

# MKS PAMP SA

Geneva

Independent practitioner's limited assurance report  
on MKS PAMP SA FY2023 GRI Technical Report  
as per 30 June 2023

to the Board of Directors

# Independent practitioner's limited assurance report

on MKS PAMP SA FY2023 GRI Technical Report as per 30 June 2023 to the Board of Directors of MKS PAMP SA

Geneva

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the attached MKS PAMP SA FY2023 GRI Technical Report (including the GHG statement) of MKS PAMP SA as per 30 June 2023 (annex 2). Our limited assurance engagement focused on selected disclosures and indicators as presented in the annex 1 of this report.

The MKS PAMP SA FY2023 GRI Technical Report as per 30 June 2023 (including the GHG statement) was prepared by the Board of Directors of MKS PAMP SA (the 'Company') based on the relevant guidance contained within the 2021 GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) and the MKS PAMP SA FY2023 GRI Technical Report.

## Inherent limitations

The accuracy and completeness of the MKS PAMP SA FY2023 GRI Technical Report as per 30 June 2023 (including the GHG statement) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the MKS PAMP SA FY2023 GRI Technical Report as per 30 June 2023 (including the GHG statement) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the MKS PAMP SA FY2023 GRI Technical Report and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the relevant guidance contained within the 2021 GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) and the MKS PAMP SA FY2023 GRI Technical Report, the "Basis of Preparation document" prepared by Management.

## Board of Directors' responsibility

The Board of Directors of MKS PAMP SA is responsible for preparing the MKS PAMP SA FY2023 GRI Technical Report as per 30 June 2023 in accordance with relevant guidance contained within the 2021 GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI). This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the MKS PAMP SA FY2023 GRI Technical Report as per 30 June 2023 that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the relevant guidance contained within the 2021 GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) and the MKS PAMP SA FY2023 GRI Technical Report, the "Basis of Preparation document" prepared by Management.

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PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

## Independence and quality management

We are independent of the MKS PAMP SA in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers SA applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a limited assurance conclusion on selected indicators (including GHG emissions) as presented in the annex 1 of this report. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the MKS PAMP SA FY2023 GRI Technical Report as per 30 June 2023 (including the GHG statement) was not be prepared, in all material aspects, in accordance with the relevant guidance contained within the 2021 GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) and the MKS PAMP SA FY2023 GRI Technical Report, the "Basis of Preparation document" prepared by Management.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures, among others:

- Interviewed personnel responsible for internal reporting and data collection at the site and at the Corporate level;
- Inquired of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected performance indicators in the Report;
- Carried analytical procedures and performed tests on a sample basis of evidence supporting the selected performance indicators concerning completeness, accuracy, adequacy and consistency.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected disclosures (including GHG emissions) and indicators as presented in the annex 1 of this report are not prepared, in all material respects, in accordance with the suitable relevant guidance contained within the 2021 GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) and the MKS PAMP SA FY2023 GRI Technical Report, the "Basis of Preparation document" prepared by Management.

### Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of MKS PAMP SA, and solely for the purpose of reporting to them on the selected disclosures (including GHG emissions) and indicators as presented in the annex 1 of this report, and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the selected disclosures (including GHG emissions) and indicators as presented in the annex 1 of this report, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of MKS PAMP SA for our work or this report.

PricewaterhouseCoopers SA



Antoine Wüthrich



Pierrick Misse

Genève, 22 May 2024

Enclosures:

- Annex 1 – Selected disclosures and indicators in the MKS PAMP SA GRI Technical Report FY2023 to the Board of Directors of MKS PAMP SA
- Annex 2 – MKS PAMP SA GRI Technical Report FY2023

*The maintenance and integrity of MKS PAMP SA's website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the MKS PAMP SA's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported MKS PAMP SA FY2023 GRI Technical Report as per 30 June 2023 (including the GHG statement) or relevant guidance contained within the 2021 GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) since they were initially presented on the website.*

**Annex 1 - Selected disclosures and indicators in the MKS PAMP SA GRI Technical Report FY2023 to the Board of Directors of MKS PAMP SA**

GRI standard reference		Selected indicators and disclosures	Report page
<b>305-1</b>	Direct (Scope 1) GHG emissions	Gross direct (Scope 1) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	p. 31
		Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	p. 31
<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	p. 32-33
		Gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	p. 32-33
<b>305-3</b>	Other indirect (Scope 3) GHG emissions	Gross other indirect (Scope 3) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	p. 33-34
		Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	p. 33
<b>305-7</b>	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Significant air emissions, in kilograms or multiples, for NO <sub>x</sub>	p. 34
<b>403-1</b>	Occupational health and safety management system	<p>The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ol style="list-style-type: none"> <li>A statement of whether an occupational health and safety management system has been implemented, including whether: <ol style="list-style-type: none"> <li>the system has been implemented because of legal requirements and, if so, a list of the requirements;</li> <li>the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.</li> </ol> </li> <li>A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.</li> </ol>	p. 43
<b>403-2</b>	Hazard identification, risk assessment, and incident investigation	<p>The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ol style="list-style-type: none"> <li>A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including: <ol style="list-style-type: none"> <li>how the organization ensures the quality of these processes, including the competency of persons who carry them out;</li> <li>how the results of these processes are used to evaluate and continually improve the occupational health and safety management system.</li> </ol> </li> </ol>	p.43-44

GRI standard reference		Selected indicators and disclosures	Report page
		<ul style="list-style-type: none"> <li>b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.</li> <li>c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.</li> <li>d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.</li> </ul>	
<b>403-3</b>	Occupational health services	<p>The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ul style="list-style-type: none"> <li>a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.</li> </ul>	p. 44
<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	<p>The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ul style="list-style-type: none"> <li>a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.</li> <li>b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.</li> </ul>	p. 44
<b>403-5</b>	Worker training on occupational health and safety	<p>The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ul style="list-style-type: none"> <li>a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.</li> </ul>	p. 44
<b>403-6</b>	Promotion of worker health	<p>The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ul style="list-style-type: none"> <li>a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.</li> <li>b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.</li> </ul>	p. 44
<b>403-7</b>	Prevention and mitigation of	<p>The reporting organization shall report the following information:</p>	p. 44

GRI standard reference		Selected indicators and disclosures	Report page
	occupational health and safety impacts directly linked by business relationships	a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships, and the related hazards and risks.	
<b>403-8</b>	Workers covered by an occupational health and safety management system	Number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by an occupational health and safety management system	p. 44
<b>403-9</b>	Work-related injuries	For all employees and workers who are not employees but whose work and/or workplace is controlled by the organization: <ul style="list-style-type: none"> <li>• The number and rate of fatalities as a result of work-related injury;</li> <li>• The number and rate of high-consequence work-related injuries (excluding fatalities);</li> <li>• The number and rate of recordable work-related injuries;</li> <li>• The number of hours worked.</li> </ul>	p. 45
<b>403-10</b>	Work-related ill health	For all employees and workers who are not employees but whose work and/or workplace is controlled by the organization: <ul style="list-style-type: none"> <li>• The number of fatalities as a result of work-related ill health;</li> <li>• The number of cases of recordable work-related ill health.</li> </ul>	p. 45



MKS PAMP

# MKS PAMP SA GRI Technical Report

FY 2023



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## About the report

MKS PAMP SA has reported by reference to the GRI 2021 Standards for the period July 1<sup>st</sup>, 2022, to June 30<sup>th</sup>, 2023.

The organisation prepared this report applying the reporting principles depicted below:

- **Accuracy:** the information reported is correct and sufficiently detailed.
- **Balance:** the information is presented unbiasedly and provides a fair representation of the organization's negative and positive impacts.
- **Clarity:** the information is presented in a way that is accessible and understandable.
- **Comparability:** the organisation compiled and consistently selected the information to analyse changes in the organisation's impacts over time.
- **Completeness:** the information reported is sufficient to assess the organisation's impacts.
- **Sustainability context:** the information reported considers the organisation's impacts in the wider context of sustainable development.
- **Timeliness:** the organisation prepares to report the information regularly.
- **Verifiability:** the organisation has gathered, compiled and analysed the information so that it can be examined to establish its quality.

# 1. GRI 2: General Disclosures

## 1.1. The organisation and its reporting practices

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### GRI 2-1 Organisation details

MKS PAMP SA is a privately owned company headquartered in Geneva, with operations in Switzerland. The company was formed from the merger of MKS and PAMP in December 2021.

### GRI 2-2 Entities included in the organization's sustainability report

The current ESG report covers the activities of MKS PAMP SA, which are also covered in the company's financial statements. MKS PAMP SA is the trading arm and financial centre of the MKS PAMP GROUP, a global integrated precious metals group comprising 6 brands. As a private company, MKS PAMP SA does not publish financial statements. The sustainability report covers both locations of MKS PAMP SA in Switzerland (Geneva and Ticino).

### GRI 2-3 Reporting period, frequency and contact point

MKS PAMP SA reporting period is from 1st July 2022 to 30th June 2023. The company will publish its sustainability report early 2024 with an annual frequency.

If you have any questions regarding the information this report, you can contact the organization at [esg@mkspamp.com](mailto:esg@mkspamp.com).

### GRI 2-4 Restatement of information

MKS PAMP SA conducted a data review and revision process to track the differences and progress attained over time, upon which a restatement for Scope 2 emissions for the reporting period FY19 (Baseline year), FY22 and FY23 is necessary. This alteration is ascribed to a modification in the use of a more accurate and dependable emission factor, leading to a shift in reported emissions exceeding a 5% threshold as defined by MKS PAMP SA. Any quantitative change beyond such threshold implicates a restatement of data on all financial years. Additionally, for comparability and quality enhancement, a revision of methodology was applied on Scope 3 Category 15 of FY19 (Baseline year) and FY22 data. Further information can be found under section 305-2 - Energy indirect (Scope 2) GHG emissions and 305-3 Other indirect (Scope 3) GHG emissions. There are no other restatements to be reported.

### GRI 2-5 External assurance

Selected indicators and disclosures from GRI 305: Emissions and GRI 403: Occupational Health and Safety included in the GRI Technical Report are assured by an independent third-party. For further information please consult the limited assurance report prepared in accordance with ISAE 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements. In FY 2024, we plan to conduct a readiness and health check to analyse and determine whether an assurance process on other topics is feasible.

## 1.2. Activities and workers

### GRI 2-6 Activities, value chain and other business relationships

The company is active in trading, refining and fabricating precious metals products.

As part of our global supply chain activities, we source precious metals from mines, recyclers and bullion markets. We deliver finished products worldwide to financial markets, the luxury and jewellery industry, various other industries, central banks and private individuals.

### GRI 2-7 Employees

The information below represents the MKS PAMP SA employee information based on a head count of full-time employees (FTE), at the end of June 2023. The turnover rate during the period was 7,40%.

**Table 1 - Information of MKS PAMP SA employees by gender<sup>1</sup>**

Number of permanent employees		
F	M	Total
85	219	304

**Table 2 - Information of employees by country of location**

Number of full-time employees											
Switzerland		Canada		France		Italy		Spain		USA	
F	M	F	M	F	M	F	M	F	M	F	M
24	56	1	0	2	6	46	149	0	1	1	1

Number of temporary employees											
Switzerland		Canada		France		Italy		Spain		USA	
F	M	F	M	F	M	F	M	F	M	F	M
0	1	0	0	0	0	0	0	0	0	0	0

Number of part-time employees											
Switzerland		Canada		France		Italy		Spain		USA	
F	M	F	M	F	M	F	M	F	M	F	M
8	3	0	0	1	0	2	2	0	0	0	0

### GRI 2-8 Workers who are not employees

In the reporting period, MKS PAMP SA had 30 temporary employees from which 22 became full-time employees in May 2023 and 1 remained a temporary employee. MKS PAMP SA typically hires temporary production workers from external agencies to deal with the peak in activity.

<sup>1</sup> F= Female ; M=Male

## 1.3. Governance

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### GRI 2-9 Governance structure and composition

The supreme body of the company is the General Assembly. The General Assembly elects the Board of Directors and passes resolutions on the approval of the actions of the Board, which is the highest governing body of MKS PAMP SA.

Elected by the General Assembly, the Board of Directors is the highest governing body at MKS PAMP. Comprising two executive and three non-executive members, the Board meets a minimum of four times per year and is responsible for establishing strategy and delegating its execution. A Board member was executive from July 2022 to December 2022 and non-executive from January 2023 to June 2023.

Selection criteria for Board Members are based on professional competency, and independence. Regarding the Board's gender composition, there are four male and one female (the president).

### GRI 2-10 Nomination and selection of the highest governance body

Existing board members run the selection process for new members of the governance body. The members conduct an interview process with the pre-selected board members. The General Assembly elects new Board members from the potential candidate proposed by the current Board.

The selection criteria of new Board Members are based on the shareholders' expectations, independence and competencies of the candidates. Regarding independence, the organisation seeks to have a majority of non-family members. In this sense, three out of five members must accomplish this criterion.

The candidates must have a relevant professional background in good governance. Business competencies are also a must.

