

MKS PAMP SA FY2022 ESG Report



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MKS PAMP SA is a privately owned company headquartered in Geneva, Switzerland. As the primary company within the MKS PAMP GROUP, MKS PAMP operates a precious metals refinery and state-of-the-art mint and provides financial and physical trading services to an international clientele.

With a global presence and over 60 years' experience in the precious metals industry, MKS PAMP is committed to supporting a sustainable future with precious metals products and services. In December 2021, MKS (Switzerland) SA and PAMP SA combined their respective business operations to form MKS PAMP SA, thereby grouping their refining, fabrication and trading services under a 360-degree offering. By harnessing the trading and financial expertise of MKS and the industrial know-how of PAMP, MKS PAMP successfully strengthened the company's expertise, enhanced stakeholder value, and reaffirmed its commitment to responsible practices.

The FY2022 ESG Report is MKS PAMP's primary source of disclosure on ESG performance and is established in accordance with the Global Reporting Initiative (GRI) report and disclosures. The report covers the financial period from July 1st, 2021 to June 30th, 2022. The organisation has not made any restatement of information during the reporting period. The company looks forward to seeking external assurance in following reporting cycles. In 2023, MKS PAMP will conduct a readiness and health check to analyse and determine when an assurance process is feasible.

Letter from Our CEO

“The journey towards carbon reduction is not an easy one, but we aim to be bold in our goals and in the way we address environmental and climate concerns”

Dear Reader,

When my father founded MKS in 1979, his vision was to create value for generations to come. Today, as CEO of MKS PAMP, I am proud to say we are keeping this vision alive by taking significant steps towards enhancing our focus on Environmental, Social, and Governance (ESG) practices. January 2022 saw the creation of our ESG department to support a greater level of understanding and implementation in combating climate change.



Indeed, 2022 was a year of many firsts for our family-owned business, not to mention one of strategic growth, as MKS (Switzerland) SA and PAMP SA became one. Harnessing the trading and financial expertise of MKS, and the industrial know-how of PAMP, we have grouped our refining, fabrication and trading services under a 360-degree offering. Through this merger, we remain steadfast in our commitment to taking a long-term approach to fostering shared value.

Supporting the health of the planet

As a leading precious metals production site, we are acutely aware of our operational impact on the environment and the deep responsibility we bear to mitigate it. The journey towards carbon reduction is not an easy one, but we aim to be bold in our goals and in the way we address environmental and climate concerns, which is why we have set ambitious targets to cut our emissions at scale. In doing so, we became **the first precious metals company to have Science Based Targets initiative (SBTi) approved carbon emissions reduction targets**. It is our hope that many other players in our industry will follow suit, so that together, we can prevent the worst effects of climate change.

Building on our long heritage as a leading sustainable precious metals company, we unveiled another first-in-the-industry: a **portfolio of carbon neutral precious metals products**, independently certified by the Carbon Trust.

Working together for our people and our communities

Of equal importance to us is our social impact and the wellbeing of our employees. This year, we conducted our **first employee engagement survey** since the merger as “One Team” to better understand what our employees value in their work and working environment. We gave back to our local community, specifically through volunteering initiatives, financial support, and workshops to empower our employees and the communities around us.

Governance

On the governance front, our merger further facilitates working relations and provide greater synergies across our offerings and operations, allowing us to streamline our operations and respond to our clients’ ever-evolving needs and requirements. For the first time, **our Board of Directors is led by a female chair**. Indeed, we are an organisation that values and leverages the strengths and experiences of all team members.

Looking to the 2023 financial year and beyond, we see an exciting future ahead for MKS PAMP. As the past year has demonstrated, the global environment will continue to be complex. This will require constant analysis and adaptation so that we can continue to serve our stakeholders effectively and advance on our sustainability goals.

Thanks to the dedication of our people and partners, we look to the future with confidence.

Marwan Shakarchi, CEO

Key Takeaways



Environment



We became the first precious metals company to set carbon emissions reduction targets validated by the **Science Based Targets initiative (SBTi)**.



We produced a first-in-industry portfolio of carbon neutral precious metals products which have been certified by **The Carbon Trust**.



We are sourcing 100% renewable energy for our business activities.



We reduced the CO₂ emissions of our production site by 40% since 2016.



Social



We conducted a “One Team” survey, our first employee engagement survey since the merger to help gain employee insights and improve our collaboration among teams and sites, as well as fostering a culture of open dialogue and communication.



Our support to the Fondazione Sant’ Angelo di Lovereiano enabled the setup of a small editorial office that produced the “Loverciano Post” school magazine and a gardening workshop.



