold. The jewels created with this particular link become "extendible" thanks to microscopic gold springs inserted between each element of the link.

Fope's international vocation during these years was strongly pursued and sales volumes of foreign markets overtook the domestic market. The current Governance and Organisation arrangements were established.

2013 - Launch of the "A Tale of Beauty" communication project, based on the Italian character essence of the brand, with the actress Anna Valle as its Brand Ambassador.

2014 - Constitution of Fope Services Dmcc Dubai, a company under UAE law, which enabled the allocation of a commercial resource by FOPE dedicated to the development and direct support of the areas of greatest interest in the Gulf countries and South-East Asia.

2015 - Opening in November of the company's first single brand FOPE boutique, in Piazza San Marco in Venice. The Shareholders' Meeting decided on 15 December to transform FOPE S.r.l. into a limited liability company.

2016 - Fope S.p.A. listed on the AIM (Alternative Investment Market) market, now Euronext Growth Milan of the di Borsa Italiana (Italian Stock Exchange). On 30 November 2016, the first day of trading of the company's shares on the stock market.

2017 - Acquisition of a minority share equal to 20% in the company Milano 1919 S.r.l. owner of the Antonini jewellery brand. Antonini, a historical and known house of high-quality Italian jewellery, created and still based in Milan, produces and distributes prestigious collections of exquisitely and exclusively designed jewellery.

2018 - Founding of FOPE Jewellery Limited, a company incorporated under English law whose registered office is in Birmingham with a mandate from Fope S.p.A. to sell the brand's collections and provide operational support to distributors for the English language United Kingdom and Ireland market, which is one of the Group's main markets.

2019 - The new Fope Boutique in the prestigious Old Bond Street in London opened at the end of November. The purpose of the ambitious project was to transport the Fope brand to a location with international standing, such as London, to obtain a strong brand awareness effect for the British market, but even more for the international market.

2020 - As a consequence of the lockdown imposed by the health emergency due to Covid-19 the present company closed the headquarters from 14 March to 4 May 2020. During the closure period, production and shipment operations remained halted while administrative, sales and marketing tasks continued through remote working.

The Fope boutique in Kuala Lumpur in Malaysia officially opened at the end of 2020. The project was carried out in collaboration with our distributor in the city, with whom we have established partnership relations.

2021 - Opened the Fope showroom in April in a prestigious location in the city of Dubai. In July, Fope opened its creations up to men and launched a dedicated collection. The collection, characterised by the presence of Flex'it bracelets and the use of black diamonds, is aimed at a dynamic and confident man, who travels, loves comfort and practicality but also elegance.

2022 - Fope Deutschland GmbH incorporated as a wholly-owned subsidiary of Fope Spa. The new company and the establishment of the resulting operating structure made it possible to revise the entire commercial organisation for the German market with a view to development.

The business model is characterised by these elements, which constitute the company's strengths:

- collections of products designed and manufactured in-house, at the headquarters in Vicenza and exclusively sold under the FOPE brand;
- distribution handled by multi-brand jewellers (Fope S.p.A.'s clients) with medium-high positioning;
- direct sale to jewellery stores as clients (independent or group-owned) without intermediary agents nor external distributors (with the exception of the two subsidiaries owned by the group);
- high characterisation of the brand and design with strong recognisability;
- presence in international markets;
- particular attention to product and process innovation, with the use of patents for inventions developed by the parent company;
- direct protection of the entire production chain, from the processing of the raw material to the finish.

Fope S.p.A. leads the research and technological development, the concept and creation of new collections, production, logistics as well as the Group's commercial and marketing organisation. All company departments including production are integrated at the headquarters of Fope S.p.A.; this is a building built in 2000, extended in 2019, that combines space saving and efficient use with a modern architectural style and with a high aesthetic content. The absence of harmful emissions of the production department has enabled the headquarters to remain in the urban context of the city of Vicenza.

Fope USA Inc. whose headquarters is in Boca Raton (Miami), is a distributor of Fope S.p.A. for the American, Caribbean and South American market.

Fope S.p.A. - DMCC Branch, opened in October 2020 whose headquarters is in Dubai, takes care of the activity of assistance and Customer Service on behalf of the group's customers residing in Arab markets and in the South-East Asia area.

Fope Jewellery Ltd, headquartered in Solihull (UK), a 75% subsidiary of Fope S.p.A. with 25% capital owned by the company's three market development managers, is the parent company's distributor for the UK market.

Fope Deutschland GmbH, a German company founded in 2022 whose registered office is in Mönchengladbach (DE), is a 100% subsidiary of Fope S.p.A. The participation as a result of the marginal impact on the Group's business for the financial year 2022 was not included in the consolidation scope, but will be included in the financial year 2023.

Fope S.p.A. holds 20% of the share capital of the company Milano 1919 S.r.l., the owner of the historic Antonini brand. Antonini, a historical and known house of high-quality Italian jewellery, created and still based in Milan, produces and distributes prestigious collections of exquisitely and exclusively designed jewellery. The Antonini brand is positioned as a niche brand, which expresses refined luxury, through the extreme craftsmanship that distinguishes all its creation.

The shareholding of Fope S.p.A. in Milano 1919 S.r.l. is not included in the consolidation scope.

MISSION

Since 1929, we have been using cutting-edge technologies and proprietary patents to transform gold into jewels that transcend passing trends. Italian roots have always inspired our style, a standard appreciated by those who interpret life with refined, subtle elegance. All the activities of the Company and its affiliates follow strict ethical and sustainability control criteria.

VISION

Inspire people who want to add a touch of understated luxury to every experience in their lives.

VALORI

Vicenza pride

FOPE is an Italian brand. All jewellery is produced in Italy and the Vicenza office is the hub of all the Group's activities. From a creative point of view, the art and craftsmanship typical of Vicenza territory are a constant source of inspiration: which we proudly project to the rest of the world.

Family footprint

FOPE is first and foremost a family business. Umberto Cazzola opened his first goldsmith workshop in 1929 and several generations have taken turns over time. The original contribution of each generation led to the listing on the stock exchange, which was the natural evolution of a path of success that has been going on for almost a century and still continues.

Widespread innovation

A concept that at first glance might appear generic, in FOPE, pervades every aspect of the business - starting with technology that is the foundation of all production. The jewellery comprises precious, high-quality items that often use the Flex'it system, a patented invention of FOPE. The tone of communication has always been in the same direction.

Original design

FOPE jewels are created in Vicenza from a virtuous encounter between creativity and technique. The iconic Novecento mesh, being our signature line, characterises each collection through a precise and consistent stylistic identity over time. In addition to brand recognition, the design ensures longevity and versatility for every piece of jewellery.

Entrepreneurial responsibility

FOPE's corporate and product policies are guided by the highest ethical values. The concept of entrepreneurial responsibility is a fundamental value shared by all generations of the owner family. Even more so now that FOPE is moving into the global luxury landscape, it pays the utmost attention to issues such as sustainability,

efficiency and respect, carefully considering the economic, environmental and social impact of each of its activities.

Understated elegance

The FOPE collections are designed and built for everyday wear. Along with the intrinsic beauty of each piece, comfort is a key element of FOPE jewellery. Through stylistic choices and communication, the brand promotes an idea of discreet elegance that each individual is invited to express through their own uniqueness.

Ethical values

FOPE conducts its business based on standards of ethics, integrity, efficiency and respect. It encourages all staff and associates to adopt positive behaviour, to constantly improve product quality and to appreciate each person individually and as part of a team.

The Company sees Italian legislation as a fundamental starting point and is committed to be and remain compliant to it as well as to all the international rules applicable to its field of action. Furthermore, it ensures, in all its actions, respect of the Universal Declaration of Human Rights.

The activities carried out by Fope are based on:

- respect for employees, partners, customers and suppliers, in the perspective of a shared work ethic;
- the safety of the working environment and the health of those who work in it;
- the sense of social responsibility that comes directly from the role of entrepreneur;
- the commitment to adopt production methods which, according to the type of production, aim for as much sustainability as possible.

FOPE rejects any form of discrimination, child labour and forced labour and encourages anyone who deals with the company to adopt the same principles and promotes good practices of behaviour to its employees and associates in all areas of action.

In 2020, the company formally adopted its Code of Ethics, considered a pillar of fundamental importance for the development of an increasingly responsible, transparent management model based on the creation of shared value for all stakeholders. This document defines the set of values that the company recognises, shares and promotes, in the awareness that conduct inspired by the principles of integrity and responsibility is an important driver for the economic and social development of the individual organisations and communities in which they operate.

The Code of Ethics is also available in English on the company's websites www.fope.com e www.fopegroup.com. These online pages also indicate the email address any Fope stakeholder can refer to in order to report their suggestions or observations to the company about the occurrence of behaviour that violate the principles set out in the Code.

The adoption of the Code has been shared with external stakeholders through an official email communication sent to all of the company's customers and suppliers. These stakeholders have been invited to sign the values, principles and rules of conduct outlined in the document.