### GRI 2-11 Chair of the highest governance body

The chair of the Board is not an executive member of the organization. The chair of the Board was appointed in November 2021. The chair was an executive member until the end of 2022. In 2023, the board chair solely focuses on the Board management activities.

### GRI 2-12 Role of the highest governance body in overseeing the management of impacts

The highest governance body has the non-transferable right to adopt, amend and approve the organization's purpose, values and mission statements. The Board of directors also adopts our Responsible Precious Metals Policy. The Board of directors receives quarterly compliance and ESG updates. In addition, the risk assessment (including reputational risk) is presented to the Board once a year.

Due diligence processes are audited annually by an independent third party through [AML](#) and precious metals [responsible sourcing](#) audit. The Board of directors reviews the result of these audits each year.

### GRI 2-13 Delegation of responsibility for managing impacts

The Board establishes strategies and delegates their applications to the departments' heads. The heads are responsible for managing the organization's impact on the economy, environment and people.

The Executive Management is collectively responsible for formulation and implementing the ESG strategy based on the ESG policy approved by the Board. The organisation has appointed the following senior executives regarding the responsibility of impact management: Head of HR, Head of Finance and Head of Compliance from MKS PAMP SA and Head of ESG and Head of Risk Management from MKS PAMP GROUP.

All employees at MKS PAMP share the responsibility to contribute to the organisation's ESG impact and as of FY23, employees are evaluated in their yearly performance review based on their understanding of ESG.

Senior executives report to the Board on MKS PAMP SA's management of impacts every quarter. Employees are encouraged to report weekly or monthly to the senior executives.

#### **GRI 2-14 Role of the highest governance body in sustainability reporting**

The Board of directors reviews the company's ESG report and material topics. The Board examines the mentioned information and other relevant issues during the Board meetings based on documents provided in advance. The entire process is documented and formalized through the meeting's minutes.

In addition, the Board of directors receives quarterly updates regarding financial positions, compliance and responsible sourcing.

#### **GRI 2-15 Conflicts of interest**

The Board has approved policies and related measures to prevent and mitigate potential conflicts of interest. The last revision was approved in May 2022. The next revision will be in Q1 of 2024.

MKS PAMP Group fully owns MKS PAMP SA. The organisation has not identified any material conflict of interest. Additional information is disclosed in the group's financial statements.

#### **GRI 2-16: Communication of critical concerns**

All required critical concerns are reported to the Board through quarterly reporting. If the critical concern is urgent, the CEO would contact the Board for an immediate response.

MKS PAMP SA does not have an established reporting system to effectively monitor, and document critical concerns presented to the Board of Directors.

#### **GRI 2-17: Collective knowledge of the highest governance body**

To ensure collective knowledge of the highest governance body, all board members are trained on ESG via an online course, they have participated in an SBA 2030 masterclass on sustainability, organised with IMD and they are briefed on ESG related topics at every quarterly board meeting.

#### **GRI 2-18: Evaluation of the performance of the highest governance body**

The highest governance body within MKS PAMP Group is the Board of Directors, presiding over the Group's holding entity, MKS PAMP GROUP Limited. The Board of Directors has delegated the management of MKS PAMP SA's impact on the economy, environment, and social aspects to its Executive Committee. Furthermore, the MKS PAMP Group Board of Directors establishes the guidelines for these impacts, which are then implemented at MKS PAMP SA under the supervision of its own Board of Directors.

The Group's Corporate Support Functions perform a quarterly assessment of the Organisation's performance. Oversight of these functions is provided by MKS PAMP GROUP's Board, which consists of four independent members (an increase from the previous year) and two executive members, with an independent member serving as the chair.

Actions deemed necessary are communicated to the chair of the board and the executive team. Implementation of these actions, encompassing policies and stakeholder engagement, is carried out by the Organisation's Executive Team under the oversight of its board. Remedial actions for any non-performance at MKS PAMP SA may include alterations to its executive team and local board composition."

#### **GRI 2-19: Remuneration policies**

A policy corresponding to the remuneration of the Board is currently being elaborated.

At MKS PAMP SA, independent board members receive remuneration for their participation on the board. However, for senior executives, board membership is considered a component of their annual performance evaluation and is not separately compensated. Board members' compensation is not performance-based. They may receive additional compensation for undertaking extra tasks, contributing to specific projects, or participating in committees. It should be noted that no bonuses are allocated for these roles.

#### **GRI 2-20: Process to determine remuneration**

Remuneration within the company is defined based on a pre-established budget, in adequation with internal and external responsibilities, accompanied by a variable bonus based on individual employee performance.

Currently, Board remuneration is not reviewed by a remuneration committee or the General Assembly. The remuneration of the Board members is currently not formally approved by the General Assembly.

Also, no remuneration consultants are involved in determining remuneration for MKS PAMP SA.

#### **GRI 2-21: Annual total compensation ratio**

We are a private company and we do not disclose the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual). Neither do we disclose the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual).

Compensation is the prerogative of the employer, and it is based on employment market salaries.



## 1.4. Strategy, policies and practices

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### GRI 2-22: Statement on sustainable development strategy

“In our Financial Year 2023, we intensified our commitment to environmental, social, and governance (ESG) initiatives, reaching a pivotal milestone in our sustainability journey. I am pleased to present our ESG report, highlighting significant achievements from setting targets to realizing them.

Our progress includes reducing our environmental impact, enhancing community involvement, and maintaining fairness in governance. These achievements could not have been realized without the dedication of our employees. We have established ESG as a key performance indicator to value their work and reinforce our commitment to sustainable practices across our operations.

The transformation from a small family-owned business to a global corporation brings both opportunities and responsibilities to drive sustainable progress. Central to our principles, we believe in being agents of positive change. Our approach to profitability is underpinned by sustainable practices that prioritize the well-being of people and the planet. From the outset, we have championed long-term thinking, responsible sourcing, and ethical conduct, establishing industry benchmarks through collaboration with our partners.

As we navigate an evolving landscape, trust, responsibility, and purpose remain our guiding principles. I am grateful to our dedicated employees whose efforts drive our mission forward.”- **Marwan Shakarchi, CEO of MKS PAMP SA**

### GRI 2-23: Policy commitments

Our internal policies and regulations regarding responsible business conduct are approved by the Board and refer to the Swiss law (including many regulations), ILO and OECD. Special attention is given to topics such as: minimum compensation, health, security, equality, and worker's rights.

MKS PAMP SA's Responsible Precious Metals Policy stipulates the commitments towards conducting due diligence and is supported by a risk mitigation approach.

Fighting serious abuses of human rights, avoiding contributing to conflict over its supply chain, complying with high standards of anti-money laundering (AML), combating terrorist financing (CFT), and addressing environmental and social responsibilities are central tenets of the MKS PAMP GROUP's operating procedures.

MKS PAMP SA has set strict commitments in respect to human rights. Our Precious Metals Policy outlines our continuous efforts and due diligence towards human rights, applicable to all sources.

We fight against:

- Systematic or widespread human rights abuses associated with the extraction, processing, transport or trade of precious metals, including:
  - Any forms of torture, inhuman and degrading treatment
  - Forced or compulsory labour
  - Worst forms of child labour (as defined in ILO Convention No.182)
  - Widespread sexual violence or other gross human rights violations
  - War crimes, crimes against humanity or genocide.
- Direct or indirect support to illegitimate non-state armed groups, or illegitimate private/public security forces who:
  - Illegally control mine sites, traders or other upstream actors and transportation routes through the supply chains or
  - Illegally tax or extort money or minerals through the supply chains;
  - Bribery and fraudulent misrepresentation of the origin of precious metals;

- Non-compliance with taxes, fees and royalties due to governments related to mineral extraction, trade and export;
- Money laundering and terrorism financing;
- Contribution to conflict over our supply chains (“threat financing”).

We commit to:

- Strictly adhering to local and applicable international sanctions, including but not limited to UN, EU, UK and US.
- Not tolerate sourcing from illegal mining operations or an area designated as a World Heritage Site.
- Not tolerate within our Group or through our precious metal supply chains employment:
  - of children less than 15 years or, if higher, the applicable age for completion of compulsory education (ILO Convention 138);
  - of juveniles under 18 years of age who perform work that might jeopardize their health, safety and morals (ILO Convention 138).
- Not offer, promise, give or demand any bribes, and resist the solicitation of bribes.
- Support efforts and take steps to contribute to the effective elimination of money laundering and terrorism financing. Should we suspect or have reasonable grounds to suspect that the funds or the precious metals are the proceeds of criminal activity or are related to terrorist financing, we will terminate the relationship promptly and report our suspicions to the local financial intelligence unit (FIU).
- Recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- Make and receive payments for precious metals transactions through official banking channels.
- Maintain adequate records to demonstrate that appropriate and ongoing due diligence has been followed.
- Train our employees on our AML-CFT and responsible sourcing practices.
- Ascertain that our suppliers of precious metals are committed to this Master Group Responsible Precious Metals Policy or their own precious metals supply chain policy consistent with the OECD Annex II.

We address:

- Adverse ESG factors, such as environmental, health & safety, labour or ethical conduct, in our primary precious metals supply chain,
- Our own environmental and societal responsibilities, including climate change concerns by having Science Based Target (SBTi) approved carbon emissions reduction targets in line with the Paris Agreement

Responsible Metals Policy: [FINAL 040822\\_2022 Group Policy\\_RGG9\\_0.pdf \(mkspamp.com\)](#)

Over the course of its operational history, MKS PAMP SA has developed a series of policies, standards and guidelines designed to address the imperatives of due diligence and adhere to established standards of good practice. These policies include but are not limited to;

- Anti- Money Laundering, Combating Terrorist Financing, Responsible Sourcing and Sanctions Policy
- Anti-bribery and Corruption Policy

- Bonus Policy
- Company Policy - Business Ethics Policy
- Employee Code of conduct
- Employee Handbook
- Gift and entertainment policy
- Harassment free workplace Policy
- IT policy
- Master Group Responsible Precious Metals Internal Guidance
- Master Group Responsible Precious Metals Policy
- Remote Work Policy
- Supplier Declaration of Commitment
- Trading Execution Policy
- Travel and expenses Regulations
- Working time registration Policy

#### **GRI 2-24: Embedding policy commitments**

Internal guidance is approved by the Board to implement the Responsible Precious Metals Policy.

The Compliance department is responsible for ensuring compliance with MKS PAMP SA internal guidance, as well as to train all relevant employees on our precious metals responsible sourcing policies. An annual third-party audit verifies our compliance with the responsible sourcing principle. Furthermore, the Responsible Precious Metals Policy is part of refining agreements with our counterparties.

#### **GRI 2-25: Processes to remediate negative impacts**

There are currently no commitments to provide for or cooperate in the remediation of negative impacts. At MKS PAMP SA, we have not identified any negative instances to which we contributed to. We have closely monitored other negative instances in our supply chain, where metal sources were subject to remediation plans.

To address grievances, MKS PAMP SA has established its own grievance mechanism that allows any stakeholder to submit grievances to the company. Grievances are treated independently and in a manner that protects the confidentiality of the person(s) submitting it. In addition, MKS PAMP SA answers to and/or processes grievances communicated by relevant bodies such as the London Bullion Market Association (LBMA) or the Responsible Minerals Initiative (RMI).

MKS PAMP SA identifies any person or organisation affected or harmed by our supply chain and our operations or witnessing the same as users of its grievance mechanisms. There is currently no process in place to involve the intended users in the design, review, operation, and improvement of these mechanisms. However, regular improvement is provided through peer review or industry best practices.

At the moment, MKS PAMP SA does not track the effectiveness of its grievance mechanism. This is because grievances addressed to us are not frequent.

#### **GRI 2-26: Mechanisms for seeking advice and raising concerns**

At MKS PAMP SA, we ensure information on the implementation of the organization's policies and practices for responsible business conduct through effective management thereof and open lines of communication with senior executives.

MKS PAMP SA has a flat hierarchy, and family business spirit that promotes open lines of communications across the company. Senior executives are highly accessible to employees and conduct weekly or bi-weekly meeting with their teams. It is in these instances that employees seek advice on proper implementation of policies and that senior executives effectively manage their employees to ensure practices for responsible business conduct.

Senior executives are always available and encourage people to come to them or the human resource department in case they wish to raise a concern on business conduct. More formally, stakeholders can raise concerns about the organization's business conduct and are protected through our whistleblowers policy and grievance mechanisms (internal and external).

#### GRI 2-27: Compliance with laws and regulations

There are no instances of non-compliance with laws and regulations during the reporting period and therefore, no fines have been paid. It is the Human Resources department's responsibility to constantly monitor instances of non-compliance. Significant instances of non-compliance are considered as the ones that result in administrative or judicial sanctions and fines appealed during the reporting period.

The organization follows Human Rights obligations based on international provisions binding to Switzerland. These include:

- International Covenant on Economic, Social and Cultural Rights (UN Covenant I, SR 0.103.1);
- International Covenant on Civil and Political Rights (UN Covenant II, SR 0.103.2);
- International Convention on the Elimination of All Forms of Racial Discrimination (ICERD, SR 0.104);
- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW, SR 0.108);
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT, SR 0.105);
- Convention on the Rights of the Child 1989 (CRC, SR 0.107);
- Convention on the Protection of the Rights of Persons with Disabilities (CRPD, SR 0.109);
- Convention for the Protection of All Persons from Enforced Disappearance (CED, SR 0.103.3);
- Core Conventions of the International Labor Organization (ILO).