We continued to support and collaborate with local institutions around our Ticino production site including the Municipality of Castel San Pietro, the Tavolino Magico, a local retirement home, the ambulance service, the blood transfusion service, as well as UNICEF and the Swiss Red Cross. Our involvement included both financial support and corporate volunteering.



Governance



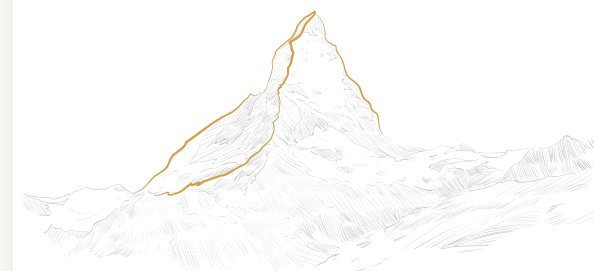
Mrs. Karma Liess-Shakarchi was elected as the first female Chair of the Board of Directors.



We further embedded ESG into our corporate governance to show our commitment in this area and build greater trust amongst our stakeholders.



We committed to be part of the Swiss Boards for Agenda 2030.



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Introduction: the Organisation and Its Reporting Practices

Introduction

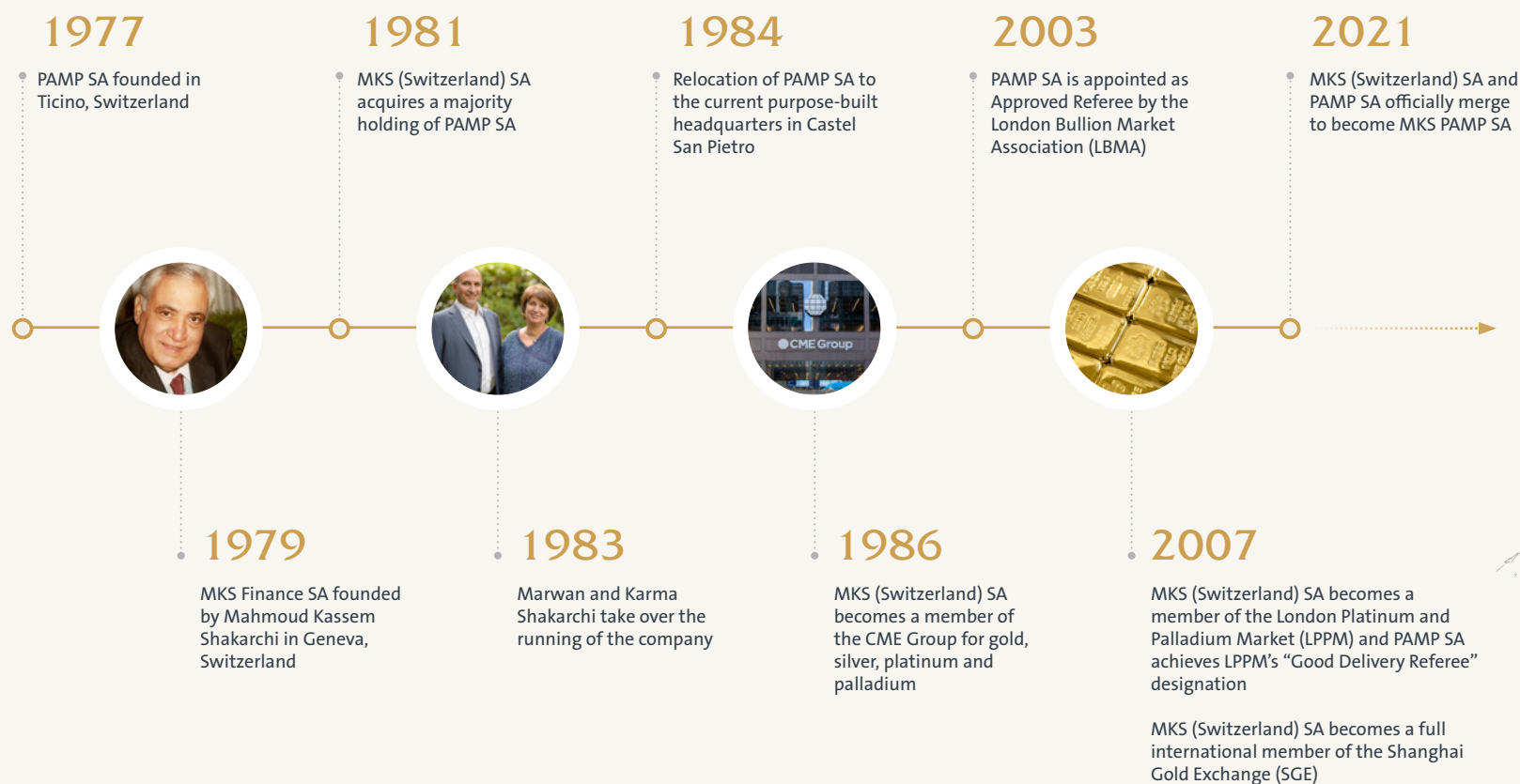
MKS PAMP at a Glance

07

MKS PAMP at a Glance

Our Timeline

At MKS PAMP, the core of our business centres around trading operations, refining, and fabricating precious metals. As part of our supply chain activities, we source precious metals