Lastly, the company has an elective Ethics Committee in charge of looking after and managing any complaints, reports of unease or suggestions by its employees. The Committee can be consulted by giving your name or anonymously and can be involved as a whole, or through the involvement of one member at a time. The objective of the Ethics Committee, which comprises three members, is the guarantee of a space in which workers are listened to without prejudice and obtain the tools to tackle situations of unease experienced or perceived.

Composition of the Ethics Committee by gender	2022		
	F	M	TOTAL
Ethics Committee	-	2	2
Percentage	-	100%	100%

Composition of the Ethics Committee by age group	2022			
	< 30	30-50	> 50	TOTAL
Ethics Committee	-	1	1	2
Percentage	-	50%	50%	100%

Since 2013, the company has been a certified member of the Responsible Jewellery Council (RJC), an international non-profit organisation that promotes responsible, ethical, social and environmental standards and practices in respect of human rights in the entire chain in the diamonds, goldsmithing and platinoids sector, from mining to retail trade. Many of Fope's main suppliers have in their turn been awarded this certification. The RJC certificate remains valid for a period of three years and to renew it an audit process.

RESPONSIBLE AND TRANSPARENT BUSINESS MANAGEMENT

The process of expansion and extension of the business pursued by the Group is based on a solid corporate governance model that regulates all decision-making processes and the measurement of business performance, in full respect of the interests of stakeholders.

The management model adopted is a traditional one and includes the presence of a Board of Directors, with management functions, and a Board of Statutory Auditors, with control functions over management. Both bodies are appointed through the Shareholders' Meeting.

The high degree of diversity expressed by the Board of Directors of Fope in terms of gender and skills ensures high levels of effectiveness and efficiency in the Group's management. Company presidency lies with the Cazzola family, the founder and majority shareholder. Of the 5 members of the Board of Directors, 4 perform an executive role, while 1 is an independent director. The almost equal presence of men and women on the Board of Directors represents a figure in line with the recommendations reported in the new Code of Corporate Governance of the Borsa Italiana, according to which at least one third of the Board of Directors should consist of members of the less represented gender. With the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001 (MOG 231) the Supervisory Body has been appointed and is operational.

Composition of the governing bodies by gender	2022			2021			2020		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Board of Directors	2	3	5	2	3	5	2	3	5
Board of Statutory Auditors	1	2	3	1	2	3	1	2	3
Supervisory Board	1	0	1	1	0	1	N/A	N/A	N/A
Total	4	5	9	4	5	9	3	5	8
Percentage	44.40%	55.60%	100%	44.40%	55.60%	100%	37.50%	62.50%	100%

Composition of governing bodies by age group	2022			
	< 30	30-50	> 50	TOTAL
Board of Directors	-	-	5	5
Board of Statutory Auditors	-	1	2	3
Supervisory Board	-	-	1	1
Total	-	1	8	9
Percentage	-	11%	89%	100%

Increasing sensitivity to environmental and social issues has led Fope to decide to also align corporate governance with sustainability objectives (see also “Development strategies” on page 18). In 2022, a Sustainability Committee was set up within the Board of Directors to assist the Board of Directors in assessing and deciding on sustainability issues. They are identified in the initiatives and activities aimed at overseeing the Company’s commitment to sustainable development along the value chain, linked to the performance of the business and its dynamics of interacting with all stakeholders, to corporate social responsibility, the examination of the scenarios for drafting the business plan and the Company’s corporate governance.

Appointed directly by the Board of Directors, the Committee is composed of 3 Directors (see also the table below), one of whom acts as Chairman. The Committee meets at least twice a year, and whenever specific needs and projects require the planning of further meetings.

Composition of the Sustainability Committee by gender	2022		
	F	M	TOTAL
Sustainability Committee	2	1	3
Percentage	66.67%	33.33%	100%

Composition of the Sustainability Committee by age group	2022			
	< 30	30-50	> 50	TOTAL
Sustainability Committee	-	-	3	3
Percentage	-	-	100%	100%

ADOPTION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

In April 2021, Fope adopted an Organisation and Management Model pursuant to Legislative Decree No. 231/2001¹, an essential tool for protecting entities and companies from their employees and directors committing the crimes mentioned in the Decree.

MOG 231 has been formalised following a mapping of the company's processes, in order to identify the areas most at risk within the organisation and includes all the rules and procedures aimed at preventing the offences included in the law from being committed. There are many offences involved in regards to the correct business activities operations and competitive practices, the respect for environmental regulations, but also for people and workers' rights.

Ad hoc audits are conducted periodically by an external body to monitor that these procedures are respected by all employees and directors and that the company operates in a context of legality in all respects. During the reporting period, no corruption or other incidents related to the offences included in MOG 231 were recorded. Similarly, there is no legal action being taken against the company in the context of anti-competitive behaviour, antitrust breaches, related monopolistic practices or breaches of human and/or workers' rights.

In the context of spreading the Fope organisational model, as well as accountability and training for the prevention of corruption and money laundering, three training meetings were held for all 65 employees.

1 The Model 231 adopted can be consulted on Fope's website at the following address: <https://fopegroup.com/governance/modello-231/>

The keys to success that have identified the strategic line pursued by the Fope Group in recent years, in order to grow and consolidate its position on the markets, are due to specific elements:

- Product
 - excellent quality, design and innovation of the collections offered;
 - strong brand characterisation - the Fope jewel has a highly detectable design line;
 - made in Italy (made in Fope).

- Service
 - support the distributor for end customer satisfaction;
 - order/commercial policies management;
 - training sales team at distributors.

- Partnership with Jewellery
 - involvement of the distributor in marketing initiatives (campaigns in support of the point of sale - special events);
 - involvement of the distributor in events at Fope's headquarters to transfer the Company's values.

- Markets
 - Investment and marketing initiatives focus on markets that already have a significant presence: America and Europe, in particular, Germany and the United Kingdom.

The results recorded, which show a significant growth in sales volume in 2022, represent a valid indicator for expressing a positive opinion on the strategies pursued.

Actions on key levers of success that have supported growth are long-term phenomena that act with increasingly positive effects on the perception of the brand by the market and self-feed development.

Sustainability, understood in its broadest sense (i.e. including environmental, social and governance aspects), plays a central role in the strategic guidelines implemented by Fope. Through a careful integration of ESG factors in the business model, the Organisation is able to develop technological, managerial and operational solutions such as:

- maximising the efficiency of business processes and activities, with clear benefits linked to strengthening its competitiveness in markets;
- actively contributing to the sustainable development of its business from an environmental, economic and social point of view.

In recent years, the objective of transparency with respect to its own operations, has meant that Fope is committed to a process of reporting its position and initiatives linked to social responsibility. In fact, since 2017, Fope's consolidated financial statements have included a chapter entitled "Sustainability Report", which is drafted taking international guidelines into consideration and is updated annually in order to demonstrate the projects implemented in the context of corporate social responsibility and the results achieved by these activities.

With the financial year 2022, the Sustainability Report becomes a stand-alone file drawn up and published independently of the Financial Statements file.

Already in 2019, this commitment to transparency and the increasing integration of environmental, social and governance factors (often called "ESG factors") in the strategies and business processes earned the group the attainment of the AIM ESG award, awarded to it by IR TOP Consulting² and by the Department of International Trade (DIT) of the United Kingdom during the AIM Awards ceremony, the awards ceremony for SMEs listed on the AIM segment (now Euronext Growth Milan - EGM) of the Borsa Italiana (Italian Stock Exchange).

In 2021, the company also achieved the ESGe rating of the Cerved Rating Agency with a score of BBB ("High ESGe Risk Management Capability"). The analysis of the sustainability information carried out on the data reported for 2020 by the rating agency revealed a higher than average score for Fope with reference to the "Accessories" cluster. In particular, it rewards efforts to reduce its environmental impacts and initiatives to mitigate risks related to corporate governance implemented over the years.

The growing strategic importance that the Group has attributed to the theme of sustainability in recent years and the desire to place it increasingly as a fundamental element of its competitive positioning led Fope, in the first few months of 2022, to set up the progressive development of an ESG Roadmap aimed at:














- making ESG elements an increasingly important growth driver for all Fope activities;
- defining a comprehensive roadmap of interventions integrated with the Organisation's strategic objectives and with the numerous initiatives already launched in previous years;
- set up a structured monitoring model to continuously measure the effectiveness of ESG activities.

² The leading company in Italy for management consultancy in the areas of Capital Markets and Investor Relations (<http://irtop.com/>).

Carried out through the direct supervision of the Group's CEO, the project has allowed a structured and timely mapping of the sustainability activities already undertaken by Fope to be completed, including through the analysis of internal documentation and the conducting of interviews with representatives of the main company departments. This analysis was preparatory to defining a dashboard of multi-annual objectives and targets for the entire Organisation and the preparation of a set of KPIs to monitor the results achieved with regard to the Environment, Social and Governance spheres.

In order to define the objectives of the Roadmap, Fope has decided to sign up to the United Nations Sustainable Development Goals (SDGs)³. We have therefore decided to support Goals 3, 4, 5, 7, 8, 9, 12, 13, 16, 17, considered relevant and common to our business and values and in line with stakeholders' expectations.