The organization follows Anti-corruption obligations based on Swiss criminal law. This refers to all activities to combat acts that may fall under Swiss criminal law on corruption. The offences of corruption include the "Granting of an undue advantage" (Art. 322quiquies SCC), active "bribery" of Swiss public officials or foreign public officials (Art. 322ter, Art. 322septies SCC) and active/passive "bribery of private individuals" (Art. 322octies and Art. 322novies SCC).

#### GRI 2-28: Membership associations

To ensure that all precious metals in the MKS PAMP SA supply chain are not tainted by conflict or human rights abuses or significant social or environmental impacts, our [Responsible Precious Metals Group Policy](#) clearly articulates our commitment for an ethical and responsible supply chain. In addition, we have initiated many international and industry-wide initiatives and collaborate closely with organisations to set the highest codes of conduct for the industry as a whole.

- **OECD Guidance** - The OECD has issued a Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The guidance provides detailed recommendations to help companies respect human rights and avoid contributing to

conflict through their mineral purchasing decisions and practices. Please [Read the Code](#) for more information.

- **LBMA Responsible Gold Guidance** - MKS PAMP SA led the drafting of the London Bullion Market Association's Responsible Gold Guidance (LBMA RGG), based on its own state-of-the-art procedures as well as the OECD Due Diligence Guidance. The LBMA sets and monitors refining standards, creates trading documentation and fosters the development of good trading practices. Please [Read the LBMA RGG](#) for more information.
- **Responsible Jewellery Council** - Our refinery is a Certified Member of the [Responsible Jewellery Council](#) (RJC) and therefore complies with the [RJC Code of Practices](#), a procedure that requires it to undergo an independent audit. The RJC is a non-profit standard setting and certification organisation that spans the jewellery supply chain from mine to retail. The Code of Practices addresses human rights, labour rights, environmental impact, mining practices and product disclosure.
- **ASM Initiatives** - Our Group plays a leading role in various initiatives that aim to help ASM (Artisanal and Small-Scale Mining) access international markets and progress towards responsible sourcing standards:
  - [Swiss Better Gold Association](#): a non-profit association created in 2013 by key Swiss players in the gold supply chain together with the Swiss Government (SECO) to support ASM towards more socially inclusive and better environmental practices. MKS PAMP SA is a founding member and is a member of the Board of the Association.
  - In 2023, MKS PAMP SA participated in a biodiversity study led by WWF and Bain & Company, highlighting our Provenance™ traceability solution

## 1.5. Stakeholder engagement

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### GRI 2-29: Approach to stakeholder engagement

To ensure a positive impact with all our stakeholders, MKS PAMP SA engages with relevant stakeholders from the industry, supply chain, our employees and our local community. Please find below a comprehensive list of our stakeholders:

#### Industry

To ensure that all precious metals in the MKS PAMP SA supply chain are not tainted by conflict or human rights abuses, our Responsible Precious Metals Group Policy, clearly articulates our commitment for an ethical and responsible supply chain. In addition, we have initiated many international and industry-wide initiatives and collaborate closely with organisations to set the highest codes of conduct for the industry as a whole.

- **Responsible Jewellery Council (RJC)**: We comply with the Code of Practice and Chain-of-Custody (CoC) standards. We actively participated to the consultation process for the new versions of those standards.
- **Organisation for Economic Co-Operation and Development (OECD)**: We are an active member of the Multi-Stakeholder Steering Group, a working group dedicated to the implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

- London Bullion Market Association (LBMA): We have co-authored the first version of the Responsible Gold Guidance and similarly Responsible Silver Guidance. We have collaborated with the LBMA for the preparations of the ensuing versions.
- London Platinum and Palladium Market (LPPM): We collaborated on the drafting of the first version of the Responsible Platinum Guidance and Responsible Palladium Guidance inspired by LBMA regulations. We have collaborated with the LPPM for the preparations of the ensuing versions.
- World Gold Council (WGC): We contributed to the publication of the Conflict-Free Gold Standards in support of gold that does not cause nor support armed conflict.
- Responsible Minerals Initiative (RMI): we have long collaborated with the RMI and joined as an upstream member in 2019. We regularly collaborate with RMI to advance key topics related to responsibly sourced precious metals (and by extension, other metals).
- Alliance for Responsible Mining: since 2018, we have been an authorised retailer of Fair mined certified gold, a label created by the organisation with the intention of supporting responsible gold mining practices at small or artisanal mines.
- Artisanal and Small-Scale Mining (ASM) initiative: our Group plays a leading role in various initiatives that aim to help ASM access international markets and progress towards responsible sourcing standards:
  - Swiss Better Gold Association (SBGA): we were a founding member and actively participate in the steering and development of the association.
  - LBMA ASM Working Group : MKS PAMP SA participates to this group that aims to facilitate a substantially more inclusive approach toward ASM gold producers.
  - Swiss ASM Working Group : MKS PAMP SA participates to this group that aims to demystify gold ASM and present to downstream actors a view on the effective risks and positive impacts of sourcing ASM gold.

## Supply chain and Employees

We assess non-precious metal suppliers with a questionnaire addressing transparency, quality, environment, H&S and ethics, asking them to adhere to the principles of our Code of Ethics. We have frequent in-person interactions with the most relevant suppliers.

Precious metals suppliers (i.e., refining customers) are strictly audited during onboarding (due diligence/know your counterparty procedures), including site visits which address several topics including ESG. Such partners are monitored along the business relationship, including additional site visits and meetings.

Employees are represented at the refinery by the Workers Representatives group, which has regular meetings with Management and is involved in communication, decisions and socially relevant topics. In FY 2022 all the employees were asked to participate in an engagement survey aimed at addressing issues and suggesting improvement, which allowed for the definition of an improvement plan tailored on the employees' suggestions and requests.

Employees are proposed company volunteering initiatives; some social events and initiatives are also organized (e.g., blood donation day, eBike free rental, ESG Coffee Breaks).

The positive working environment is critical to MKS PAMP SA's success and values. In this sense, the company defined the following short-medium and long-term goals and targets:

**Goal:** By FY30, continue to foster a fair work environment, identifying gaps and improvement opportunities, offering inclusive opportunities for all.

- **Short-term Targets (FY25):**
  - Identify and implement mandatory management training courses.
  - Develop a comprehensive plan to promote inclusive practices in the company.
  - Promote our grievance mechanism to facilitate its use.
  - Maintain our monthly worker representative's session at the refinery in Ticino.
  - Continue the MKS PAMP Engagement Pulse survey conducted every 1.5 years by an external specialist.
- **Medium-term Targets (FY27):**
  - Review and redesign processes facilitating work in specific departments.
  - Hold regular training sessions to ensure a positive workplace culture.
- **Long-term Targets (FY30):**
  - Continue to provide a positive and safe environment for all MKS PAMP employees.
  - Through our Engagement Pulse Survey, increase our scoring across all sections that relate to positive performance, and decrease our scoring across all section that related to negative performance.

#### **Local community**

We have contacts with the local community, including: City Council, neighbours association, local schools and associations (local food bank, retirement home etc.). We have frequent contacts with most of them aimed at defining common projects/giving transparent information (in particular with the City Council), sharing information on our activities, impacts and projects (neighbour association), developing collaboration/volunteering programs and supporting caritative initiatives (others).

With all our stakeholders we ensure meaningful engagement through continuous collaboration and communication. MKS PAMP SA views all of its stakeholders as partners.

#### **GRI 2-30: Collective bargaining agreements**

None of our employees are covered by collective bargaining agreements. Nevertheless, we have a staff committee for production employees which is regularly informed of all management decisions and is a source of proposals.

MKS PAMP SA does not determine working conditions based on collective bargaining agreements from other organizations. Our working conditions are market-based, and we regularly check that they are competitive.



## 2. Materiality Assessment

### 2.1 Process to determine material topics

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#### GRI 3-1 Process to determine material topics

MKS PAMP SA performed the materiality assessment according to GRI 2021 (MKS PAMP SA plans to undertake and disclose a double materiality assessment for its financial year 2024). This exercise allowed the company to identify the most significant impacts on the economy, environment and people, including human rights as a result of its activities and business relationships. The process comprises of four steps.

#### 1) Understanding the organisation's context.

The company conducted a mapping exercise that defined a preliminary list of material topics based on industry-specific frameworks such as Sustainability Accounting Standards Board (SASB) Metals and Mining Standards, World Gold Council and peers benchmark. This process helped the organisation to consider the impacts commonly associated with the sector. This phase took place in a series of workshops guided by experts where critical organisation members were involved.

#### 2) Identification of impacts.

The organisation identified the positive, negative, actual and potential impacts. The company also identified the dimensions in which the topics manifest their impact (environment, economy, and people, including human rights). This process was conducted through workshops and round table discussions with relevant members of the organisation, considering the view of external experts and stakeholders.

When assessing potential impacts, MKS PAMP SA considered its likelihood. The *likelihood* represents the chance of an impact happening in the future. The organisation used a qualitative method to measure this concept. The hierarchy used in this concept was, 'not likely', 'likely' and 'very likely'.

#### 3) Assessment of significance.

MKS PAMP SA assessed the significance of the impacts based on their severity defined by their scale, scope and irremediable character. The organisation assigned a score for each topic and category (1: low, 2: medium, 3: high).

The concept of *scale* refers to how severe or positive the impact is (or could be), applying to positive and negative impacts. The scale of a negative impact can depend on whether the impact leads to non-compliance with laws, regulations or authoritative intergovernmental instruments.

The organisation also considered the context in which the impact took place to determine the scale scoring.

The *scope* represents how widespread the impact is (or could be). This typically refers to the number of individuals or the extent of environmental resources that are or could be affected.

*Irremediable character* means how difficult it is for the organisation to counteract or make good the resulting harm. This concept applies only to negative impacts.



#### **4) Prioritisation**

The topics were prioritised based on the average score of scale, scope, and irremediable character (when applicable) and sorted into two groups regarding whether they caused positive or negative impacts.

## 2.2 List of material topics

### 3-2 List of Material topics

Material Topic	Identification of impacts			Likelihood <sup>2</sup>		Assessment of significance <sup>3</sup>			
	Environ-ment	Economy	People	Positive	Negative	Scale +	Scale -	Scope	Irremediable character
201 Economic Performance	No impact	Actual positive	Actual positive			High		High	
302 Energy	Actual negative	Potential negative	Potential negative		Very likely		High	Medium	Medium
303 Water and Effluents	Potential negative	No impact	Potential negative		Likely		High	Medium	Medium
305 Emissions	Actual negative	No impact	Actual negative				High	Medium	High
306 Waste	Actual negative	No impact	Potential negative		Very likely		High	Medium	High
308 Suppliers Environmental Assessment	Potential positive	Potential positive	Potential positive	Very likely		Medium		High	
401 Employment	No impact	Actual positive	Actual positive & negative potential		Not likely	High	High	Medium	Medium
403 Occupational Health and Safety	No impact	No impact	Potential negative		Likely		Medium	Medium	Medium
404 Training and Education	Potential positive	Potential positive	Actual positive	Likely		Medium		Medium	
413 Local Communities	No impact	Potential positive	Potential negative	Likely	Likely	Medium	Medium	Low	Medium
414 Supplier Social Assessment	No impact	Potential positive	Potential positive & negative	Likely	Not likely	Medium	High	High	High

<sup>2</sup> Likelihood: Not likely=1, Likely=2, Very likely=3, Actual impact=4

<sup>3</sup> Significance Score: High=3; Medium=2, Low=1

### Prioritization of topics

The company has prioritized negative impacts and positive impacts separately. The threshold used to consider a topic's significance corresponds to those topics scored above 2.