from mines, recyclers, and bullion markets. Our downstream segment delivers finished products to financial markets, the luxury and jewellery industry, banks and central banks.



The Future

As they have entered a new era, teams have further united to continue bringing together industry-leading expertise in sourcing, supplying, refining, fabricating, and trading, among other precious metals products and services.



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Core Values

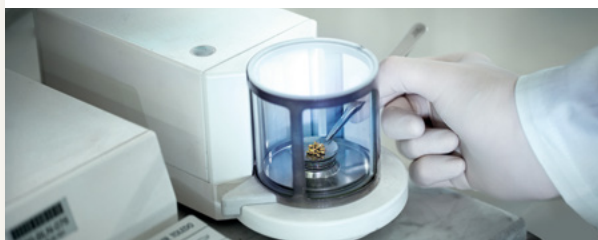
MKS PAMP's core values are our guiding light, defining our identity and determining our strategy. These values are shared across the company, helping us achieve our objectives and driving progress throughout all business activities. They direct our structure, our policies, and our culture. As such, we strive for:



EXCELLENCE



TRUST &
RELIABILITY



RESPECT



RESPONSIBLE
SOURCING



PROTECTION &
DEVELOPMENT



RESEARCH &
INNOVATION



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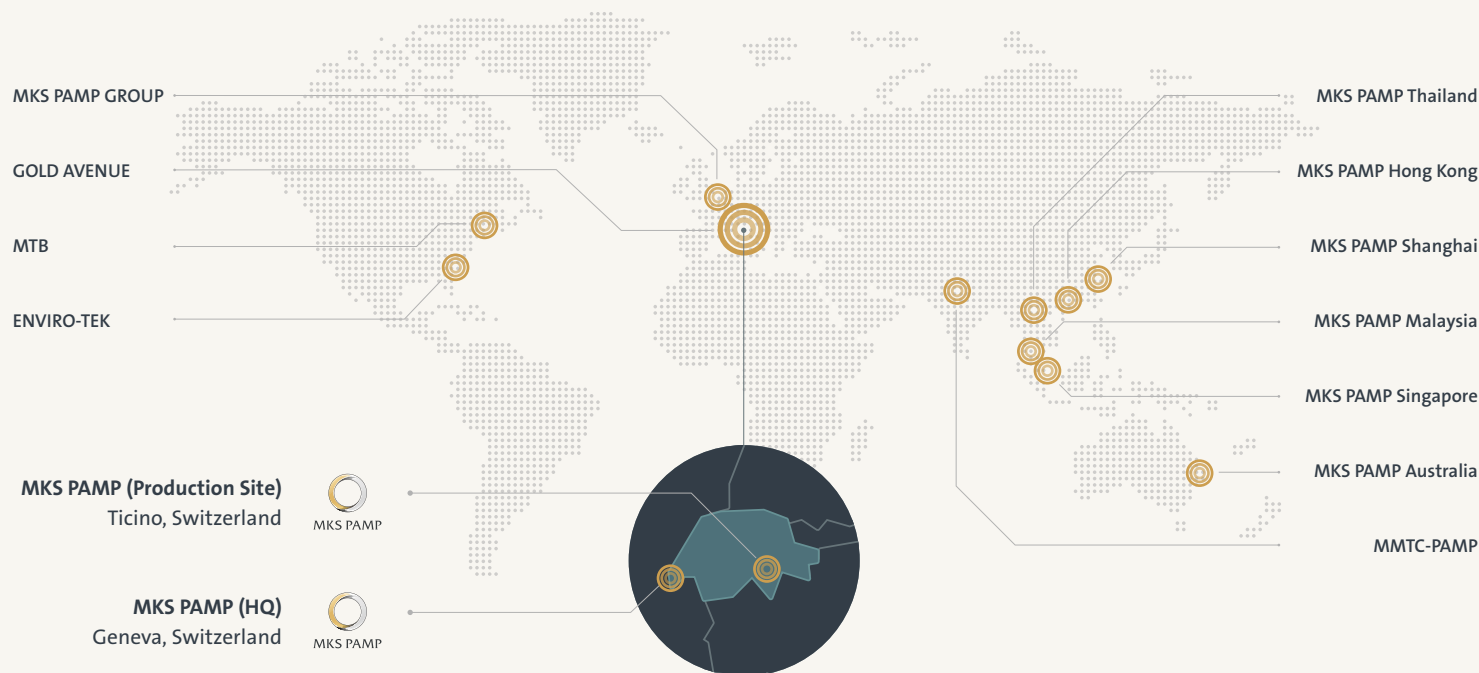
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Operations & Figures