The main areas of intervention of the Fope S.p.A. Roadmap will be:

- 
 Integration of ESG elements into corporate governance
- 



 Integration of ESG elements in the implementation of the business strategy
- 

 Combating climate change through direct actions, studying our carbon footprint and the commitment to maintain the FOPE brand's Carbon Neutrality status also for the two-year period 2023-2024
- 
 Health and safety of workers
- 
 Strengthening of staff education and training
- 


 Adoption of a welfare plan for the benefit of all employees
- 
 Transparency and publication of the "Sustainability Report" file on an annual basis

³ The SDGs are the 17 Sustainable Development Goals to be achieved by 2030 to ensure our planet has a sustainable future and to mitigate increasingly urgent risks and challenges.

The following table shows a summary of the values of the Group's Consolidated Financial Statements compared to the values of the previous year. The amounts are expressed in millions of euros.

	2022 (DECEMBER 31 ST)		2021 (DECEMBER 31 ST)		2022 VS 2021	
Net Revenue	62,16	100,0%	40,31	100,0%	21,85	54,2%
Operating Costs	(46,33)		(31,52)		(14,81)	
EBITDA	15,83	25,5%	8,79	21,8%	7,04	80,2%
Depr. & Amortization	(1,92)		(2,01)		0,09	
EBIT	13,91	22,4%	6,78	16,8%	7,13	105,2%
Financial Incoms / (Costs)	(0,75)		0,05)		(0,80)	
Earning Before Tax	13,16	21,2%	6,83	16,9%	6,33	92,7%
Tax	(2,33)		(1,80)		(0,53)	
Net Income	10,83	17,4%	5,03	12,5%	5,80	115,4%
Asset	14,15		12,76		1,39	10,9%
Working Capital	20,72		13,96		6,76	48,4%
Funds	(2,74)		(2,76)		0,02	-0,7%
Net Invested Capital	32,14		23,97		8,17	34,1%
Equity	33,64		25,84		7,80	30,2%
Net Debt / (Cash)	(1,50)		(1,88)		0,37	-20,0%

FOPE SPA
SUSTAINABILITY REPORT



In the context of ESG reporting, the materiality analysis aims to identify environmental, social, economic and governance aspects that are considered relevant and meaningful to Fope's business for its stakeholders.

Under the new GRI Universal Standard 2021, these are defined as "material" because they are associated with the most significant (positive or negative, actual or potential, short- or long-term) impacts that business activities are (or may be) capable of generating on the economy, the environment and people, including impacts on their human rights. This approach, called impact materiality, is based on the adoption of an inside-out perspective, as it focuses on the impacts that business activities generate on the socio-economic environment in which the organisation operates.

Fope has also voluntarily decided to take a further step toward the double materiality approach introduced by the new Corporate Sustainability Reporting Directive (CSRD) from this reporting cycle. This model will require companies to integrate the impact materiality approach just described with the outside-in perspective that characterises financial materiality, which focuses on the nature and extent of economic-financial impacts (both positive and negative) that more or less effective management of ESG aspects by the Organisation could have on its performance, competitive positioning, and enterprise value.

In order to identify the material issues, a structured process has begun which has made it possible to define in detail the reference context within and outside of the Organisation. This activity consisted of the following steps:

- conducting a benchmark analysis on a sample of 8 competing, peer and comparable companies to capture the latest trends within the jewellery sector;
- examination of the existing internal documentation (e.g. Code of Ethics, MOG 231, RJC certification, etc.);
- analysis of public documents, articles, statistics, observers and sector studies;
- assessment of key international standards and frameworks used in sustainability reporting (e.g. GRI Standards, SASB, TCFD, etc.), including future publications (e.g. ESRS, IFRS, etc.).

Once this first step was completed, the impacts identified were clustered based on their mutual affinity level. In order to obtain a more limited list of 18 ESG themes to be quantitatively assessed by top management and from a representative sample of the main categories of the company's stakeholders. These issues, in turn, have been brought back to 4 main areas of sustainability: Governance, Economic responsibility, Social responsibility and Environmental responsibility.

Subsequently, in order to select the truly material ESG themes and impacts for Fope, a special online “materiality questionnaire” was published through which the level of relevance of each theme was assessed separately by:

- 20 representatives of the main Company Departments (31% of the company’s staff)
- 17 additional stakeholders of the Organisation (customers, suppliers, banking institutions, etc.).

While most stakeholders were presented with a version of the questionnaire aimed at assessing the different issues exclusively according to the impact materiality approach, 12 participants (including the company’s top management) were also asked to express an opinion on the level of relevance to be attributed to the impacts identified as outside-in.

In order to identify the ESG themes and impacts that are a real priority interest for Fope, the so-called “materiality threshold” was defined, which enabled us to highlight only 10 of the 18 themes previously identified as “material” for the Organisation. As required by the GRI Standards, this latter processing was carried out by considering only the data collected applying the logic of impact materiality.

GOVERNANCE	ECONOMIC RESPONSIBILITY	SOCIAL RESPONSIBILITY	ENVIRONMENTAL RESPONSIBILITY
BRAND REPUTATION FOR SUSTAINABILITY	PRODUCT QUALITY AND SAFETY	HEALTH AND SAFETY OF WORKERS	RESPONSIBLE ENERGY MANAGEMENT
INTEGRATION OF ESG ASPECTS INTO THE SHORT-, MEDIUM- AND LONG-TERM STRATEGY	RESPONSIBLE MANAGEMENT OF PURCHASES AND SUPPLIER RELATIONSHIPS	DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES	DIRECT AND INDIRECT EMISSIONS
		CORPORATE WELFARE	GREEN SOLUTIONS IN LOGISTICS OPERATIONS

The following table describes, for each topic found to be material for Fope:

- the main impacts of business activities on the economy, the environment and people, including impacts on their human rights;
- business activities that directly or indirectly generate the identified impacts;
- the main risks to which the Organisation is exposed according to the extent to which it is able to effectively monitor the theme being examined;
- the main instruments (policies, procedures, management systems, etc.) used by Fope to oversee the theme and prevent or mitigate the negative impacts associated with it;
- the metrics, KPIs and monitoring processes adopted to measure the effectiveness of the tools and initiatives put in place.

The themes are sorted from the most relevant to the least relevant for each area according to their significance, reflecting the score obtained in the impact materiality section of the materiality questionnaire. In addition, the score obtained in the financial materiality section is represented graphically in the third column, according to the following criterion:



AREA	MATERIAL THEMES	LEVEL OF FINANCIAL MATERIALITY	RELATED IMPACTS	ACTIVITIES THAT GENERATE THE IMPACTS	ASSOCIATED RISKS	COMMITMENTS, POLICIES AND OVERSIGHT INSTRUMENTS	KPIS
GOVERNANCE	Brand reputation for sustainability		Customer awareness raising on ESG issues; Market availability of jewellery with a high environmental and/or social performance, able to respond effectively to the real needs of customers;	All activities and initiatives carried out by Fope	Reputational risk; ability to attract investment	Implementation of ESG best practices in the jewellery sector and related communication	Annually publication of Sustainability Reporting; Establishment of the sustainability committee; Maintenance of RJC certification; An emissions inventory certified by a third-party institution; % offset greenhouse gas emissions
	Integration of ESG aspects into the short-, medium- and long-term strategy		Well-being and prosperity of the main individuals with whom the Group interacts	Design and implementation of the company's strategy	Reputational risk; ability to attract investment; business continuity; competitiveness and innovation	Development of a sustainability strategy setting out priority, objectives, and ESG action plan	% of independent directors on the Board of Directors; % women on the Board of Directors Establishment of the sustainability committee; Annually publication of Sustainability Reporting; Maintenance of RJC certification

ECONOMIC RESPONSABILITY

Product quality and safety



Product quality and safety
Market availability of jewellery with a high environmental and/or social performance, able to respond effectively to the real needs of customers

Production and management of sales

Penalties and non-compliances; reputational risk; ability to attract investment

Interventions aimed at achieving the best possible results in terms of the quality, design, durability and safety of Fope jewellery

Investment in Research and Development activities;
A training plan is in place

Responsible management of purchases and supplier relationships



Environmental impacts (e.g. greenhouse gas emissions, energy and water consumption, responsible material selection, etc.) and social impacts (e.g. health and safety of workers, protection of human rights, adequate remuneration policies, etc.) related to the entire jewellery supply chain

Purchase of raw materials

Reputational risk; ability to attract investment; resilience and business continuity; competitiveness and innovation; operational risks (material availability and cost); energy transition

Ensure the highest possible levels of traceability of raw materials and products used by Fope, for example through the purchase of RJC certified gold and collaboration with suppliers to promote corporate social responsibility throughout the value chain

Maintenance of RJC certification;
certified raw material suppliers RJC and LBMA; training hours for those who have received RJC training

Health and safety of workers



Opportunities for each employee to achieve their full potential;
Workplace accident rates;
Work-related stress levels reported by company staff

Production and performance of work tasks

Penalties and non-compliances; operational risks (accidents, staff turnover)

Preventive and protective measures to avoid (or otherwise minimise) the exposure of employees to work-related risks