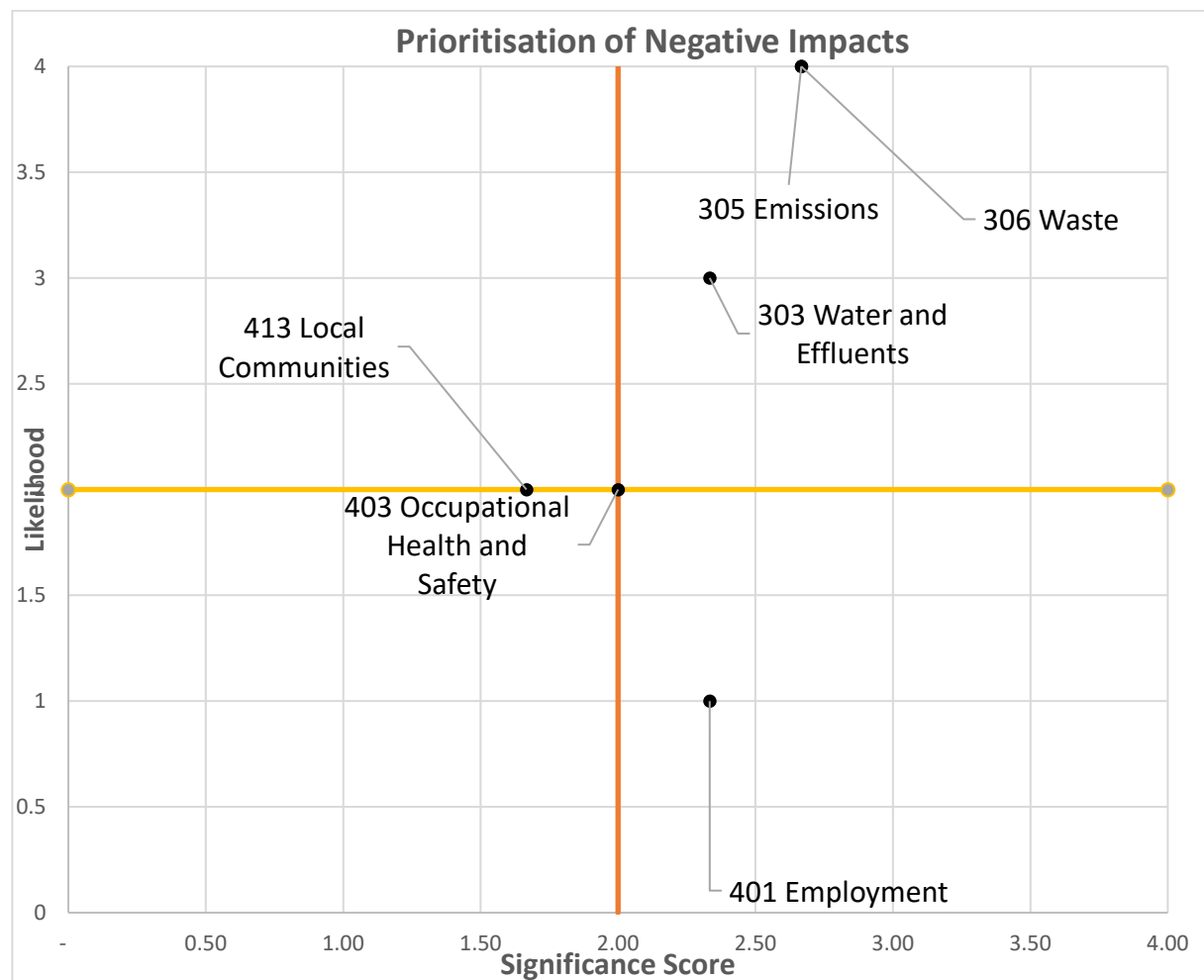


Figure 1 - Prioritisation of negative impacts

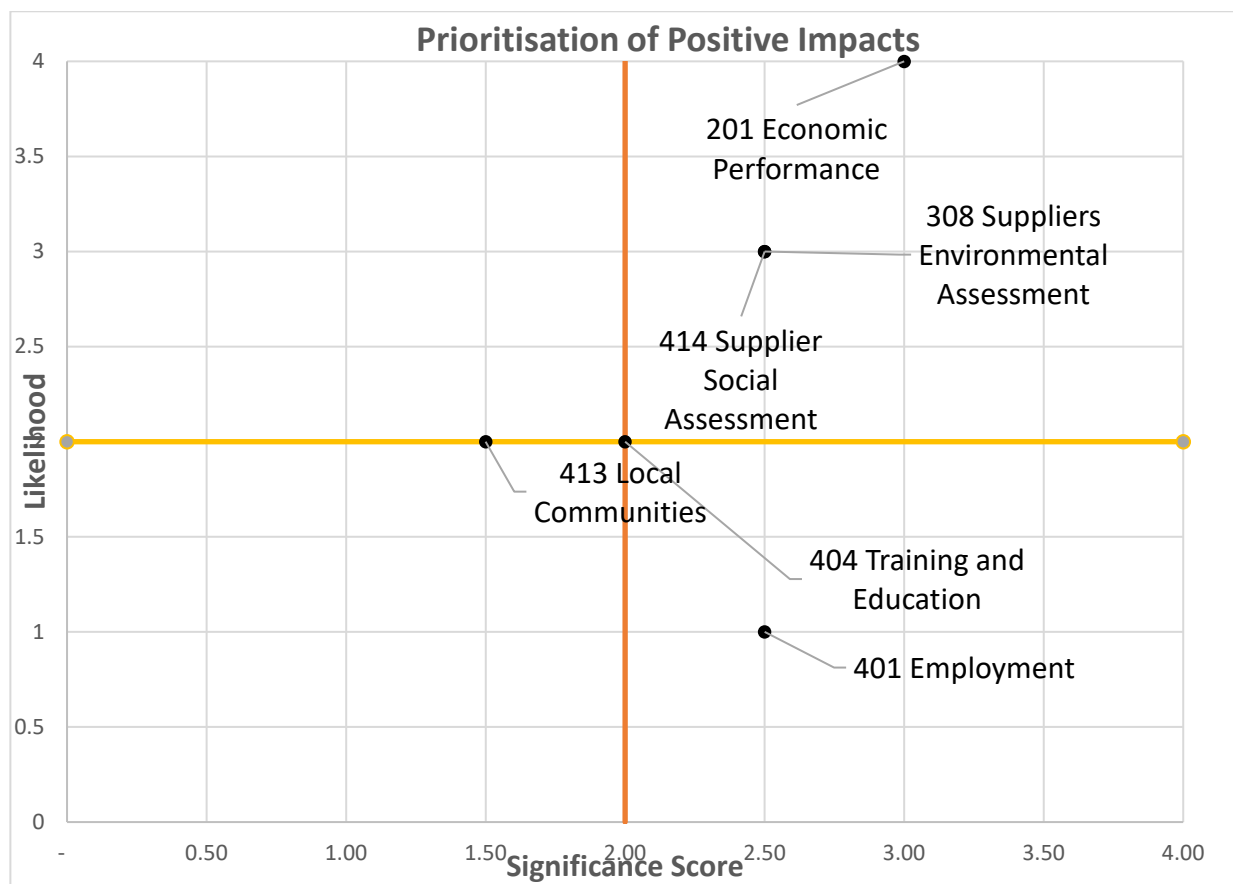


Figure 2 - Prioritisation of positive impacts

# Governance

## 201: Economic Performance

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### 3-3 Management of the topic

#### Impact assessment description

MKS PAMP SA contributes positively and substantially to the economies and people of producing countries by purchasing precious metals. The scale and scope of this topic are significant.

Mining can inherently have negative impacts. MKS PAMP SA performs due diligence on all sources of precious metals to identify such impacts. Mining activities are part of MKS PAMP SA's supply chains. MKS PAMP SA will work only with mines that satisfy its requirement to minimize such impacts adequately; this complies with the London Bullion Market Association Responsible Sourcing requirements.

#### Policies or commitments regarding the topic

MKS PAMP SA is committed to equally prioritizing profitability and sustainability. Our strategy is to adopt an integrative approach that incorporates progressive social and environmental solutions in our commercial and operational activities. It is part of our mission: 1) to create wealth while promoting social well-being and responsibly managing all the resources involved in our supply chain; 2) to produce beautiful, safe physical products by refining, trading, and selling superior precious metal products within Switzerland and globally.

#### Actions taken to manage the topic and related impacts

MKS PAMP SA takes the following actions to prevent or mitigate potential negative impacts:

- Development of action plans and policies to ensure best practices and understanding
- Proper due diligence based on industry standards for all suppliers and customers.
- Risk management assessment led by our risk department in collaboration with the ESG team
- Regular checks on compliance with existing laws
- Implementation of internal procedures that take all processes into account
- Organisation of training and awareness-raising initiatives
- Regular collaboration with internal and external experts

The company addresses actual negative impacts by reporting to senior management or the executive committee. A strategic plan is then provided to address and remediate the negative impact. This is decided on a case-by-case basis.

#### Processes used to track the effectiveness of the actions

The company tracks the effectiveness of the actions taken to manage the topic's impact through internal reporting to executive management (monthly) and quarterly reporting to the Board. The company has established the following goals, targets and indicators:

- Goal: increase economic performance
- Targets: 20% yearly increase in profit
- Indicators: Evolution of turnover; Evolution of investments; Evolution of all costs (e.g. salaries and benefits paid); Evolution of client profitability, Evolution of budget to actual.

The effectiveness of actions and progress is evaluated quarterly and updated twice a year.

## 201-2 Financial implications and other risks and opportunities due to climate change

MKS PAMP SA considers climate-related issues as part of its strategic planning. In the box below, a set of risks and opportunities has been identified:

**Table 4 - Climate-related risks**

	Chronic Physical Risk	Regulatory Risk	Reputational Risk
<b>Description of the risk or opportunity and its classification as either physical, regulatory, or other;</b>	Inability to source mined or recycled precious metals due to changed weather conditions (mine site flooding).	Increased operational expenses due to newly imposed costs and taxes and potential emission charges.	Loss of brand value.
<b>Description of the impact associated with the risk</b>	Loss of inbound material and production, underutilization of plant, inefficient production process.	Increased cost of production due to potential future carbon taxes and/or other charges for (fossil) energy consumption in production processes as well as higher energy costs from either lower availability of energy or higher charges on fossil fuel usage.	Loss of brand value / reputation resulting from emissions during logistical / production process, and inability to show purpose of end product.
<b>The financial implications of the risk before action is taken</b>	Loss of turnover and profitability.	Loss of margin or profitability.	Loss of profitability.
<b>The methods used to manage the risk</b>	(i) screening of mining company and site on ability to deliver during onboarding; (ii) diversification of sources of mined material (iii) increased recycled metal streams.	Energy consumption reduction plans in process, alignment with Paris agreement goals, moving towards carbon neutral operations.	Active ESG strategy, increase brand strength with respect to ESG initiatives, increase visibility and transparency on operations, change product mix towards changing demand for more sustainable products and services in end markets.

**Table 5 - Climate-related opportunities**

	Market Opportunity / Reputational	Market Opportunity
<b>Description of the opportunity and its classification as either physical, regulatory, or other</b>	Carbon neutral / measured product line.	Increasing demand / premium due to increased global geopolitical and financial instability and higher interest for more sustainable products.
<b>Description of the impact associated with the opportunity</b>	Production of carbon neutral / measured products at higher premium fulfilling new demand with end clients.	Global geopolitical and of financial markets / currencies instability resulting from climate change (distribution of wealth, impact of climate change) can increase demand of sustainable physical precious metals as safe haven, increasing volumes and premiums.
<b>The financial implications of opportunity before action is taken</b>	Increased margins and volumes.	Increased volumes, margins and profitability.
<b>The methods used to manage the opportunity</b>	Actively promoting decarbonisation for our sourcing, operations and products.	Carbon Trust certified products released, actively marketed and promoted, active campaign on ESG profile.

#### 201-3 Defined benefit plan obligations and other retirement plans

The company established an external pension fund regulated by law.

The percentage of salary contributed by the employee is 40% to 50 % and by the employer 50 to 60%.

#### 201-4 Financial assistance received from government

MKS PAMP SA did not receive any assistance from the government in the reporting year.

# Environmental

## 302: Energy

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### 3-3 Management of the topic

#### Impact assessment description

As consumption of energy derived from fossil energy carriers is contributing to climate change, the negative impact on the environment is very likely and significant. Further, MKS PAMP SA identifies the potential negative impact on the economy, as well as on people. Being active in a high energy intensity sector, MKS PAMP SA rates the energy topic as significant based on its scope as well as on its scale.

#### Policies or commitments regarding the topic

Regarding the topic of Energy, MKS PAMP SA has set the following commitments: SBTi targets set in 2022, ACT agreement on CO<sub>2</sub> reduction which was initially signed in 2016, and a commitment to purchase only renewable electricity from Swiss hydroelectric. This renewable energy is purchased since 2017, but the commitment is part of the SBTi agreement since 2022.

#### Actions taken to manage the topic and related impact

MKS PAMP SA actively monitors and manages the decarbonisation progress within its supply chain and, through that, the reduction of carbon-based energy consumption.

MKS PAMP SA completed energy analyses to identify improvement possibilities and introduced a monitoring system related to electricity consumption.

In order to reduce natural gas consumption, MKS PAMP SA uses a heat pump to recover the thermal energy.

As a service to our employees and to take advantage of our positive actions towards renewable energy, MKS PAMP SA provides electricity for charging eBikes with solar energy produced on site, and eCars with purchased renewable energy.

#### Processes used to track the effectiveness of the actions

To track the effectiveness of actions taken, we monitor the electricity consumption of our sites. This is also a requirement within the ACT agreement (see [act-schweiz.ch](https://act-schweiz.ch)). Having signed this agreement obliges the reporting company for yearly monitoring of the progression towards the set goal, and corresponding reporting.

MKS PAMP SA has an internal goal and commitment to continue purchasing 100% renewable electricity. We do verify this through consumption reports and hydro certificates from our electricity supplier.

Furthermore, we set a goal for our fossil fuel sources (i.e., methane). Through our commitment with SBTi we strive to reduce emissions by 46% for scope 1 by 2030. Further, we aim for a yearly reduction to comply with ACT requirements.