Environmental Performance Commitments:

- ✓ SBTi
- ✓ ACT*
- ✓ ISO 14001*

Social Performance Commitments:

- ✓ SA 8000*
- ✓ ISO 45001*
- ✓ RJC code of practice
- ✓ LBMA & LPPM Responsible Precious Metals Guidance
- ✓ OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas

*Ticino branch only

279



Employees

100%



Renewable energy sourced

5



Precious metals products certified as Carbon Neutral and Carbon Measured by the Carbon Trust

278 tCO₂e



Overall CO₂e emissions reduction against FY19 baseline year

25+



Accreditations & memberships

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Board of Directors

► Purpose, Mission, and Strategy

Structure and Composition

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Purpose, Mission, and Strategy

Family values have always guided our business and they remain at the core of everything we do. In FY2022, these values continue to drive us as a team in meeting the highest standards of ethics and integrity in the way our business is governed. Being able to rely on efficient and agile decision-making remains one of our main priorities. Our management guiding principles and management structure are described here.



Purpose

To safeguard our partners' values through investments in precious metals



Mission

To produce beautiful and safe physical assets by refining, trading, and selling superior precious metals products globally and in Switzerland.

To engage with our suppliers, customers, and employees to ensure that our products are innovative, authentic and responsibly sourced and produced, to the highest standards in the industry.

To create wealth while promoting social wellbeing and responsibly managing all the resources involved in our supply-chain.



Strategy

Five focus areas combine to define who we are:

Family culture - The Company will ensure that a family spirit is entrenched in its culture. We will promote high environmental, social and governance standards to ensure sustainability in all our business activities for the long-term success of present and future generations.

Skilled and diverse workforce - The Company will assist employees in adapting to technological advancements and utilising their individual knowledge and expertise to create and provide value-added products and services. The Company will strive for diversity and equality in its workforce and ensure that all employees are valued, respected, and integrated into the corporate family.

A sustainability driven company - Sustainability and profitability are guiding principles; both are equally prioritised. We adopt an integrative approach that incorporates progressive social and environmental solutions in our commercial and operational activities.

Innovative practices - The Company aims to surpass the industry's expectation of innovation and excellence. Our priority is to deliver the highest quality and transparency in our customer-centric products and services.

Access to products and solutions - The Company will focus on customer's needs. Providing continuous access to the physical supply-chain is essential to our partners.

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Our Guiding Principles



Positive Impact

While we aim to maximise shareholder value, our purpose is at the core of our work. This means engaging employees by providing meaning in their work and having a positive impact on the world.



Trust

Supply chain transparency allows us to have a greater oversight of our clients, suppliers and set goals on how we can generate greater value.



Responsibility

We work with organisations that prioritise ESG initiatives and support our ESG commitments.



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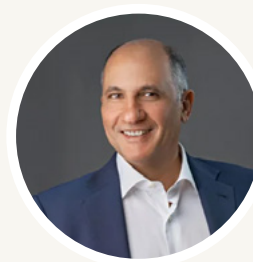
Structure and Composition

Elected by the General Assembly, the Board of Directors is the highest governing body at MKS PAMP SA. For the financial year 2022, the Board consisted of two executive and three non-executive members. During this time, the Board of Directors comprised the following members:



Ms. Karma Liess-Shakarchi
Chairman

Executive member
(Nov 2021 - Present)



Mr. Marwan Shakarchi
CEO

Executive member



Mr. Jean-Pierre Roth
Chairman

Non-executive member
(July 2021 - Nov 2021)



Mr. Aleardo Cattaneo

Non-executive member



Mr. Hans Isler

Non-executive member



Mr. James Emmett

Non-executive member



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Our Governing Body

The Board is collectively responsible for outlining our long-term corporate and financial objectives, establishing our strategy, and allocating resources. It determines our management structure to help achieve long-term success and deliver sustainable shareholder value. Criteria for Board members are based on shareholders' views, professional competency, and independence, which we maintain by ensuring a majority of non-family members on the Board at any time.