Tracking of: serious and non-serious accidents; occupational diseases; related days of absence; frequency and severity indexes

SOCIAL RESPONSABILITY

Diversity, inclusion and equal opportunities



Opportunities for each employee to reach their full potential

Staff selection and management

Reputational risk; ability to attract investment; operational risks (staff turnover)

Inclusive and fair approach to defining of career paths, and application of remuneration policies

% of independent directors on the Board of Directors;
% of women on the Board of Directors;
% of employees hired on permanent contracts
% of employees under 30 on the company's staff;
Gender pay gap

Corporate welfare



Mental and physical well-being of employees; Opportunities for each employee to achieve their full potential

Staff management

Penalties and non-compliances; operational risks (absenteeism, staff turnover)

Providing a positive, healthy work environment and a set of programmes to improve employees' work-life balance

Negative staff turnover rate; Welfare plan in place;
% of employees hired on permanent contracts

ENVIRONMENTAL RESPONSIBILITY

Responsible energy management		Impact on the effects of climate change	Production and performance of work tasks	Penalties and non-compliances; reputational risk; operational risks (energy costs); energy transition	Initiatives to reduce Fope's energy consumption and make it more efficient on a company level, including through the use of forms of renewable energy	% electricity demand covered by self-produced electricity from own photovoltaic plants; % electricity approved from renewable sources
Direct and indirect emissions		Protection of biodiversity and ecosystems that underpin the entire economic and social system in which the Group operates (in terms of air quality, soil quality, bodies of water, etc.), resulting in impacts on the well-being and prosperity of the main individuals with whom the Group interacts (e.g. local communities, business partners, etc.)	Production; Distribution of jewellery; Purchases	Penalties and non-compliances; ability to attract investment; energy transition	Monitoring and gradually reducing greenhouse gas emissions caused directly (e.g. emissions related to natural gas consumption, moving company vehicles, etc.) and indirectly (e.g. emissions linked to transporting final products, etc.) by business activities	An emissions inventory certified by a third-party institution; % offset greenhouse gas emissions;
Green solutions in logistics operations		Impact on the effects of climate change	Product and resources handling	Penalties and non-compliances; reputational risk	Selecting couriers with a focus on environmental issues, streamlining shipments and managing warehouses responsibly	An emissions inventory certified by a third-party institution

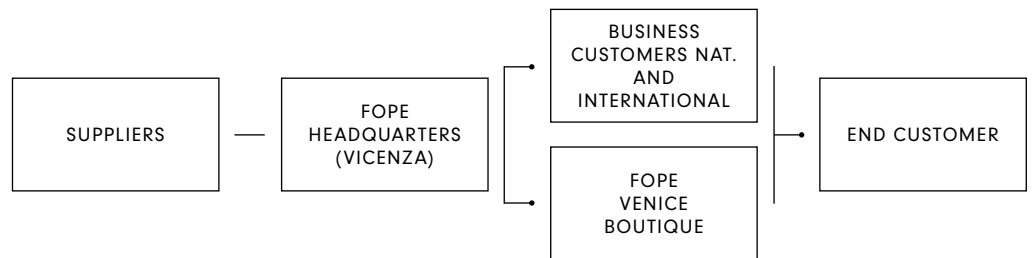


The main environmental impacts of the company occur along the supply chain. Gold constitutes the main raw material for Fope and is purchased from banks. For the supply of other raw materials (mainly diamonds, and marginally other precious stones, silver and other precious metals) necessary to create the products, the company uses suppliers predominantly located in the centre-north of Italy.

The production process, characterised by a high level of standardisation and automation is carried out at the headquarters in Vicenza and is based on the typical phases of:

- melting of the raw material and preparation of the alloy;
- preparation of semi-finished products;
- assembly;
- finishing and quality control.

The ready goods are shipped from the site directly to the points of sale of the jewelers on all the national and international markets of interest.



The main environmental impacts along the supply chain of Fope take place in two phases that are very far removed from one another, i.e. the extraction of raw materials phase upstream of the value chain and that of transporting of the final products by couriers.

As a certified member of the Responsible Jewellery Council, Fope undertakes to report any misconduct by any actor of the goldsmith/jewellery sector that can lead to significant environmental risks. Especially considering the upstream part of the supply chain, the company reduces, as far as possible, the possibility of encouraging any irresponsible behaviour by buying almost all raw materials subject to the most authoritative transparency and sustainability certification in the sector. All the gold purchased is subject to the London Bullion Market Association (LBMA) certification and the major suppliers of diamonds, the main one of which is in turn a certified RJC member, they ensure the origin from legitimate sources and not involved in financing conflicts in the countries of origin. The same suppliers ensure, moreover, that the diamonds are processed according to that established by the most authoritative international guidelines, by means of processes that do not harm the health of workers and avoiding any form of exploitation of child labour.

The main external couriers the company works with for transporting its final products throughout the world, namely FedEx Corporation, DHL and UPS, are in their turn extremely sensitive to environmental and social issues. In recent years, these companies have greatly reduced their CO2 emissions, by buying more efficient vehicles and often electric or hybrid, and by using the latest generation software to optimise routes.

ELECTRICITY AND NATURAL GAS

From an energy perspective, the activities carried out by Fope are mainly based on the consumption of the electricity that powers the melting plant for the production of gold alloys and other production facilities. The electricity used at the headquarters in Vicenza is supplied by Dolomiti Energia S.p.A. which supplies the company with energy derived exclusively from renewable sources, under contract.

The works to extend the headquarters, which were completed in March 2020, were conducted with the precise objective of achieving a state-of-the-art facility and a smaller environmental impact. In particular, the facility features the following elements:

- positioned in the highest performance band (Class A) in terms of the energy efficiency of buildings classification;
- air conditioning system with a heat pumps system and an electricity supply (non-methane gas);
- air circulation system that recovers heat from expelled air;
- lighting system that only uses energy-saving LED bulbs;
- installation of an 18.3 kW photovoltaic system, capable of producing on average about 20,000 kWh/year.

Actions have been planned for 2023 and 2024 to further improve the building's environmental performance. These projects include replacing two air handling units with more efficient devices, combined with a new regulation system. A further step will be to expand the photovoltaic installation by installing 47 additional panels, which will cover the entire roof of the building and ensure a peak power of 37.1 kW (approximately 39,450 kWh of annual production compared to the current 18,800 kWh). The current pumping unit will also be replaced by more efficient electronically regulated pumps.

Natural gas is only used to heat the premises of part of the headquarters in Vicenza. At the boutique in Piazza San Marco, the presence of heating systems based on heat pump systems makes the consumption of natural gas virtually zero..

As shown in the table below, total energy consumption was about 9% higher in 2022 than in 2021. However, this increase is strictly due to the increase in production volumes during the year.

Direct energy consumption (TJ)	VICENZA			VENICE			TOTAL		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Electricity	1.62	1.48	1.09	0.03	0.02	0.02	1.65	1.50	1.11
Natural Gas	0.51	0.49	0.47	0	0	0	0.51	0.49	0.47
Total	2.13	1.97	1.56	0.03	0.02	0.02	2.16	1.99	1.58

Continuing on the path taken in the two previous years, in 2022 Fope conducted a carbon footprint study aimed at mapping and quantifying the greenhouse gas emissions:

- under its direct control, i.e. a clear consequence of business activities (direct or Scope 1 emissions);
- resulting from generating electricity, heating, cooling and steam consumed by the company (indirect Scope 2 emissions);
- that, despite being generated by other actors in the supply chain, are related to the life cycle of its jewellery (indirect Scope 3 emissions)).

The process of collecting and processing the data that enabled the update of Fope's carbon footprint inventory on 31 December 2022 was the subject of a special verification activity carried out by the certification body DNV GL. Upon completion of the verifications, the inventory developed by Fope has been certified in respect of the international technical standards drafted by the World Business Council for *Sustainable Development* (WBCSD) within the Greenhouse Gas Protocol (GHG Protocol).

The criterion used to identify the significance of the emission sources to be considered in the study is the "level of influence" reported in the GHG Protocol guidelines, according to which the organisation may consider a source to be significant based on its ability to monitor or reduce its emissions and GHG absorbers. The emission sources identified and analysed are therefore as follows:

- the supply of raw materials from direct suppliers (mainly banks, diamond suppliers and suppliers of other goods used in the production processes);
- the transformation and manufacture of jewellery processes carried out at the Vicenza site;
- the transport and distribution of final products stages to the flagship store in Venice and B2B customers, both Italian and international;
- the transport and distribution of products sold in the context of e-commerce;
- the transport of waste generated at recovery, treatment or disposal centres.

In addition, we have included:

- air and car travel by employees for business travel;
- employees commuting between their homes and their workplace.

In 2022, the total greenhouse gas emissions related to the activities included in the scope of the analysis amounted to about 261.21 tonnes of CO2 equivalent⁴. Specifically, the main emission sources related to Fope's activities were:

- business trips by staff (101.87 tonnes of CO2 equivalent, approximately 39% of the total);
- employee commutes to and from work (76.35 tonnes of CO2 equivalent, or about 29% of the total);
- the transport and distribution of the jewellery made by the company (33.15 tonnes of CO2 equivalent, or about 13% of the total).