MKS PAMP SA's direct CO<sub>2</sub> emissions (hence fossil fuel consumptions) have been measured yearly since 2016 by a third-party official auditor, reporting to the Swiss Confederation. The last report available (2022) shows a reduction of CO<sub>2</sub> emissions from 584,92 tons in 2020 to 343,84 in 2022 (a reduction well exceeding the set goal for 399.89 tons in 2022). The estimated variation in energy usage and in the energy source mix (electric vs. fossil) has been included in the initial assessment for new projects. It will allow to forecast impacts and maintain coherency with the energetic strategy in advance.

The assessment tool, which is required to be applied at different project requests, takes into account environmental and social aspects. One of the most relevant elements in the assessment is the forecasted need for energy, and the split between non-renewable (fossil fuel) energy and renewable energy. Projects shifting the energy mix towards renewable are positively assessed, while those shifting towards fossil fuels have a negative result.

Energy analyses identified priority points for action, such as reducing the use of natural gas and possibly more significant recovery of produced heat. These aspects will drive future innovations in the company.

#### Communication to stakeholders

Data on reduction commitment (SBTi) are publicly shared on the company website. Yearly progress in the ACT CO<sub>2</sub> reduction project is officially reported to the institutions. The refinery's energy consumption has been regularly reported publicly through the existing GRI sustainability report.

### 302-1 Energy within the organisation

**Table 6 – Energy within the organization (Scope 1)**

Scope 1 Category	Fuel type (non-renewable)	Site	Total Amount	Unit
Stationary combustion	Diesel	Castel San Pietro	3.448,0	MJ
Stationary combustion	LPG	Castel San Pietro	320.882,2	MJ
Stationary combustion	NG	Castel San Pietro	5.655.292,0	MJ
Stationary combustion	NG	St. Antoine	248.516,3	MJ
Stationary combustion	Heating oil	Florissant	129.606,0	MJ
Mobile combustion	Diesel	CSP	1.272,4	Liters
Mobile combustion	Gasoline	St. Antoine	196,6	Liters
Mobile combustion	Gasoline	St. Antoine	180,2	Liters
Mobile combustion	Gasoline	Florissant	630,0	km
Mobile combustion	Gasoline	Florissant	577,5	km
Fugitive emissions	R407C	Castel San Pietro	0,2	kg
Fugitive emissions	R410A	Castel San Pietro	20,3	kg

**Table 7 – Total of energy consumption per unit (Scope 1)**

Total MJ	<b>6.357.744</b>
Total Liters	<b>1.649</b>
Total km	<b>1.208</b>
Total Kg	<b>21</b>

The total electricity consumption at the organization is **10,245,446 kWh** (Scope 2 – Renewable sources)

### 302-3 Energy intensity

Defining a “standard production driver” (e.g., an “average product unit”) is currently not possible due to the complex combinations of product lines and processes. We aim to implement in FY24 a calculation based on total FTEs or total worked hours (the latter was the approach previously used by the refinery).

When we are able to implement the necessary technical infrastructure, we will also calculate and monitor an energy indicator by department.

## 303: Water and Effluents

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### 3-3 Management of the topic

#### Impact assessment description

Based on its activities, MKS identifies a likely potential negative impact on the environment and on people with regards to water and effluents. The prioritisation of the topic is based mainly on the scale of the impacts.

#### Policies or commitments regarding the topic

MKS PAMP SA has strict objectives to keep water intake and release. The water intake and release are regulated by criteria defined by Swiss federal and cantonal regulations, as well as specific agreements, and discharges are checked for their chemical composition. We have no additional and specific water usage policy.

Our Ticino refinery is authorised and licensed to drain water from a local well within its premises. The amount of water drained from the well is generally close to what is sent back to the river, thereby restoring the natural flow of water. A water balance is shared yearly with the public office to monitor environmental impacts related to water usage. Water is obtained from two sources: public distribution (purchased) and the private well. Chemically treated water is processed internally, analysed, and later disposed to the public water treatment plant.

#### Actions taken to manage the topic and related impacts

Although there are no known actual negative impacts, a number of precautionary measures have been set up at the refinery to address key identified risks. MKS PAMP SA has implemented – for example – a sealed underground tank for collection of leaks or overflows, an elevated catch tank for the collection of discharge to a water treatment plant, and analysis performed internally (by Laboratorio Saggiatori e analisi (LSA)) and externally (by the canton) to verify the suitability of used water before discharge to the public water treatment plant.

Water used for cooling is checked to be chemically unaltered before being discharged to a nearby river. The amount of water drained from the well is generally close to what is sent back to the river, thereby restoring the natural flow of water. We consider this as a positive practice, as the natural flow would bring water from the ground to reach the river, hence our impact can be deemed as neutral.

#### Processes used to track the effectiveness of the actions

Water consumption and disposal is measured by several meters to monitor actual flows.

The estimated variation in water usage and planned ways of disposal has been included in an initial assessment template to be performed for new projects, allowing management to analyse expected impacts.

The organisation has defined the following goals and targets:

**Goal:** By FY30, improve our wastewater treatment systems to ensure that all water discharged is safe.

- **Short-term Target (FY25):**
  - Maintain monitoring of 100% of water rejected by the factory (chemical water).
- **Medium-term Target (FY27):**
  - Implement technical systems preventing accidental contamination of clear water.
  - Implement smart chemicals initiatives.
- **Long-term Target (FY30):**
  - Ensure recovery of chemicals from water for reuse and improvement of discharged water quality.

### 303-1 Interactions with water as a shared resource

Water is sourced from two sources: public distribution (purchased) and private well (based on a license – see description above). Clean water is checked and discharged to a river, chemical water is processed internally within the organisation's Ecology department and later disposed to the public water treatment plant. Some water is evaporated due to internal processes. A water balance (INs & OUTs, consumptions) is shared yearly with the public office to monitor environmental impacts related to water usage.

### 303-2 Management of water discharge-related impacts

The quality of effluent discharge is strictly regulated by local / national bodies. MKS PAMP SA adapts its internal regulations to comply with these standards. For chemical water, Law & Ordinance gives specific thresholds on substances in the water. Additionally, we have to comply to an agreement with the public water treatment plant, which sets even more restrictive thresholds on chemicals in our effluents.

For waters that are only used within our cooling systems and therefore stay clean, there are specific thresholds and physical criteria (e.g. temperature) set by Law & Ordinance, to which MKS PAMP SA abides to.

### 303-3 Water withdrawal

Table 8 shows MKS PAMP SA's total water withdrawal and a breakdown of this total by its sources. All of the withdrawn water is freshwater ( $\leq 1,000$  mg/L Total Dissolved Solids). Geneva is an office site without manufacturing. Hence, the water withdrawal is negligible compared to the refinery in Castel San Pietro.

**Table 8: Total water withdrawal for MKS PAMP SA sites**

Water withdrawal	Total [ML]	Castel San Pietro [ML]
<b>Total water withdrawal</b>	29,98	
<b>Groundwater</b>	11,07	11,07
Main Water	18,91	18,91

### 303-4 Water discharge

Table 9 shows MKS PAMP SA's total water discharge and a breakdown of this total by its sources ( $\leq 1,000$  mg/L Total Dissolved Solids). Since the Geneva office site has no manufacturing, its water discharge is negligible compared to the refinery in Castel San Pietro.

We are required to sample our disposal water and to report whether we are meeting the legal requirements. During the reporting period, in three instances, deviation from the limits were reported. These deviations are small exceedances of the permissible thresholds (one case for copper, one for zinc, and one for silver). MKS PAMP SA currently has no action plan in these cases as we flag such by the Department of Air, Water and Soil Protection.

**Table 9: Total water discharge for MKS PAMP SA sites**

Water discharge	Total [ML]	Castel San Pietro [ML]
<b>Total water discharge</b>	32,22	
<b>Natural Receptor</b>	13,12	13,12
<b>Local Treatment Plant</b>	19,1	19,1

### 303-5 Water consumption

From the above shown tables the total net water consumption of MKS PAMP SA's sites is derived. In FY23 there is an inversion between water discharge and water withdrawal. This is due to a precautionary measure in place. The output value often includes rainwater, which flows into the disposal pit through a manhole. This manhole remains open in case there are spills of chemical reagents during transport and storage, to prevent them from dispersing into the environment and going into our disposal system.

## 305: Emissions

### 3-3 Management of the topic

#### Impact assessment description

Given MKS PAMP SA's activities and activities in MKS PAMP SA's supply chain, the company identified the topic "GHG emissions" as material. Particular consideration is given to the actual negative impact on the environment and on people. The high significance of the topic results from the large scale and a high irremediable character of the impacts.

#### Policies or commitments regarding the topic

MKS PAMP SA has set targets and commitments within the SBTi framework to reduce its greenhouse gas emissions. Furthermore, we have signed a CO<sub>2</sub> reduction agreement through ACT. As our sites are located in Switzerland, we comply with national legal requirements on air emissions and immissions.

#### Actions taken to manage the topic and related impacts

Regarding its SBTi targets, MKS PAMP SA created work groups on this topic, and provided relevant training. We require engagement of all levels of the organisation and conduct advisory projects to define carbon reduction plans. SBTi projects are managed by the ESG team, involving different structures within the organisation. Recurring focus meetings have been done with the Executive Committee, with different line teams (e.g., sales, refining etc.).

Bi-monthly ESG coffee breaks take place at both the Geneva Office and at the production facility in Ticino, allowing all employees to discuss their ideas, improvements and suggestions to reduce the negative impacts of our processes, including ESG emissions.

A mandatory ESG training course has been activated for all employees (online for office workers, in person for production staff). Two specific work groups, meeting monthly, have been set in Geneva and Castel San Pietro to work on practical actions towards Scope 1 emissions reductions. Third-party driven workshops were arranged including relevant managers in order to address Scope 1 and Scope 3 emission reduction initiatives.

When signing the ACT agreement, we implemented technical interventions suggested and approved by a third-party consultant/auditor, which are in line with our goals and of proven feasibility.

We comply with the Ordinance on Air Pollution Control (OAPC) legal requirements on emissions/immissions in Switzerland through continuous monitoring of NOx concentration in the main towers. Further, we conduct joint analysis with the institutions of emissions concentration. This implies yearly checks of the continuous monitoring system and monthly reporting to the institutions.

To address actual negative impacts, MKS PAMP SA has installed an odour reduction system on one of the main towers in order to reduce the impact on the neighbours. We have also set up a public contact (email, phone) to report possible issues and to allow quick investigation and escalation.

#### Processes used to track the effectiveness of the actions

To track the effectiveness of our actions, we have implemented several processes. We have trackable data logs from continuous monitoring of NOx concentration. To be on top of our decarbonisation route/CO<sub>2</sub> reduction agreements, we conduct periodic recurring inventories to monitor GHG footprint. The goals we set within the SBTi and ACT frameworks, help us evaluate progress for this topic. Our SBTi goals are to be verified in the mid-long term to evaluate MKS PAMP SA's progress. For our ACT agreement, the KPIs proved to be in line with our goals, as mentioned in our auditor's official reports.

Also, MKS PAMP SA actively engages in continuous interaction with neighbours and institutions to monitor its action.

Currently, SBTi commitments are one of the top priorities of MKS PAMP SA, driving and defining almost all of the decision-making processes. This is intended to include emission-related factors into all phases of the decision-making process, potentially leading to changes in how we discuss and evaluate projects, as well as how we communicate with current and prospective customers.

The company has defined the following short-medium and long-term goals and targets:

#### *Energy and emissions*

**Goal:** By FY30, reduce our GHG emissions in line with the Paris Agreement.

- **Short-term Target (FY25):**
  - Obtain a limited assurance audit on energy and emission elements.
  - Source 100% renewable electricity energy.
- **Medium-term Target (FY27):**
  - Invest and implement new technologies to reduce fossil fuel energy usage and maximise energy efficiency.

- Assess a roadmap to net zero.
- **Long-term Target (FY30):**
  - Achieve the SBTi targets of 46.2% reduction since FY19 in Scope 1 emissions and 27.5% reduction since FY19 in Scope 3 emissions, adhering to the guidelines of the Paris Agreement.

#### Air pollution

**Goal:** Maintain a daily average of NOx concentration levels in our fumes below the legal limit of 250mg/m<sup>3</sup> as specified in the Ordinance on Air Pollution Control 814.318.142.1 set by the Swiss federal confederation in 2023.

- **Short-term Target (FY25):**
  - Implement a more precise and reliable monitoring system for emission tracking.
- **Medium-term Targets (FY27):**
  - Define quantitative correlations between applicable emissions, with a focus on NOx, and processed materials.
  - Define a plan to reduce emissions, with a focus on NOx.
  - Define warnings connected to the emission of different chemicals and pollutants to allow for quick a response in case of non-conformities.
- **Long-term Target (FY30):**
  - Systematically reduce NOx and any other chemical emissions.