As a family-run business, bringing in different perspectives and experiences allows the company to broaden its horizon and avoid blind spots while continuing to think long-term. The General Assembly appoints new members from a pool of candidates put forth by existing Board members.

In addition to receiving quarterly compliance, financial, ESG and other relevant updates, the Board meets in person a minimum of once per quarter. During the 2022 reporting year, the Board met a total of six times. The Board is further responsible for approving all our policy commitments.



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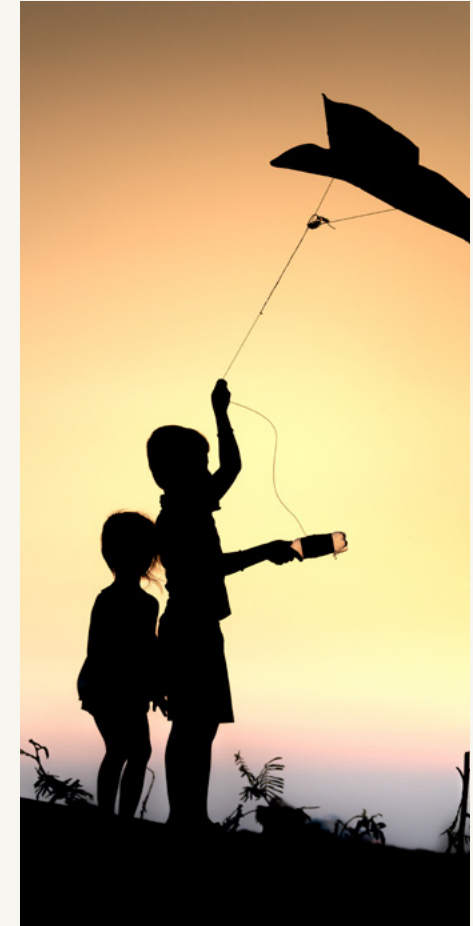
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Delegation of Responsibility and Managing ESG Impact

The Board is tasked with setting company's ESG strategy with a view to continuously improve our efforts on the economy, environment, and people. The implementation of this strategy is then delegated to the Executive Committee and carried out by the teams responsible. The Board relies on the following Senior Executives regarding the responsibility of impact management: Head of ESG, Head of HR, Head of Finance, Head of Compliance, and Head of Risk Management.



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Our Approach to ESG



“We adopt an integrative approach incorporating progressive social and environmental solutions in our commercial and operational activities.”

Marwan Shakarchi
CEO of MKS PAMP SA

01. Collaborate

We define the objective by listening and exchanging with our stakeholders, as well as with local and global communities.

02. Commit

We gather data and insights to create an ESG plan.

03. Transform

We carry out the following actions to inform, implement and communicate our strategy:



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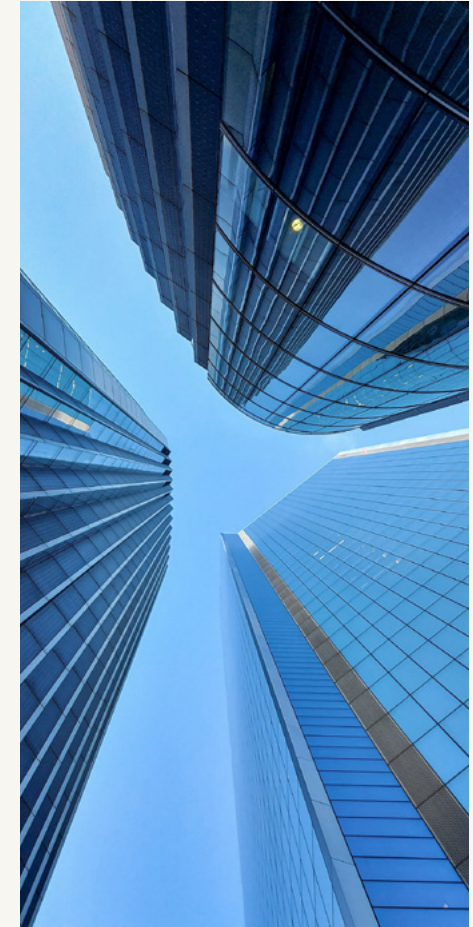
Today, MKS PAMP takes a holistic approach to sustainability and shareholder value, firm in the belief that when a company produces profitable solutions to problems of people and planet, it becomes more sustainable.

To systematically reduce our environmental footprint, we strive to adopt effective and sustainable operational strategies that reduce reliance on fossil fuels, while still allowing us to meet our commitment to profitability. These include sourcing renewable energy, investing in energy-efficient technologies such as LED lighting, heat management and intelligent cooling systems, as well as adopting sustainable manufacturing methods to reduce waste production.