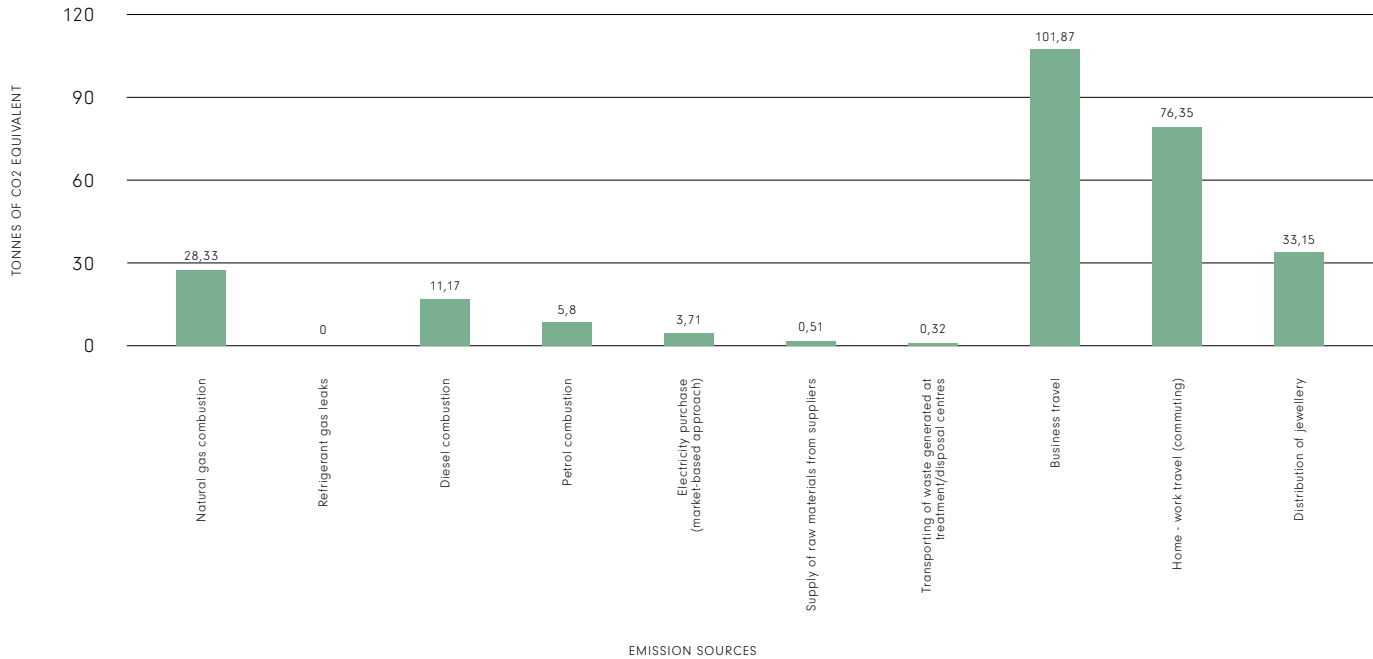
It should be noted that the choice taken by Fope to meet the entire energy needs of the Vicenza site by purchasing electricity from renewable sources enabled the company to virtually eliminate its greenhouse gas emissions into the atmosphere.

Emission sources	2022	
	TONS CO2 EQ.	CONTRIBUTED %
Direct emissions - scope 1	45.30	17.34%
Natural gas combustion	28.33	10.84%
Refrigerant gas leaks	0.00	0.00%
Diesel combustion	11.17	4.28%
Petrol combustion	5.80	2.22%
Indirect energy emissions - scope 2	3.71	1.42%
Electricity purchase (market-based approach) ⁵	3.71	1.42%
Other indirect emissions - scope 3	212.20	81.24%
Supply of raw materials from suppliers	0.51	0.20%
Transporting of waste generated at treatment/disposal centres	0.32	0.12%
Business travel	101.87	39.00%
Commuting	76.35	29.23%
Distribution of jewellery	33.15	12.69%
GENERAL TOTAL (SCOPES 1+2+3)	261.21	100.00%

4 This statement was reported by considering the values obtained through a market-based approach, which makes it possible to consider virtually zero emissions related to the purchase of electricity to meet the needs of the Vicenza site, since it is supplied by renewable sources. Applying a location-based approach, the total emissions calculated for the year 2022 would be 370.54 tonnes of CO2 equivalent.

5 Applying a location-based approach to the calculation of emissions related to electricity purchases would result in 113.04 tonnes of CO2 equivalent.

CO2 EMISSIONS BY EMISSION SOURCE



The results of these analyses are required to identify and plan appropriate strategies to reduce and offset emissions directly and indirectly related to Fope's activities. In fact, during 2023, the Organisation used data collected through the carbon footprint inventory update to draw up a carbon neutrality statement of its emissions - QES (*Qualifying Explanatory Statement*)⁶ according to standard PAS 2060:2014. This declaration, subject to the verification activity by the certification company DNV GL, represents the achievement of the FOPE brand's Carbon neutrality status and the commitment of Fope S.p.A to also maintain it in the two-year period 2023-2024.

⁶ The declaration can be found at www.fopegroup.com

As already highlighted in the Electricity and natural gas section, actions have been planned for 2023 and 2024 to further improve the environmental performance of the building, which will further reduce greenhouse gas emissions under the Organisation's direct control. These include, in particular, the (already initiated) extension of the existing photovoltaic installation, which will be extended to cover the entire roof of the Vicenza site.

Furthermore, in 2020, Fope already started a project to offset the emissions caused from 2018 via the Treedom platform. The investments are intended to fund tree planting initiatives in various regions of the world, whose positive impact in terms of combating climate change is estimated by calculating the amount of carbon stored in each tree using authoritative approaches developed by the Intergovernmental Panel for Climate Change (IPCC) and by the United Nations Framework Convention on Climate Change (UNFCCC). Since each tree planted is geo-referenced and visually monitored by satellite images, the Treedom project is able to guarantee maximum transparency for the financing company and all stakeholders. Through the project, which continued in 2021 and 2022, Fope has, to date, offset 404 tonnes of CO2 in total by planting new trees in 5 different countries in Africa and South America.

With reference to emissions related to business trips made by planes, since 2019 the company decided to sign up to offsetting schemes promoted by airlines, by systematically making voluntary donations offered when buying tickets.

Fope also joined the DHL Go Green programme in 2019, which not only enables the CO2 emissions generated by the shipments performed by the courier DHL to be calculated, but also offset them by financing forestry and environmental protection projects.

For the year 2022, Fope offset all of its Scope 1, Scope 2 and Scope 3 emissions of 261 t CO2 by purchasing credits from Gold Standard VER⁷, certified projects, achieving Carbon Neutrality according to the Carbon Neutrality Declaration developed under standard PAS 2060.

Both projects, in line with the values and strategies adopted by Fope, represent the will to support and encourage the use of electricity from alternative sources:

- Nam Long Hydropower Project - Laos

The project contributes to the operation of the Louang Namtha hydroelectric power plant in northern Laos. In this region, the electricity grid is mainly powered by fossil fuel. Moreover, there is a considerable gap between supply and demand, so some energy has to be purchased in China.

The hydroelectric power produced by this climate protection project is not only sustainable, but also cheaper than that imported from China. In this way, the hydroelectric project contributes to a stable, sustainable and autonomous energy supply in the region.

The Nam Long hydroelectric power plant has a total power of five megawatts and generates about 37 gigawatt-hours per year. The introduction into the regional grid reduces the use of energy from fossil sources, thus saving around 20,860 tonnes of CO2 per year.

⁷ Gold Standard is a programme of standard certification marks and logos for non-governmental emission reduction projects. Established in 2003 by the WWF and other international NGOs, it ensures projects that reduce carbon emissions through the highest levels of environmental integrity also contributing to sustainable development.

- 34 MW Wind Power Project - Khanapur, India

The project finances the operation of a 34 MW wind power plant in Khanapur, Sangli District, Maharashtra in central-western India. By harnessing wind power, the project uses environmentally friendly and safe technologies in the renewable energy sector to produce clean electricity and supply it to the Indian grid. The plant consists of 17 wind turbines of 2 MW each, which together generate approximately 67,133 MWh of electricity per year. The project improves energy transmission in the area and also creates job opportunities for the local population.

WATER MANAGEMENT

Water resources used at the headquarters in Vicenza are provided by the local company Viacqua S.p.A. and the volumes purchased annually by the company amount, on average, to about 882 m3 of water. After use, wastewater undergoes a purification process within the drainage system equipped with special cleaning filters. The drainage system terminates in the municipal sewerage system and wastewater returned is subject to quality controls on an annual basis.

The Boutique in Venice has a negligible environmental impact from the point of view of water consumption, on average only purchasing 188 m3 of water a year.