### 305-1 Direct (Scope 1) GHG emissions

MKS PAMP SA determined total direct emissions (Scope 1) of 409 metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

**Table 10 - Scope 1 emissions**

Scope 1 Category	Fuel type (non-renewable)	Site	Emissions FY22 [t CO <sub>2</sub> e]	Emissions FY23 [t CO <sub>2</sub> e]
Stationary combustion	Diesel	Castel San Pietro	0,2	0,3
Stationary combustion	LPG	Castel San Pietro	14,1	21,7
Stationary combustion	NG	Castel San Pietro	312,4	319,3
Stationary combustion	NG	St. Antoine	14,0	14,0
Stationary combustion	Heating oil	Florissant	7,3	10,4
Mobile combustion	Diesel	Castel San Pietro	2,5	3,2
Mobile combustion	Gasoline	St. Antoine	0,7	0,8
Mobile combustion	Gasoline	Florissant	2,9	0,2
Fugitive emissions	R407C	Castel San Pietro	0,2	0,3
Fugitive emissions	R410A	Castel San Pietro St Antoine	138,1	39,1
<b>Total</b>			<b>492,4</b>	<b>409,3</b>

All Kyoto Protocol gases were included in the calculation. There are no biogenic sources for CO<sub>2</sub> equivalent emissions detected. FY19 was chosen as base year because it was the closest non-Covid year prior to setting SBTi Targets. Emissions in the base year were Scope 1 – 642.1 tCO<sub>2</sub>e.

The emission factors (EF) used for the calculations were derived from Sphera MLC-Databases and DE-FRA 2023:

- Data for stationary combustion data was mapped to EFs from Sphera LCI database “Sphera MLC-Databases”.

- Data for mobile combustion data was mapped to EFs from Sphera LCI database “Sphera MLC-Databases”, as well as “DEFRA – GHG reporting: conversion factors 2023”.
- Data for fugitive emissions data was mapped to EFs from “DEFRA – GHG reporting: conversion factors 2023”.

The chosen consolidation approach is operational control. This approach is most commonly chosen for setting the operational boundaries of an organization. MKS PAMP SA is operating its sites and has full control over them, i.e. the operation is not subject to a joint venture or other organisation forms. With the introduction of CSRD regulation, the application of operational control will be mandatory for reporting under the CSRD. To align with EU regulation and follow best practice, MKS PAMP SA adopts Sphera’s recommendation to use the operational control approach.

The standards used for calculating and reporting the emissions is the GHG Protocol – A Corporate Accounting and Reporting Standard – Revised Edition Version 2004.

The consumption of heating oil for Florissant office was estimated using the energy consumption per square meter ratio from St. Antoine office. Emissions for mobile combustion data was extrapolated based on H1 2023 data. For H2 of 2022 half month was excluded, because of Christmas holidays.

Data for stationary combustion provided in physical-unit data (Liter, m<sup>3</sup> and kWh) and average-data method is applied.

Data for heating in Florissant office assumed in physical-unit data (kWh) and as no supplier information available, average-data method is applied. From FY22, purchased heating at the Florissant office was moved from Scope 3 Category 8 to Scope 1 due to a change of consolidation approach to operational control.

Data for mobile combustion provided in physical-unit data (Liter and km) and fuels-based and distance-based methods are applied.

Data for fugitive emissions physical-unit data (kg) and average-data method is applied.

### 305-2 Energy indirect (Scope 2) GHG emissions

MKS PAMP SA identified total indirect emissions (Scope 2- location based) of 1.108 metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

MKS PAMP SA purchases renewable electricity certificates for all consumed electricity. The total Scope 2 emissions (market based) are 0 metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

All Kyoto gases were included in the calculation.

FY19 was chosen as base year because it was the closest non-covid year prior to setting SBTi Targets. Emissions in the base year were Scope 2 – 775 tCO<sub>2</sub>e (restated)

In FY23, data for location-based electricity mapped to EF from Sphera LCI database Sphera MLC-Databases. In FY22, data for location-based electricity mapped to EF from Carbonfootprint dataset and in FY19, data for location-based electricity mapped to EF from Treeze Ltd 2014 Report and the International Energy Agency (IEA) 2019 data.

The chosen consolidation approach has shifted from financial control in FY22 to operational control in FY23. This shift was conducted for MKS PAMP SA to align with upcoming general standards and frameworks.

The standards used for calculating and reporting the emissions is the GHG Protocol – A Corporate Accounting and Reporting Standard – Revised Edition Version 2004.



In the market-based calculation, under Sphera's guidance, MKS PAMP SA considers zero direct emission for electricity from renewable sources. MKS PAMP SA operates on 100% renewable energy, thus resulting in zero market-based emissions.

MKS PAMP SA's scope 2 location-based emissions are substantially higher, to which a 3% increase can be allocated to an augmentation in electricity usage, and the remainder is due to a change of emission factor. Given the significant increase in the emission factor, MKS PAMP SA restated the base year and the comparative period, presented in table 11.

**Table 11 – Scope 2 emissions**

	Location Based (t CO <sub>2</sub> e)				Market Based (t CO <sub>2</sub> e)		
	FY19	FY22	FY23		FY19	FY22	FY23
Original	100	114	1.108	Original	5.41	1.18	0
Restated	775	1.269		Restated	0	0	

### 305-3 Other indirect (Scope 3) GHG emissions

MKS PAMP SA has calculated total of Scope 3 GHG emissions of 5.978.652 metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). In the calculation all Kyoto gases were included. There are no biogenic sources for CO<sub>2</sub> equivalent emissions detected. The emissions were calculated for Scope 3 Categories 1, 2, 3, 4, 5, 6, 7, 9, 10 and 15.

**Table 12 – Scope 3 categories**

Scope 3 Categories	FY22 t CO <sub>2</sub> e	FY23 t CO <sub>2</sub> e
Cat 1 – Purchased G&S	5.738.403	5.849.731
Cat 2 – Capital goods	967	1.091
Cat 3 – Fuel- and energy related	70	170
Cat 4 – Upstream transportation	4.149	3.533
Cat 5 – Waste generated in Operations	57	16.832
Cat 6 – Business travel	183	265
Cat 7 – Employee commuting	280	321
Cat 9 – Downstream Transportation & Distribution	1.123	3.763
Cat 10 – Processing of Sold Products	43,722	51.241
Cat 15 – Investments	72.258	51.703
<b>Total</b>	<b>5.861.212*</b>	<b>5.978.652</b>

*\*Amendments were applied in the FY22 GHG data upon further data evaluation.*

FY19 was chosen as base year because it was the closest non-covid year prior to setting SBTi Targets. Emissions in the base year 8.295.226 tCO<sub>2</sub>e for Scope 3.

The emission factors used for the calculations were mainly derived from different sources than FY19 and FY22. Namely, Sphera MLC-Databases, SKARN Database, Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6, DEFRA 2023, Ecoinvent Database, and the World Gold Council. The standards



used for calculating the emissions are the Greenhouse Gas Protocol – Corporate Value chain (Scope 3) Standard and Greenhouse Gas Protocol – Scope 3 Calculation guidance.

Scope 3 Category 5 - For further accuracy in reporting, MKS PAMP SA includes the transportation of wastes in FY23, amounting to 16,755 tCO<sub>2</sub>e.

From FY22, purchased heating at the Florissant office was moved from Scope 3 Category 8 to Scope 1 due to a change of consolidation approach to operational control.

In FY23, under the GHG Protocol, MKS PAMP SA employed a 5% equity share threshold for the inclusion of their investments under Scope 3 Category 15 and assessed the impact of the investments not included in the reporting is not material. For comparison purposes, FY19 and FY22 were restated due to the applicability of FY23's methodology on the previous years.

### 305-5 Reduction of GHG emissions

As stated above, the Financial Year 2019 was selected as a base year following the same rational.

The standards used for calculating the emissions are the Greenhouse Gas Protocol for corporate accounting, Greenhouse Gas Protocol – Corporate Value chain (Scope 3) Standard and Greenhouse Gas Protocol – Scope 3 Calculation guidance.

**Table 13 GHG Scope (I-III) emission reduction/increase (%)**

GHG Scope	FY19 Emissions (t CO <sub>2</sub> e)	FY23 Emissions (t CO <sub>2</sub> e)	Reduction / Increase
<b>Scope 1</b>	642	409	36,3% ↓
<b>Scope 2</b> Location based	775	1.108	43,0% ↑
<b>Scope 3</b>	8.295.226	5.978.652	27,9% ↓
<b>Total</b>	<b>8.295.969</b>	<b>5.980.169</b>	<b>27,9% ↓</b>

### 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions

MKS PAMP SA directly measures its nitrous oxides emissions. For the fiscal year of 2023, we measured a cumulative emission of 19.644 kg NOX. Other air pollutants are not measured.

## 306: Waste

### 3-3 Management of the topic

#### Impact assessment description

Waste and waste management can have a significant impact specifically in MKS' upstream value chain. The company identifies an actual negative impact on the environment and a potential negative impact on people. Waste and its incorrect management can have an impact with a large scale and high irremediable character.

#### Policies or commitments regarding the topic

MKS PAMP SA has currently no policies or commitments regarding waste. Nevertheless, we have set waste separation and recycling as priority within the company.

#### Actions taken to manage the topic and related impacts

As stated above, MKS PAMP SA has installed a system to categorize different waste types. Further, we ship some waste from chemical processes to specialised recyclers to ensure a proper disposal and treatment. Most of the hazardous waste generated are copper hydroxides, which are then recovered for copper by these specialized companies.

The organization specifically focuses on reducing waste that requires incineration. This process is necessary to prevent metal loss during the waste treatment. The recent work-in-progress introduction of better scanning technologies for the check of metal within waste is aimed at reducing the need to burn internal waste.

MKS PAMP SA is associated to the Swiss PET recycling association, which allows us access to a network of companies working towards higher recycling rates of plastic wastes.

#### Processes used to track the effectiveness of the actions

The organisation has defined the following goals and targets:

##### *General and Incinerated waste*

**Goal:** By FY30, recycle 100% of general and incinerated waste.

- **Short-term Targets (FY25):**
  - Develop a waste management plan prioritising reusing and recycling.
  - Establish baseline data for waste generation and set initial reduction targets.
- **Medium-term Targets (FY27):**
  - Implement waste reduction measures to minimise general waste generation.
  - Reduce incinerated waste by 50% and optimise the types of materials requiring this processing.
- **Long-term Targets (FY30):**
  - Continuously improve waste reduction and recycling practices, aiming to achieve a circular economy model with minimised waste.
  - Invest in new technologies to eliminate the incineration process.

##### *Special waste*

**Goal:** By FY30, reduce the amount of special waste.

- **Short-term Target (FY25):**
  - Establish a plan to reduce copper hydroxide waste.
- **Medium-term Target (FY27):**
  - Invest in new technology to recycle special waste and define the exact amount of special waste to reduce.
- **Long-term Target (FY30):**
  - Reduce the amount of special waste through the supply chain.

#### Lessons learned

The amount of waste that may not be incinerated due to new scanning technology is being determined. Awareness campaigns are carried out in the company to improve waste collection.

### 306-1 Waste generation and significant waste-related impacts

Refining and melting are the activities which generate most of the hazardous wastes, which are later recycled. Considerations are being made on the impacts of different inbound materials on energy needs and waste generation, as materials which tend to require more processing and produce more waste.

The above considerations apply only for the internal impacts. Upstream impacts are considered (e.g., at mines) during the onboarding and site-visit processes.

### 306-2 Management of significant waste-related impacts

MKS PAMP SA has installed packaging re-use in cooperation with some mines, as well as paper reduction measures. In the disclosures above, we have described the actions aimed at reducing the need to burn waste.

Separated waste goes to specialized recyclers, which recover/re-use the material with specific technological processes according to the nature of the different waste types. Also, hazardous waste is shipped according to Swiss and EU regulations for the transportation of special waste and chemicals. The recyclers operate in line with EU requirements, and they are well known and reputable companies in the business. Starting an operation with a new recycler also involves a due diligence process which facilitates comprehension and understanding of their proper operation.

Waste-related data is provided by waste collectors and by the Swiss Federal Administration logistical office (special waste is officially reported to PRTR + VeVa registers/offices).

### 306-3 Waste generated

MKS PAMP SA generates a total of 335,97 metric tons.

### 306-4 Waste diverted from disposal

Table 10 shows MKS PAMP SA's total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste.

**Table 14: Total waste diverted from disposal for MKS PAMP SA sites**

Waste diverted from disposal	Total [t]	Castel San Pietro [t]	Geneva [t]
<b>Total weight</b>	<b>305,54</b>	<b>284,94</b>	<b>20,6</b>
PET bottles	1,21	0,81	0,4
Paper	15,25	11,25	4
Glass	7,1	7,1	
Metals	15,79	15,79	
Wood	48,23	48,23	
Plastic	6,7	6,7	
Other solvents	0,47	0,47	
Ash	37,42	37,42	
Sludge hydrates	157,17	157,17	
Compost	0,2		0,2
General waste	16		16

**Table 15: Total hazardous waste diverted from disposal for MKS PAMP SA sites**

Hazardous waste diverted from disposal	Total [t]	Castel San Pietro [t]	Geneva [t]
<b>Total weight</b>	<b>194,59</b>	<b>194,59</b>	-
Recycling	194,59	194,59	-

**Table 16: Total non-hazardous waste diverted from disposal for MKS PAMP SA sites**

Non-hazardous waste diverted from disposal	Total [t]	Castel San Pietro [t]	Geneva [t]
<b>Total weight</b>	<b>110,41</b>	<b>90,35</b>	<b>20,06</b>
Recycling	110,41	90,35	20,06

**Table 17: Breakdown of hazardous and non-hazardous waste diverted from disposal for MKS PAMP SA sites**

Waste diverted from disposal	Total [t]	Castel San Pietro [t]	Geneva [t]
<b>Total weight</b>	<b>305,54</b>	<b>284,94</b>	<b>20,06</b>
Offsite	305,54	284,94	20,06

### 306-5 Waste directed to disposal

Table 18 shows MKS PAMP SA's total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste. Geneva is an office site without manufacturing. Hence, the waste output is negligible compared to the refinery in Castel San Pietro.