At the same time, we are working to strengthen our relationships with suppliers to

improve the quality of inbound material and reduce associated emissions. Commitment to responsible stewardship of resources and regulatory compliance guarantees superior product quality while also ensuring responsible sourcing and production. MKS PAMP commits to responsible corporate governance by focusing on ethical business practices and sound environmental stewardship.

By setting ambitious ESG targets and engaging with internal and external stakeholders we ensure that ESG plans are adequately defined and implemented. In this regard, we set targets, assess, act upon, monitor, and communicate progress against key environmental and social performance indicators while also seeking feedback.



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Our Strategy

Another term that is broadly used to refer to ESG concepts is sustainability. We see ESG as the goals, tools and framework that allow a company to reach high sustainability. When a company produces profitable solutions to problems relating to people and the planet, it becomes more sustainable. At MKS PAMP, we are committed on exchanging with our employees and customers about the importance of sustainable practices and we encourage them to make sustainably conscious decisions.

Our environmental responsibility strategy pushes us to invest in renewable energy sources, research innovative technologies, increase efficiencies, and reduce our environmental footprint such as by implementing efficient waste management systems. At the same time, our social obligation sees us striving to ensure healthy relationships with those people and communities we interact with by being a good corporate citizen.

We see ESG as the goals, tools and framework that allow a company to reach high sustainability. When a company produces profitable solutions to problems relating to people and the planet, it becomes more sustainable.

The company's ESG strategies are centred around social and environmentally sound operations, supply chain management, and third-party certification. Operational practices include ensuring health and safety guidelines are adhered to, the reduction of energy consumption and waste, investing in renewable energy sources such as the solar panel project implementation at Castel San Pietro, and improving resource efficiency while also caring for the communities where we operate.

As part of our value chain initiatives, we exercise stringent due diligence on our precious metals supply chains. We also adhere to international standards for our supply chain, such as RJC-Code of Practice and, for our Ticino production site, the SA8000 Social Accountability policy. For further information on our accreditations, standards, and certifications, please refer to page 43.



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Strategy

► Materiality Assessment

Materiality Assessment

Carrying out an internal assessment to determine the company's impact on different areas and critical topics.

01

Creating a materiality matrix to identify the topics of most significant interest or concern for the company and its stakeholders.

02

Consulting with stakeholders to gain their insight related to the company's performance on these topics.

03

Determining actions focused on key topics for improvement or further engagement with stakeholders.

04

RESULTS

Investment in:

- ✓ renewable energies
- ✓ water conservation measures
- ✓ responsible sourcing of raw materials
- ✓ carbon management initiatives



In FY2022, MKS PAMP updated its materiality assessment based on the Global Reporting Initiative (GRI) 2021 standards. Through this exercise, we identified where our operations have the most significant environmental, social and governance impacts, and which matter most to our stakeholders.

The results of the assessment identified occupational health and safety, climate change, biodiversity conservation, resource scarcity and pollution as high-priority areas of concern. The exercise also highlighted MKS PAMP's commitment to addressing the areas of concern identified, and the

measures already in place. These included investment in renewable energies, water conservation measures, responsible sourcing of raw materials, and carbon management initiatives.

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Our Products and Services

At MKS PAMP we continuously strive to achieve the highest-quality products and services for our customers. Our comprehensive offering accommodates every segment of the market, with particular emphasis on investment, jewellery, and industrial sectors. Known for its high standards, Switzerland is at the core of the Group's identity and quality culture. MKS PAMP product quality is verified by independent sworn assayers accredited by the Swiss Federal Bureau for the Control of Precious Metals (Assayer Fondeur).

Our production site is equipped with state-of-the-art machinery, and we engage the highest Swiss engineering skills to ensure the utmost quality end-product. In-house engineers ceaselessly work on technical improvements and innovations so we can provide our clients with the finest products.

As external affirmation of our high standards, MKS PAMP is one of only three 'Approved Good Delivery Referees' of both the London Bullion Market Association (LBMA) and the London Platinum and Palladium Market (LPPM).



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Our Products and Solutions

In line with our commitment to constantly improve the precious metals industry at large, we work hand in hand with our suppliers and customers to ensure that our products are innovative and produced to the highest standards of quality, traceability, and transparency.