Water consumption	VICENZA		
	2022	2021	2020
m3 of water	882	1,059	1,081

INDUSTRIAL WASTE PRODUCED AND MANAGED

Fope deeply respects the legislation in force concerning waste production and management and, as far as possible, undertakes to limit accumulation along the production processes. In this context, the specific nature of the production process which leads to the production of jewellery must be remembered within which there is no waste of the precious raw material; since offcuts and scraps from the process are melted and reused.

However, other types of industrial waste accumulate during the production processes (see the table below, prepared using the values contained in the Single Environmental Declaration Template – MUD). With the only exception of mineral oil waste, which is fully recovered by the farm, such waste must be transported to facilities specialising in the management of final disposal. The company which is responsible for the industrial waste produced by Fope S.p.A. is Din.Eco S.r.l.

With regard to some of the types of waste materials and substances shown in the table below, the volume of related waste destined for disposal or recovery by the Organisation may vary significantly from year to year, it is only delivered to the final operator occasionally and not on a regular basis.

Industrial waste	WASTE HAZARDOUS	DISPOSAL/ RECOVERY	QUANTITY PRODUCED IN 2022 (KG)	QUANTITY PRODUCED IN 2021 (KG)	QUANTITY PRODUCED IN 2020 (KG)
Other organic solvents, solutions of	X	RECOVERY	89	94	112
Print toner used not containing hazardous substances		DISPOSAL	5	0	60
Pickling acids	X	DISPOSAL	0	0	40
Pickling bases	X	DISPOSAL	105	60	90
Waste containing other heavy metals	X	RECOVERY	0	0	480
Engine mineral oil waste	X	DISPOSAL	0	40	30
Other solvents and solvent mixes	X	RECOVERY	27	40	60
Aqueous waste solutions, containing	X	DISPOSAL	12	10	40
Used activated carbon		DISPOSAL	660	40	170
Saturated or used ion exchange resins		DISPOSAL	100	70	0
Washing aqueous solutions containing hazardous substances		DISPOSAL	0	0	0
Organic waste other than that referred to in heading 16 03 05		DISPOSAL	0	25	0
Paper and cardboard packaging		RECOVERY	1.880	0	0
TOTAL			2.878	379	1.082

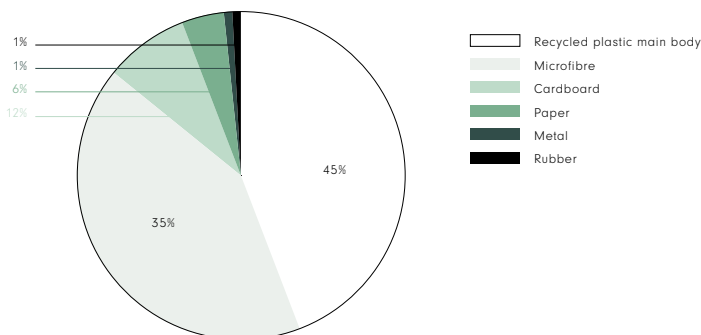
The Fope product, i.e. jewellery made from gold, is delivered to the final customer inside a box that enhances the buying experience and is an important component in the communication of values strategy such as elegance and refinement. As it is in effect a complementary item to the final product, which actively contributes to defining the customer experience perceived by the customer, the box must be distinguished from the generic packaging, which is functional to the safe and protected transport of the jewellery.

Fope boxes, made with an exclusive shape and refined materials, are designed in different sizes to accommodate the pieces that make up the collections, namely bracelets, necklaces, rings and earrings. They are characterised by a proprietary design and by a careful selection of the materials they are made from.

The production of the boxes is exclusively entrusted to the supplier In The Box S.r.l., which guarantees high social responsibility, health and safety and environmental protection standards are met.

The different types of Fope boxes fall into 6 main categories, whose composition remains unchanged.

COMPOSITION BY WEIGHT OF THE PACKAGING USED BY FOPE



The objective that Fope intends to pursue in the future is to further reduce the environmental impacts generated by the production of its boxes by focusing mainly on the following strategies:

- minimalistic use of the materials that comprise the box, in order to limit its weight and volume;
- use of innovative materials (e.g. biodegradable, recyclable, compostable), compatible with the aesthetic requirements that the box must maintain.

It also intends to pursue the same objective for the generic packaging categories used for product shipments.

The company policy, aimed at the gradual digitalisation of activities through the implementation of appropriate document archiving programmes, in recent years has enabled us to achieve a gradual reduction in the amount of paper used within the Organisation (see also the Digital Transformation and Protection of IT Security section on page 49).

For the remaining paper-based usage needs, Fope supplies almost all (about 80% of the paper purchased) from a single supplier, which guarantees the supply of FSC, Eu Ecolabel, Except Prestige, ColorLok and Processed Chlorine-Free certified recycled paper.



RESPECT FOR HUMAN RIGHTS ALONG THE VALUE CHAIN

As a certified member of RJC, Fope actively promotes respect for fundamental human rights not only within the company, but also by actively encouraging all its trading partners to embrace the same ethical values. Buying almost exclusively LBMA AND RJC certified raw materials, the company actively promotes responsible and transparent commercial practices within the sector in which it operates.

FOPE STAFF

On 31 December 2022, the staff of the Group comprised 65 employees in Italy (53 in 2021), to which were added 5 employees employed at Fope Jewellery Limited, 3 employees at Fope USA Inc., 2 employees hired at Fope Deutschland GmbH and 1 employee employed at Fope S.p.A. - DMCC Branch.

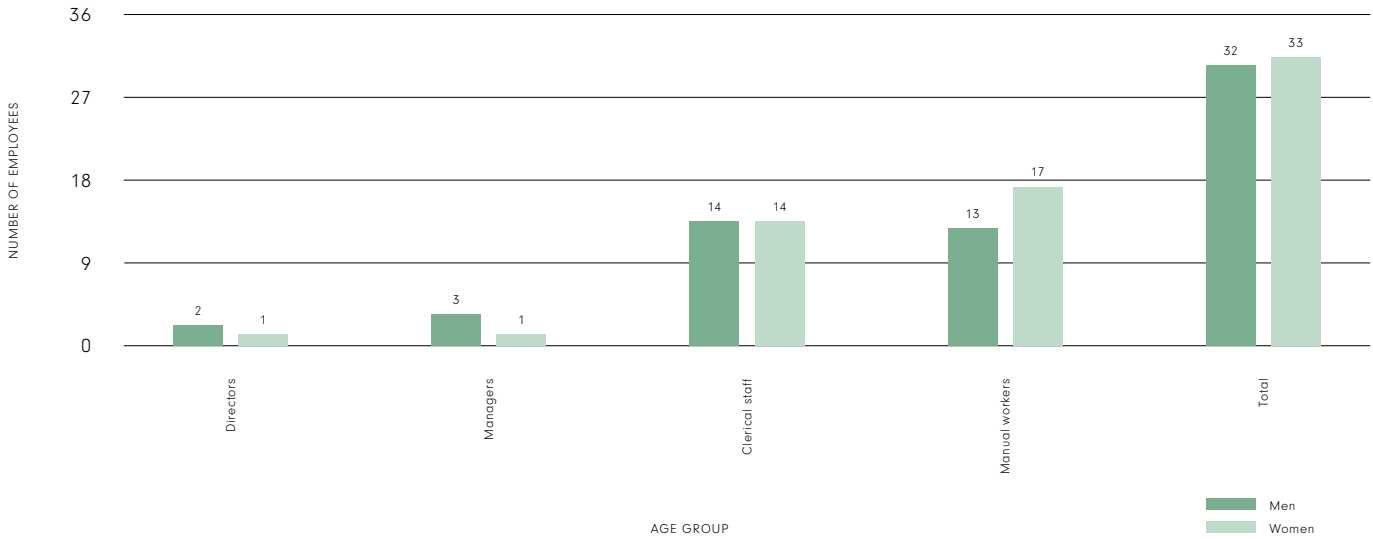
The company is aware that its success depends on people and undertakes to encourage the development of all employees on a personal and professional level, providing them with a stimulating work environment and that defends all forms of diversity.

The table below represents the workforce of Fope at 31 December 2022 and on the same date in the two previous years, subdividing employees by gender and type of use. In recent years, the staff have remained almost equally distributed between men and women, considering the main employment categories, showing a good level of gender diversity. Considering in particular employees and workers, the ratio between the number of male and female employees has gradually grown since 2018, settling during the last year.

The good performance of the turnover rate in 2022 (26.42%) is a further sign of positive growth stemming from the need to recruit new staff to cope with the apparent growth of the business and the increase in sales volumes. The low outgoing turnover rate (5.66%) also indicates a very good employee retention capacity..