**Table 18: Total weight of waste directed to disposal for MKS PAMP SA sites**

Waste directed to disposal	Total [t]	Castel San Pietro [t]
<b>Total weight</b>	<b>51,03</b>	<b>51,03</b>
Bulky waste	49,06	49,06
Industrial oils	1,35	1,35
Sand, carbons, resins	0,62	0,62

**Table 19: Total weight of non-hazardous waste directed to disposal for MKS PAMP SA sites**

Non-hazardous waste directed to disposal	Total [t]	Castel San Pietro [t]
<b>Total weight</b>	<b>49,06</b>	<b>49,06</b>
Incineration (with energy recovery)	49,06	49,06

All wastes (51,03 t) directed to disposal are transported and treated offsite.

Disclaimer: We have no precise information on the method for disposal, but given the context, incineration with energy recovery should be the most likely option.

## 308: Supplier Environmental Assessment

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### 3-3 Management of the topic

#### Impact assessment description

MKS identifies a potential positive impact on the environment, the economy and on people through its activities regarding supplier environmental assessments. The potential positive impact is seen as very likely and rated as significant based mainly on the high scope of the impact.

#### Policies or commitments regarding the topic

All precious-metals sources are assessed on their compliance with the regulatory requirements applicable to each metal. In addition, they are assessed with a view to protect our reputation.

The refinery sends all its non-precious metals suppliers a request to fill a supplier assessment questionnaire, covering H&S, Environmental, Quality and Ethical topics. The questionnaire allows to score the expected performance of each supplier based on the above-mentioned topics. The questionnaire is primarily for the active suppliers, but in some cases, it has been used as a pre-qualification tool for suppliers still in a negotiation phase. From our standpoint, the lesson learned was understanding the value of having an environmental assessment and using it as an assessment and discussion tool during the negotiation phase.

#### Actions taken to manage the topic and related impacts

Assessments conducted for precious metals sources comprise onboarding assessments, onsite assessments and regular monitoring. Sources that do not comply with our requirements are either subject to monitored improvement plans or suspended or terminated depending on the gravity of the identified issue.

In order to prevent potential negative impacts related to non-precious metals suppliers, MKS PAMP SA sends a Supplier's Declaration of Commitment together with the above-mentioned questionnaire. Suppliers sign it, hence, accepting MKS PAMP SA's general principles which are contained in the declaration. The principles are mostly related to ethics.

For some suppliers, MKS PAMP SA performs visits and specific audits to ensure coherence with ethical principles. In particular, all precious metal suppliers undergo a strict due diligence/ Know Your Customer (KYC) process, including onsite visits.

As no actual negative or positive environmental impact requiring an action has been identified for this topic, MKS PAMP SA does not report on them.

#### Processes used to track the effectiveness of the actions

The organisation has defined the following goals and targets:

##### *Precious Metals Suppliers*

###### **Goal:**

By FY30, we aim to ensure that 100% of our suppliers comply with our comprehensive ESG standards. These standards emphasize sustainable practices, ethical operations, transparent governance, and the prioritisation of partners who proactively improve their ESG performance, thereby reducing the environmental and social impact of our overall supply chain.

- **Short-term Target (FY25):**
  - Include all aspects of ESG into onboarding and monitoring processes of our precious metal sources.
  - Engage sources on how best MKS PAMP can help support improvement in their ESG performance.
- **Long-term Target (FY30):**
  - Continuously ensure precious metals suppliers are fully aligned with ESG requirements and have either a positive or improved performance.

##### *Non-precious Metals Suppliers*

**Goal:** By FY30, ensure we have evaluated 100% of our selected providers based on their environmental and social impact.

- **Short-term Target (FY25):**
  - Develop an ESG questionnaire for non-precious metals suppliers.
- **Medium-term Targets (FY27):**
  - Have at least 50% of relevant non-precious metals suppliers complete the questionnaire.
  - Define a scoring system for assessing non-precious metals suppliers based on their ESG impact and performance.
- **Long-term Target (FY30):**
  - Assess non-precious metals suppliers against the defined ESG scoring assessment system.
  - Have 100% of relevant non-precious metals suppliers complete the questionnaire.

#### **308-1 New suppliers that were screened using environmental criteria**

In the reporting period, MKS PAMP SA screened 100% of precious and non-precious metals new suppliers using environmental criteria.

#### **308-2 Negative environmental impacts in the supply chain and actions taken**

In total, 271 suppliers were assessed for environmental impacts. Of those, zero were identified as having significant actual and potential negative environmental impacts. We therefore did not identify any significant actual and potential negative environmental impacts in our supply chain.

## 401: Employment

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### 3-3 Management of the topic

#### Impact assessment description

MKS PAMP SA identifies the impact of employment practices mainly on people and the economy. The organisation employs workers in different locations, and the employment practices are under national legislation. There is a limited influence of MKS PAMP SA on the employment practices of its business partners, which can be perceived as a risk of a potential negative impact.

Although the likelihood of a negative impact is relatively low, the organisation assessed the potential impact of a human rights-related issue, considering this topic significant, based primarily on its scope.

#### Policies or commitments regarding the topic

MKS PAMP SA has policies and commitments regarding its employment practices, such as staff regulations, a whistleblower policy (in progress) and an Anti-harassment policy.

#### Actions taken to manage the topic and related impacts

MKS PAMP SA focuses on the following actions to prevent and mitigate potential negative impacts: Management training conducted as individual coaching measures on a case-by-case approach and as team building. Additionally, discussions with the persons involved might be required to clarify the nature of the potential negative issues identified and, if needed, an internal investigation to confirm facts.

Grievances are addressed through the source they relate to, in collaboration with the relevant supervising bodies (LBMA or RMI).

#### Processes used to track the effectiveness of the actions

MKS PAMP SA needs to develop a standardized process to track the actions' effectiveness. However, the organisation is developing a platform to capture and track grievances, which will shortly provide the means to better assess the actions taken. So far, HR has considered a customized approach per case.

#### 401-1 New employee hires and employee turnover

Table 20 - New employee hires and turnover per region

	Age			Gender		Employment Location			
	< 30	30-50	> 50	Male	Female	Italy	France	Switzerland	Rest of the world
Number of new employee hires	25	27	6	46	12	45	2	9	2
Rate of new employee hires*				14%	4%	14%	1%	3%	1%

Number of employee turnover	5	6	10	17	4	10	10	-	1
Rate of employee turnover**				5%	1%	3%	3%		

\* (Number of new employee hires / 327 (average of collaborators)) \* 100

Example:  $(46/327) * 100 = 14\%$

\*\* (Number of employee turnover / 327 (average of collaborators)) \* 100

Example:  $(17/327) * 100 = 5\%$

#### 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Table 21 - Benefits provided to full-time employees

Benefits provided to full time employees	GENEVA and TICINO
Life insurance	No
Health care	Only for accidents
Disability and invalidity coverage	Yes
Parental leave	Yes
Retirement provision	Yes
Stock ownership	No
Others	Bonus

#### 401-3 Parental Leave

Table 22 - Parental leave

	Male	Female
Number of employees entitled	12	5
Number of employees that took parental leave	12	5
Number of employees returned to work	12	5
After return still employed for 12 months	100%	100%



Return to work rate	100%	100%
Retention rate	100%	100%

## 403: Occupational health and safety

### 3-3 Management of the topic

#### Impact assessment description

MKS PAMP SA is aware of potential negative impacts given the nature of the company's operations. The company is committed to continually improving H&S performance, minimizing the likelihood of any potential negative impact on people.

The company prioritizes Occupational Health and Safety based on the significance of the impact. Given the nature of the company's operations, this topic is considered with a medium scale, scope and irremediable character.

#### Policies or commitments regarding the topic

The refinery operations (Ticino branch) are ISO45001 and SA8000 certified. A policy for Quality, Environment and H&S is in place, as well as procedures, directives, working instructions and risk analysis.

#### Actions taken to manage the topic and related impacts

The organisation takes actions to prevent or mitigate potential negative impacts such as risk analysis, accident and near-miss investigation and root-cause analysis. Internal audits, safety walks, and employee training are also conducted.

Regarding the actions to address actual negative impacts, the company conducts a detailed investigation of the incident, which leads to the definition of additional measures and/or to the review of risk analysis and internal instructions.

MKS PAMP SA focuses on communicating and sharing good practices with the rest of the organization via training to manage actual and potential positive impacts.

#### Processes used to track the effectiveness of the actions

The processes MKS PAMP SA uses to track the effectiveness of the actions focus on reporting the result of internal audits, safety walks and monitoring of accidents and near-misses during the weekly meetings carried out by the Operational Committee and the heads of departments.

The overarching goal is to create a safe workplace, targeting zero severe health and safety incidents. The organisation internally uses as indicators a *frequency index* (number of accidents per 100.000 hours worked) and a *severity index* (number of working hours lost due to occupational accidents per 1.000 hours worked). The ratio of near misses to injuries increased from 4.1 for FY 2022 to 8.1 for FY 2023 thanks to an increase in near miss disclosures as a result of special training sessions for all staff in which the importance of reporting near-misses is explained and increase awareness at management level.

The organisation has defined the following goals and targets:

**Goal:** By FY30, achieve zero workplace incidents and ensure 100% of employees complete annual occupational health and safety training to foster a safer and more informed work environment.

- **Short-term Targets (FY25)**
  - Develop and implement a comprehensive health and safety policy.
  - Increase near miss disclosures.
- **Medium-term Targets (FY27)**
  - Further improve machineries and health and safety practices
  - Ensure constant reporting of near misses.
  - Define KPIs for monitoring hours of absence due to injury and illness.
- **Long-term Targets (FY30)**
  - Reach zero professional accident performance.
  - Incorporate and focus our efforts on a preventive rather than reactive methodology across all health and safety impacted operations.
  - Promote campaigns on non-professional health and safety education (e.g. sports and hobbies).

As lessons learned, MKS PAMP SA includes continuous integration of outcomes from the H&S management system into existing procedures.

#### 403-1 Occupational health and safety management system

The Swiss legal framework (directive 6508 Federal Coordination Commission for Occupational Safety) requires a company like MKS PAMP SA (refinery) to have a safety management system. Independently of legal requirements, the former PAMP has been OHSAS18001 certified since 2009 and, more recently, ISO45001. H&S management system also meets the requirements of SA8000 and RJC-Code of Practice.

The scope of the H&S management system is the Ticino branch, hence the production facility and all people employed at the site, full time, part time and agency employees (including the production and administrative resources). The scope of the certification has not been extended yet to all the Swiss entities (the Geneva offices are not certified, as their operations are trading and administrative offices).

The two Geneva offices are fully administrative. They are classified as posing no particular risk and therefore do not require a detailed security plan. Ergonomic furniture has been installed for workers (ergonomic chairs, sit-stand desks, etc.). A defibrillator has been installed in each of the two offices and staff have been trained to use them. Upon the occurrence of a workplace incident, employees refer to emergency call numbers and proceed as instructed by professionals.

#### 403-2 Hazard identification, risk assessment, and incident investigation

MKS PAMP SA identifies work-related hazards systematically (hazards portfolio) as suggested by the Swiss institutional body for Health and Safety (Suva). Risk assessments are required according to the mapping of hazards in the portfolio. A qualified H&S engineer, per the Swiss official training and rules, manages the H&S system.

Outcomes of all controlling/auditing/investigation actions translate into updated procedures and new training.

The processes for workers to report work-related hazards are established to be applied directly to the ESG or HSEQ team members, supervisors, top management, workers' representatives or HR (including anonymous reporting). Management actively encourages the team members to report issues. This practice is reinforced in pieces of training and is an essential part of the induction training for new hires.

MKS PAMP SA established the STOP rule by which workers can remove themselves from work situations they believe could cause an injury. HSEQ requests all employees to report issues and be informed about having the right to stop in case they consider it to be at risk. The same approach is strongly encouraged to supervisors by the top management.

Accident or near miss reports are filled by the HSEQ team with all relevant actors (injured employee, other employees, supervisors, technical office etc., according to each case). The goal of the report and investigation is to define root causes and based on that, to define corrective and preventative measures.

#### **403-3 Occupational health services**

H&S is coordinated by the ESG/HSEQ teams, but all departments are involved and requested to participate in hazard identification, assessment and mitigation. ESG/HSEQ teams are accessible daily to workers (direct contact, email, phone etc.). Additionally, the HSEQ team manager is a safety engineer and a second safety engineer in the company is present with several employee who have completed the basic training offered by SUVA as safety officers.