Carbon Measured Certified Products

Our gold and silver grains, 1kg and 400oz gold cast bars, the 1oz Lady Fortuna™ gold minted bar and our gold and silver grains have achieved Carbon Measured certification by the Carbon Trust. Through the Carbon Measured certification, our products went through a full Carbon Footprinting process, where the emissions generated across the product's lifecycle have been measured, certified and disclosed on the product certificate. The following emissions per scope were measured and certified:

- ✓ **Scope 1:** emissions related to manufacturing processes such as materials used, combustion of liquid fuels, and self-generated electricity.
- ✓ **Scope 2:** emissions generated from the acquisition and consumption of electricity, heat, steam, or cooling from external sources.
- ✓ **Scope 3:** upstream raw material inputs, inbound transportation, downstream distribution, and end-of-life processing.



Carbon Neutral Gold

Our Carbon Neutral gold portfolio includes the 1kg gold cast bar, the 400 oz large gold cast bar and 1oz Lady Fortuna™ gold minted bar, certified by the Carbon Trust in accordance with the international PAS 2060 Carbon Neutrality Standard. The Carbon Neutral certification indicates that the CO₂ emissions generated across the product's entire value chain have been measured, certified, and committed to yearly reductions. Carbon neutrality is then achieved by offsetting the remaining emissions from all scopes.

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Provenance™

Provenance™ is a traceability solution that leverages blockchain technology to track the global precious metals supply chain, from source to end product, guaranteeing responsible sourcing through a transparent approach, and allowing clients to pick and choose the origin and the type of metal they want. Provenance™ offers a wide range of advantages to customers, ranging from managing risks, greater transparency across the supply chain to various marketing benefits. Each product has an attached physical and electronic certificate with a QR code that can be scanned by a mobile phone and accessed through our PAMP BM app.



Cast Bars

Produced in gold, silver, platinum and palladium, our cast bars range in weight from 1 tael to 1000 ounces. Sizes and purities are tailored to the requirements of regional markets, industries, and end-users and are produced up to the highest achievable purity in the industry (999.9). All bars can be customised to match our clients' specific design requirements including but not limited to names, logos or other designs. Our large gold bars (400 oz) and silver bars (1000 oz) are LBMA Good Delivery accredited and are accepted as such worldwide. Our platinum and palladium bars are LPPM Good Delivery accredited.



Minted Bars

We manufacture minted bars in gold, silver, platinum, palladium, and rhodium, all of which are available in a range of sizes and weights (0.3g – 1kg). Our minting divisions offer a full suite of services, from original concept and design, through to tooling, production, packaging, and marketing support, in accordance with client requirements. In-house artistic and technical teams are dedicated to creating new and innovative designs, themes and finishing techniques.



VERISCAN®

VERISCAN® is an app-based technology that identifies and enables the instant and secure authentication of registered PAMP products using an iPhone®. This reduces the risk of counterfeits on the market, boosts efficiency and in turn potentially decreases buy-back costs for both distributors and investors.

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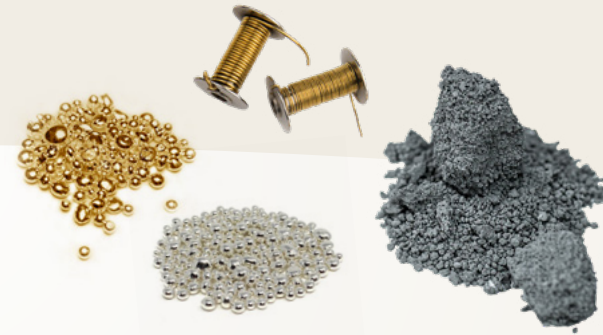
Our Products and Solutions

In line with our commitment to constantly improve the precious metals industry at large, we work hand in hand with our suppliers and customers to ensure that our products are innovative and produced to the highest standards of quality, traceability, and transparency.



Collectibles & Custom Minting

We produce a range of innovative keepsake designs across several categories, including legal tender, commemorative coins, and official, brand-licensed collectibles.



Industrial Products

As a vertically integrated precious metals company, we provide specialty precious metals products to a variety of industrial clients, such as semi-fabricated products for the jewellery and watch industries; gold, silver and platinum alloys; coin and metal blanks. We also offer a full range of PGM chemical compounds and fine metals.

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Spotlight: The New Gold Standard

This year, we were proud to unveil a portfolio of Carbon Neutral gold products certified by the Carbon Trust – a first in the precious metals industry. Our ability to offer products that have been independently certified as Carbon Neutral by the Carbon Trust means that our clients can turn to us in confidence as they seek to lower their carbon footprint.

“The Carbon Trust is pleased to have certified MKS PAMP’s 1kg and 400oz gold bar products as Carbon Neutral in accordance with PAS 2060. This is an important step in the company’s sustainability journey, demonstrating its commitment to reducing the carbon footprint of its product portfolio. We hope it will encourage the precious metals sector to continue to increase its ambition and accelerate the move towards a Net Zero future.”