Workforce	31/12/2022		31/12/2021		31/12/2020	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Directors	2	1	2	0	2	0
Middle managers	3	1	1	2	1	1
Office workers	14	14	11	10	11	11
Manual workers	13	17	13	14	13	13
Total	32	33	27	26	27	27

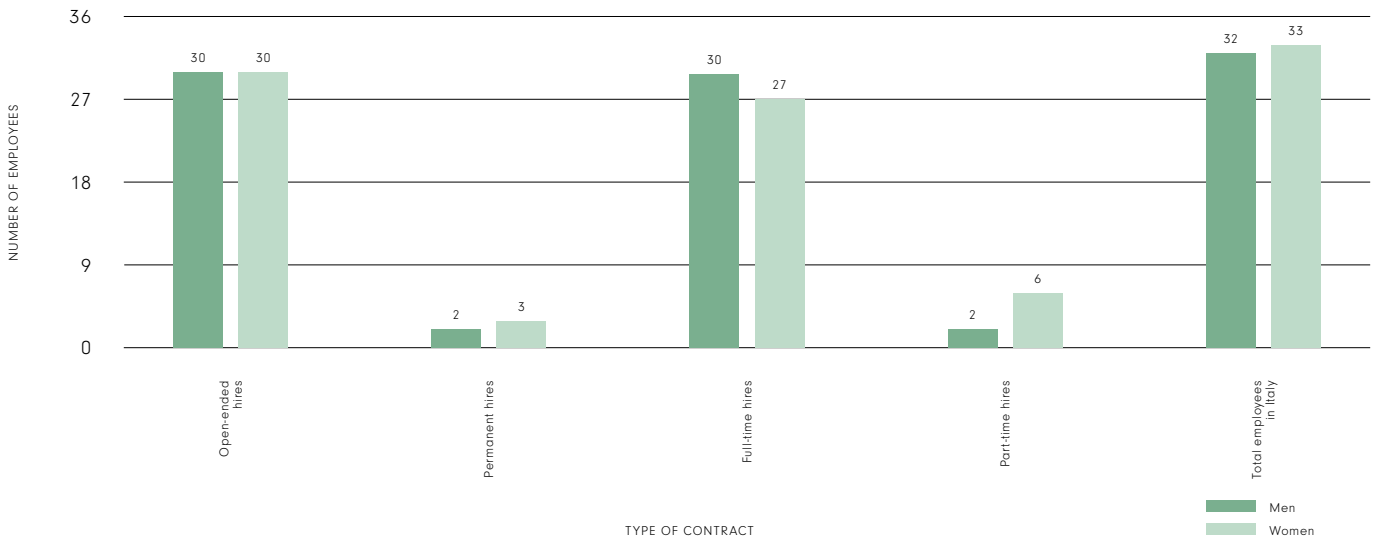
DIVISION OF FOPE STAFF IN ITALY BY TYPE OF JOB



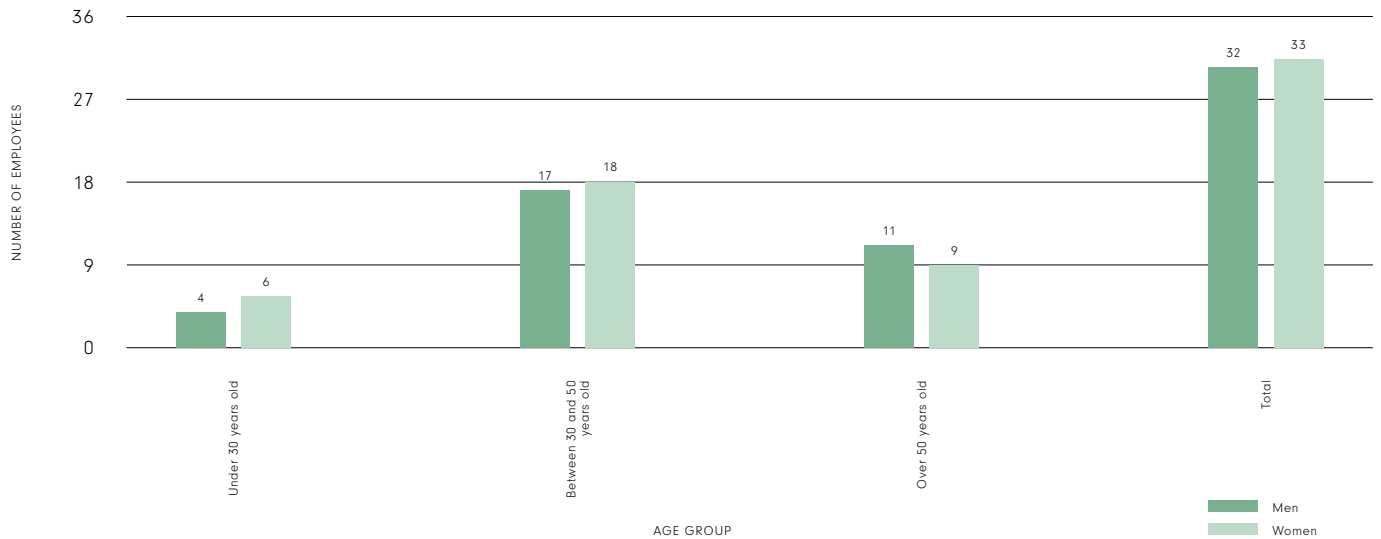
Type of contract (full time/part time)	31/12/2022		31/12/2021		31/12/2020	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Full-time	30	27	27	21	27	24
Part-time	2	6	0	5	0	3
Total	32	33	27	26	27	27

Type of contract (permanent/temporary)	31/12/2022		31/12/2021		31/12/2020	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Permanent	30	30	27	24	26	24
Temporary	2	3	0	2	1	3
Total	32	33	27	26	27	27

DIVISION OF FOPE STAFF IN ITALY BY TYPE OF CONTRACT (2022)



DIVISION OF FOPE STAFF IN ITALY BY AGE GROUP (2022)



Age group	31/12/2022		31/12/2021		31/12/2020	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30 years old	4	6	3	2	2	3
Between 30 and 50 years old	17	18	15	16	16	14
Over 50 years old	11	9	9	8	9	10
Total	32	33	27	26	27	27

STAFF SELECTION AND REMUNERATION

The selection process is based on analysing needs and a careful evaluation of the profiles, not only referring to the technical skills and experience sought, but also taking into account the values conveyed by candidates.

Recruitment is performed in collaboration with one of the leading global companies in the field of personnel selection, and new employees are guaranteed a salary that is on average 32.44% higher than the minimum local wage. In all cases where recruitment required an initial temporary contract, they have then been converted into permanent contracts.

Wages paid by the company to its employees are on average higher than the reference pay for the jewellery sector at national level. The ratio in percentage between the median salary within Fope and that of the employee receiving the highest pay is 22% (31.9% in 2021). Finally, the 0.77 gender pay gap recorded by the company indicates a good level of equity in the average basic pay between men and women.

TRAINING

Correct corporate development must be fuelled by valuing the role of all employees and therefore by defining suitable growth paths for each individual employee. Vocational training is particularly important in the face of the challenges that the

rapidly evolving jewellery sector poses. For this reason, growth processes must be systematically and consistently implemented, with the aim of developing valuable skills in every area of the business.

Overall, Fope's staff could get 392 hours of training delivered by the company in 2022.

During 2021, Fope's main objective was to consolidate the basic and specialised IT skills of its staff through the delivery of the "Business Intelligence Foundations" and "Data Analysis to Support Decision-Making" courses.

SAP, a new state-of-the-art management software, started to be rolled out in 2022. Given the tool's potential, Fope felt it was necessary to provide employees with in-depth knowledge of the tool to maximise its use. The employees, each for their own area of competence, were able to benefit from collective and subsequently specific training alongside an expert consultant.

The training provided to staff also covered other areas of learning, namely knowledge of Organisational Model 231 (all 65 employees were involved, for a total of 7 hours of training provided), the study and implementation of public speaking techniques, IT security through a study on Data Breaches (27 staff members involved, for a 1.5-hour intervention), knowledge of German (30-hour course held by a native speaker) and protection of health and safety in the workplace.

As part of these training activities, each employee was able to benefit from at least 5 hours of training.

In 2022, Fope became a supporting member of the CUOA Business School Foundation in Vicenza, demonstrating and renewing its commitment to supporting and assisting local talent. Moreover, students of the CUOA Master's degree in Marketing and Brand Management had the opportunity to spend a day at the company and familiarise themselves with the dynamics of their upcoming professional future.

Fope believes in the potential of young people and recent graduates and, in this regard, hosted a Marketing and Communication student from the *Università Cattolica del Sacro Cuore* for the training period.

HEALTH AND SAFETY

FOPE is attentive to protecting the health and safety of staff and it is reported that in 2022 there were no accidents in the workplace, continuing the trend that saw the occurrence of a single minor injury from 2005 to today.

In line with that laid down in the current legislation, the company regularly organises training courses aimed at raising awareness among all employees about issues relating to safety in the workplace. In 2022, 346 hours of training were provided in the “General Safety Training”, “High-Risk Specific Safety Training” and “Low-Risk Specific Safety Training” areas.

WELFARE INITIATIVES

There is a widespread opinion within Fope that programmes aimed at improving the welfare and quality of life of the worker are an indispensable means to consolidate their sense of belonging and strengthen the trust placed in the company.