#### **403-4 Worker participation, consultation, and communication on occupational health and safety**

Workers' representatives are part of the H&S committee meetings where the organisation covers topics such as the development, implementation and evaluation of the health and safety management system. Relevant information is communicated with the rest of the employees on the company boards.

The committee meets twice a year, mostly with an addressing function (priority points of intervention and direct improvement efforts for H&S). Decision-making is made at the Operation Committee (OpCom) and the top management level with the ESG/HSEQ senior manager.

#### **403-5 Worker training on occupational health and safety**

MKS PAMP SA provides different levels of training to their employees, such as induction training focused on emergency procedures and more specific training at a departmental level and on demand based on particular needs.

#### **403-6 Promotion of worker health**

MKS PAMP SA facilitates workers to access medical visits during free time or through medical permits.

Regarding voluntary health promotion programs, the organisation provided an introductory communication on risk prevention at home. However, the main focus of the training was occupational health and safety.

#### **403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**

A positive H&S impact can be expected in the business relationships in the supply chain upstream (i.e., at mines and other metal-supplying partners) as a result of the initial and ongoing due diligence that covers H&S practices. Should the due diligence identify that an acceptable level is not met in H&S performances, this will lead MKS PAMP SA to suspend or terminate the relationship unless appropriate and timely improvements are achieved.

#### **403-8 Workers covered by an occupational health and safety management system**

All employees and workers who are delegated by an interim agency, amounting to 281 employees and 30 agency workers, at the site of the operation in Ticino are covered (100%) by the certified health and safety management system (Please see GRI 403-1).

#### 403-9 Work-related injuries

No fatalities due to a work-related injury were registered during the reporting period.

Only eleven minor work-related injuries were registered. The types of injuries reported were due to mechanical accidents and contact with chemical substances.

In FY23, the injuries rate is 3.9, accounting for a total number of hours worked of 571.520 based on 200.000 hours. In FY22, MKS PAMP reported an injury rate of 2.7 accounting for a total number of hours worked of 490.175 based on 200.000 hours.

There were no fatalities or work-related injuries reported for workers who are not employees.

The company determines work-related hazards by conducting a hazard inventory. It is a requirement suggested by the Swiss H&S governing body. Defining the content of the hazards inventory requires systematically analysing processes and identifying which hazards are present due to activities done, tools needed, and substances used during the process. Each hazard is then assessed per its potential impact and the availability of recognised safety rules. High-impact dangers not covered by sufficient safety rules would undergo a risk assessment, whose purpose is to define additional safety measures. Ongoing facts and events (e.g., accidents, near misses, audit outcomes, reports by employees etc.) lead to revisions of the hazards inventory.

#### 403-10 Work-related ill health

MKS PAMP SA records no fatality as a result of work-related ill health or work-related illness for the reporting period.

The organisation conducted an inventory and risk analysis to determine work-related hazards that pose a risk of ill health. To eliminate or minimize risks, MKS PAMP SA followed the hierarchy of controls of risk substitution, technical, organizational, and personal measures.

### 404: Training and Education

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#### 3-3 Management of the topic

##### Impact assessment description

MKS PAMP SA's commitment to training and education positively impacts people. The company aims to positively influence the economy and environment in the middle and long terms.

MKS PAMP considers training and education a significant topic with a reasonable scale and scope.

##### Policies or commitments regarding the topic

Training is proactively proposed to employees based on identified needs, including language courses. A training policy is in place at MKS PAMP SA.

##### Actions taken to manage the topic and related impacts

A learning platform is set in place and is open to all employees. It contains a recommended path, and access to off-the-shelf training based on employees' wishes and preferences.

#### Processes used to track the effectiveness of the actions

The learning platform includes functionality to track (i.e., training hours by professional category), monitor and report on the employees' specific goals and mandatory training to complete.

The organisation has defined the following goals and targets:

**Goal:** By FY30, ensure all team members at MKS PAMP, regardless of their role, will have equitable and inclusive access to skill development.

- **Short-term target (FY25):**
  - Establish a company-wide Learning Culture valuing lifelong learning.
  - Leverage Technology for Learning, utilising the latest in educational technology to make learning more accessible, effective, and tailored to individual needs.
  - Expand Talent Capabilities and broaden the range of skills and expertise within the company.
  - Integrate training programs promoting the company's ESG commitments.
- **Medium-term target (FY27):**
  - Systematically identify professional development opportunities tailored to each team member.
  - Encourage and facilitate access to training for acquiring new skills based on the company's needs and individual aspirations.
  - Identify and develop current and future leaders with dedicated leadership development paths.
- **Long-term target (FY30):**
  - Ensure universal access to company development opportunities.
  - Incorporate reskilling programs focusing on immediate skills needs and on developing the ability to learn and adapt continuously.

#### 404-1 Average hours of training per year per employee

The average hours of training per employee in FY 2023 was 9.21h.

#### 404-2 Programs for upgrading employee skills and transition assistance programs

The learning platform contains recommended programs to upgrade employee skills as well as access to off-the-shelf training.

Regarding transition, assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment, HR is assisting in the case of retirement or contract termination on a case-by-case approach.

#### 404-3 Percentage of employees receiving regular performance and career development reviews

**Table 23 - Percentage of employees receiving regular performance and career development reviews**

	By Gender	
	Male	Female
% of employees who received a regular performance and career development review	100%	100%

## 413: Local Communities

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### 3-3 Management of the topic

#### Impact assessment description

Given MKS PAMP SA's activities, impacts on people and the economy are likely to occur. The company identifies the possibility of the occurrence of both positive and negative impacts.

The company assessed this topic with a low significance, driven mainly by the scope of impact.

#### Policies or commitments regarding the topic

Although the company does not hold a policy regarding local communities, there is an ongoing commitment towards maintaining the communication channels open with local bodies and relevant stakeholders such as the city council, neighbours, schools, associations and retirement houses.

#### Actions taken to manage the topic and related impacts

The actions taken by the organisation to mitigate potential negative impacts are to communicate with the stakeholders via regular meetings, consultations and Email communications on projects and Q&A sessions.

The actions taken by the organisation to address actual negative impacts are the analysis of fumes and smells carried out with institutional partners and results communicated by the institutions to the neighbours association.

The actions to manage actual and potential positive impacts refer mainly to philanthropic community initiatives and volunteering.

#### Processes used to track the effectiveness of the actions

The processes used to track the effectiveness of the actions comprise feedback by partners on volunteering, reports on the use of charity funds, and continuous dialogue with relevant stakeholders. There is a constant adaptation and expansion of the scope for local social initiatives.

The organisation has defined the following goals and targets:

**Goal:** Complete 200 hours of community engagement per financial year.

- **Short-term Targets (FY25):**
  - Establish a community engagement plan.
  - Sensitise workforce community service.
- **Medium-term Target (FY27):**
  - Guarantee that our operations do not create any disturbances for the nearby communities.
- **Long-term Target (FY30):**
  - Ensure positive impact and no disturbance.

#### Stakeholder engagement

The company communicates the actions and their effectiveness to the stakeholders through local press releases, articles, and meetings with relevant stakeholders.

#### 413-1 Operations with local community engagement, impact assessments, and development programs

All the company's operations (100%) consider local community engagement. MKS PAMP SA has conducted:

- Environmental impact assessments and ongoing monitoring
- Public disclosure of results of environmental and social impact assessments
- Local community development programs based on local communities' needs
- Broad based local community consultation committees and processes that include vulnerable groups
- Works councils, occupational health and safety committees and other worker representation bodies to deal with impacts
- Formal local community grievance processes

#### 413-2 Operations with significant actual and potential negative impacts on local communities

MKS PAMP SA identifies Castel San Pietro as the location with a potential negative impact, given the company's operations. The potential risk associated refers to using chemicals and their effects on people and the environment.

## 414: Supplier Social Assessment

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### 3-3 Management of the topic

#### Impact assessment description

MKS PAMP SA identifies a positive potential impact on people due to its procurement practices and high standards procedures, which seek to minimize risks related to human rights issues due to its business relationships. At the same time, the organisation is aware of the challenges in the supply chain, identifying potential adverse impacts with a low likelihood of occurrence. Supplier social assessment is highly significant, driven by the considerable scale and scope.

#### Policies or commitments regarding the topic

MKS PAMP SA has set up policies that define initial and ongoing due diligence in agreement with the OECD and LBMA requirements.

#### Actions taken to manage the topic and related impacts

Application of policies is regularly monitored, and issues are timely reported to/acted upon by relevant management departments. To mitigate or prevent potential adverse impacts, the company periodically watches supply through monitoring of flows, information monitoring, and on-site visits.

Regarding the action to address actual negative impacts, the company timely evaluates for appropriate action (either remediation or disengagement). Remediation is planned and monitored with the supplier involvement.

#### Processes used to track the effectiveness of the actions

MKS PAMP SA periodically monitors supplier social assessments evaluating their progress against the issues pending to resolve or those which have been solved. Regarding the pending topics, the organisation aligns towards a resolution plan.

The organization defined the following goals and targets:

- Goal: ensure all providers are evaluated on their environmental and social impact.
- Short-term Target: Develop an ESG questionnaire for providers. Have at least 50% of providers complete it.
- Medium-term Target: Have all providers complete the ESG questionnaire. Implement a system for assessing providers based on their ESG performance.
- Long-term Target: All providers have been evaluated on their environmental and social impact by the MKS PAMP SA ESG team.

We can summarize the lessons learned as the importance of early identification and action on potential issues and the difficulty of handling remediation away from the company's area of influence.

#### **414-1 New suppliers that were screened using social criteria**

MKS PAMP SA screened for the reporting period new suppliers using social criteria. For precious metals, MKS PAMP SA screened 100% of its suppliers.

#### **414-2 Negative social impacts in the supply chain and actions taken**

According to our sourcing policy, 100% of the MKS PAMP SA supply chain is regularly monitored for social impacts.

MKS PAMP SA has not registered any negative impacts in the reporting period.

Potential negative impacts related to precious metals supply chains include health and safety issues, primarily for the miners, resettlements or human rights issues for the communities close to the mines; fatalities or injuries in relation with armed intrusions into the mine, either through confrontations with State police or accidents.

The percentage of suppliers identified as having a potential negative social impact is 0 %.



# GRI Content Index

MKS PAMP SA has reported by reference to the GRI 2021 Standards for the period July 1st, 2022, to June 30th 2023.

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GRI Standard	Disclosure	Page number(s)	Omission	Explanation
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	2-2: Entities included in the organisation's sustainability reporting	5		
	2-3: Reporting period, frequency and contact point	5		
	2-4: Restatements of information	5		
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	2. Activities and workers			
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	2-7: Employees	6		
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	2-9: Governance structure and composition	7		
	2-10: Nomination and selection of the highest governance body	7		
	2-11: Chair of the highest governance body	7		
	2-12: Role of the highest governance body in overseeing the management of impacts	7		
	2-13: Delegation of responsibility for managing impacts	7		
	2-14: Role of the highest governance body in sustainability reporting	8		
	2-15: Conflicts of interest	8		
	2-16: Communication of critical concerns	8		

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2-18: Evaluation of the performance of the highest governance body	8
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	3-1 Process to determine material topics	17		
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GRI Standard	Disclosure	Page number(s)	Omission	Explanation
<b>GRI 3: Material topics 2021</b>				
	<b>201- Economic Performance</b>			
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	201-1 Direct economic value generated and distributed		Confidentiality constraints	MKS PAMP SA considers this information confidential
	201-2 Financial implications and other risks and opportunities due to climate change	23		
	201-3 Defined benefit plan obligations and other retirement plans	24		
	201-4 Financial assistance received from government	24		
	<b>302- Energy</b>			
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	302-2 Energy consumption outside of the organization		Not applicable	The company does not account for energy consumption outside its facilities.
	302-3 Energy intensity	27		
	302-4 Reduction of energy consumption		Information not available	The company does not have access to granular data to provide. There are initiatives toward this topic, and more detailed data will be accessible in further reporting cycles.
	302-5 Reductions in energy requirements of sold products and services		Not applicable	Given the nature of the organisation's activities and products, this requirement is not applicable.
	<b>303- Water and Effluents</b>			
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305-3 Other indirect (Scope 3) GHG emissions	33		
305-4 GHG emissions intensity		Confidentiality constraints	MKS PAMP SA considers this information confidential.
305-5 Reduction of GHG emissions	34		
305-6 Emissions of ozone-depleting substances (ODS)		Not applicable	Given the nature of the organisation's activities and processes, this requirement is not applicable.
305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	34		
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## List of Acronyms

AML	Anti-Money Laundry
HSEQ	Health, Safety, Environment and Quality
KYC	Know your customer
LBMA	London Bullion Market Association
LSA	Laboratorio Saggi e Analisi
ML	Megaliters
SASB	Sustainability Accounting Standards Board

## Glossary

**Immissions:** all forms of environmentally harmful emanations from industrial sites, such as atmospheric pollutants, noise, vibration, ionized and nonionized radiation on any wavelength, unpleasant or noxious odours, etc., that can affect people, animals and vegetation.