Fope signed a contract in 2020 with Noi!Welfare S.r.l., a consultancy company operating in the field of company welfare and owner of the welfare portal Easy Life. The same welfare project was also confirmed for 2021 and 2022. After a first stage of the design of the Welfare Plan, the project has seen the implementation of the digital platform and the allocation to each employee of an amount to be used within the portal. In particular, Fope employees can independently determine how to use the amount by choosing between:

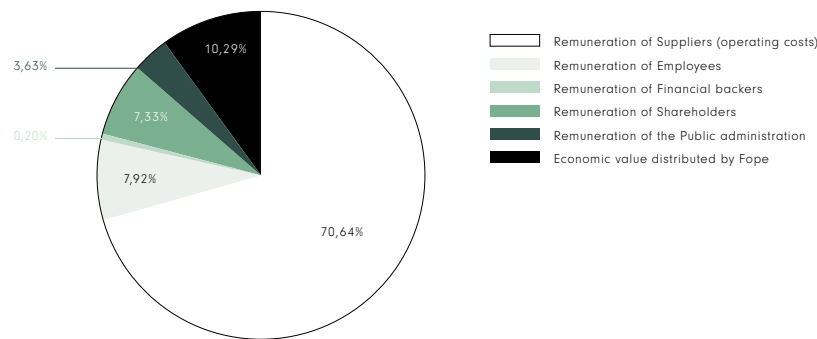
- different forms of reimbursements (education, health, to support family members who are not self-sufficient and for transport);
- purchase various direct payment services, such as shopping vouchers, gift cards, sports activities, travel and holidays, supplementary pension and healthcare schemes.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (RELATING TO THE PARENT COMPANY FOPE S.P.A.)

- The economic value generated and distributed represents a company's ability to create wealth and to distribute it among its stakeholders.
- In 2022, the economic value generated by Fope S.p.A. amounted to €58,901,621 (+50.10% compared with 2021). This positive result has been affected to a limited extent by the negative impacts caused by the Covid-19 pandemic on the global economy and on the company's business as already previously mentioned.
- 89.71% of the economic value produced by Fope has been distributed to stakeholders, both internal and external, while the remaining 10.29% has been retained within the company.

	31/12/2022	31/12/2021	31/12/2020
Economic value generated by Fope S.p.A.	58,901,621	39,241,575	26,647,793
Revenue	57,730,197	38,956,888	26,334,154
Change in inventories of unfinished, semi-finished and finished products	679,724	(14,338)	(115,362)
Other revenue and income	491,700	299,025	429,001
Economic value distributed by Fope S.p.A.	52,843,184	35,241,126	25,981,902
Remuneration of Suppliers (operating costs)	41,606,028	26,626,495	21,517,397
Remuneration of Employees	4,667,240	3,955,075	3,133,767
Remuneration of Financial backers	114,975	131,711	152,637
Remuneration of Shareholders	4,319,686	2,429,824	794,111
Remuneration of the Public administration	2,135,255	2,088,021	373,990
External donations	0	10,000	10,000
Economic value retained by Fope S.p.A.	6,058,437	4,000,449	665,891

DISTRIBUTION OF THE ECONOMIC VALUE GENERATED BY FOPE



From the analysis of the economic value generated and distributed in 2022 by Fope it shows that:

- the largest share of the economic value generated (€41.6 million, equal to about 71% of the total) is used to cover the operating costs linked to the remuneration of the company's suppliers;
- the proportion allocated to company employees amounted to €4.6 million and accounted for approximately 7.9% of the total value generated;
- the amount distributed to the public administration amounted to €2.1 million, as the sum of the taxes and duties for the period;
- no external donations have been made.

DIGITAL TRANSFORMATION AND PROTECTION OF COMPUTER SECURITY

For public and private companies, the digital transformation involves a redesign of processes aimed at favouring the application of digital tools and technologies that facilitate carrying out various business activities and making them as efficient as possible. This transformation must be accompanied by a change management path that supports individual employees and the organisation as a whole to redesign processes, introduce appropriate automation solutions and develop new products and services enabled by digitisation

FOPE has always witnessed technological development, including digital, as a strong point to be leveraged to support growth and development plans. In 2021, a decisive push in this direction and towards further efficiency and simplification of business processes was provided by the launch of the important project to review its information system and the choice to proceed with the implementation of the technology platform SAP S/4HANA to support all company departments, including the U.S. and English subsidiaries. The project, which involves a multi-step release of the platform's functionality, has already witnessed a successful first stage in January 2022 in the start-up programme. Further steps took place during the year with the completion of the first phase, the final go-live will take place by the end of 2023.

2022 also saw the go-live of the new document system Arxivar, which improved the storage and sharing capacity of documents among all the group companies.

These innovations have been complemented by the launch of a complex internal review process of computer processes, with the aim of constantly improving cyber security protection and countering potential attacks on the company's information system.

The collaboration with the supplier Nemesi S.r.l. continues for a complete alignment with the General Data Protection Regulation (GDPR) of 2016 in the field of personal data protection and with MOG 231 in the field of internal organisation. The main actions carried out included:

- the on-going update of the company's firewall and antivirus software installed on workstations, servers and mobile devices;
- updating operating systems and installing software to automate the updating of apps and programs installed on terminals.

Finally, the Ora Zero provider was entrusted with the Security Operations Center (SOC) to monitor network traffic 24 hours a day with the help of a "sentinel" software installed on all critical business devices.



APPENDIX: TABLE OF GRI - GLOBAL REPORTING INITIATIVE INDICATORS

Statement of use	FOPE S.P.A. HAS REPORTED THE INFORMATION CITED IN THIS GRI CONTENT INDEX FOR THE PERIOD 01.01.2022-31.12.2022 WITH REFERENCE TO THE GRI STANDARDS
GRI 1 used	GRI 1: FOUNDATION 2021

GRI Standard Title	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	NUMERO DI PAGINA
GRI 2: General disclosure 2021	2-1	ORGANIZATIONAL DETAILS	9
	2-2	ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING	8
	2-3	REPORTING PERIOD, FREQUENCY AND CONTACT POINT	8
	2-4	RESTATEMENTS OF INFORMATION	N/A
	2-5	EXTERNAL ASSURANCE	N/A
	2-6	ACTIVITIES, VALUE CHAIN, AND OTHER BUSINESS RELATIONSHIPS	12
	2-7	EMPLOYEES	43-45
	2-9	GOVERNANCE STRUCTURE AND COMPOSITION	15-16
	2-21	ANNUAL TOTAL COMPENSATION RATIO	45
	2-22	STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY	5
	2-27	COMPLIANCE WITH LAWS AND REGULATIONS	NO SIGNIFICANT CASES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS OCCURRED DURING THE REPORTING PERIOD
	2-28	MEMBERSHIP ASSOCIATIONS	9
	GRI 3: Material topics 2021	3-1	PROCESS TO DETERMINE MATERIAL TOPICS
3-2		LIST OF MATERIAL TOPICS	26
3-3		MANAGEMENT OF MATERIAL TOPICS	27-29
GRI 201: Economic performance 2016	201-1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	48-49
GRI 202: Market presence 2016	202-1	RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE	45

GRI 205: Anti-corruption 2016	205-3	CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	17
GRI 302: Energy 2016	302-1	ENERGY CONSUMPTION WITHIN THE ORGANIZATION	33-34
	302-4	REDUCTION OF ENERGY CONSUMPTION	32
GRI 303: Water and effluents 2018	303-1	INTERACTIONS WITH WATER AS A SHARED RESOURCE	38
GRI 305: Emissioni 2020	305-1	DIRECT (SCOPE 1) GHG EMISSIONS	34-36
	305-2	ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS	34-36
	305-3	OTHER INDIRECT (SCOPE 3) GHG EMISSIONS	34-36
	305-5	REDUCTION OF GHG EMISSIONS	37-38
GRI 306: Waste 2020	306-3	WASTE GENERATED	39
	306-4	WASTE DIVERTED FROM DISPOSAL	39
	306-5	WASTE DIRECTED TO DISPOSAL	39
GRI 403: Occupational health and safety 2018	403-5	WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY	47
	403-9	WORK-RELATED INJURIES	47
GRI 404: Training and education 2016	404-1	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE	46
	404-2	PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS	46
GRI 405: Diversity and Equal Opportunity 2016	405-1	DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES	15-16; 43-45
GRI 406: Non-discrimination 2016	406-1	EPISODI DI DISCRIMINAZIONE E AZIONI CORRETTIVE IMPLEMENTATE	N/A
GRI 408: Child Labor 2016	408-1	OPERAZIONI E FORNITORI AD ALTO RISCHIO DI LAVORO MINORILE	N/A
GRI 409: Forced or Compulsory Labor 2016	409-1	OPERAZIONI E FORNITORI AD ALTO RISCHIO DI LAVORO FORZATO OD OBBLIGATO	N/A
GRI 417: Marketing and Labeling 2016	417-3	CASI DI NON CONFORMITÀ RIFERITI ALL'ATTIVITÀ DI MARKETING E ALLA COMUNICAZIONE	N/A
GRI 418: Customer Privacy 2016	418-1	RECLAMI DOCUMENTATI RELATIVI A VIOLAZIONI DELLA PRIVACY E A PERDITA DEI DATI DEI CLIENTI	N/A

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