Hugh Jones
Managing Director, the Carbon Trust

OUR RANGE OF CARBON TRUST CERTIFIED PRODUCTS INCLUDES:

1kg Gold Cast Bars	Carbon Neutral & Carbon Measured
400oz Large Gold Cast Bars	Carbon Neutral & Carbon Measured
1oz Lady Fortuna Gold Minted Bar	Carbon Neutral & Carbon Measured
Gold Grains	Carbon Measured
Silver grains	Carbon Measured



Carbon Neutral : A Carbon Neutral certification demonstrates an organisation’s commitment to the decarbonisation of its product portfolio, through measuring its product’s footprints, adopting a carbon management plan and compensating the remaining impact through the support of environmental projects.



Carbon Measured : For the product to achieve the Carbon Measured certification, the emissions related to the product had to be calculated and verified. All of our Carbon Neutral products are also certified Carbon Measured.

The Carbon Neutral products and their footprint have been certified in accordance with the internationally recognised PAS 2060 standard. Through this alignment, we are proud to commit to yearly reduction of the GHG emissions related to these products and ensure their carbon neutrality by offsetting the excess emissions.

The footprint of the Carbon Measured products has been certified in accordance with the internationally recognised ISO 14067 standard. Once the Carbon Trust certified the emissions related to the gold bars and the number of carbon offsets required for product neutrality, MKS PAMP proceeded to purchase voluntary

offsets that focus on carbon avoidance projects. Avoidance offsets come from activities that reduce emissions by preventing their release into the atmosphere. Based on our global footprint, we have decided to focus on avoidance projects in the countries in which we operate or source from.

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Our Services

In addition to our product portfolio, we also offer a comprehensive array of services from refining to fabrication, physical and financial trading, through to complete transport and storage options.



Refining Services

The refining capacity of our production site in Switzerland exceeds 450-metric tons for gold, 600-metric tons for silver and 5 tons for platinum group metals (platinum, palladium, rhodium, ruthenium, iridium, and osmium) per year. Methods include electrolysis as well as wet chemical refining (aqua regia). We refine doré from mining partners, recycled material from the secondary jewellery market, investment bars and spent industrial material. MKS PAMP also offers countless possibilities in the design and production of custom minting products.



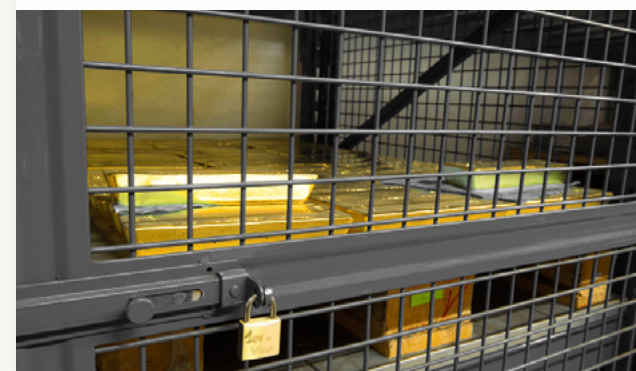
Analysis and Sampling

Our Assay and Analysis laboratory, which operates as an independent entity under the remit of the Swiss Central Office for the Control of Precious Metals, is certified to carry out analytical activities and testing on precious metals. The Laboratory also holds ISO/IEC 17025 accreditation and has several of its analytical methods accredited. The comprehensive range of services include fire assay, spectrometric, ICP, X-ray and chemical assays. All material arriving at the refineries, whether doré or recycled material, is melted and sampled.



Storage and Vaulting

We offer bespoke and secure storage solutions in Switzerland, India and the USA, as well as vaulting facilities in several other locations through our dedicated logistic partners. In addition, we provide all-risk insurance, flexible stock management, and LBMA-accredited weighing and acceptance procedures.



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Our Services



Treasury Services

We help our customers better manage supply chain related cost and risk through our tailor-made financing solutions for all precious metals and against multiple currencies.



Trading Services



PHYSICAL TRADING

We are active in location and quality swaps, maintaining extensive product inventories and providing logistic and storage solutions in all major markets.



FINANCIAL TRADING

We focus on competitive pricing, liquidity and timely trade execution for spot, forwards, and treasury swaps, while offering tailored risk management and hedging strategies.



ONLINE TRADING

Our in-house Web Trading Application (WTA) enables clients to trade gold, silver and PGMs in multiple currencies and provides access to market liquidity and execution in real time.



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Our Products and Services

Products

Services

► Customers and Market

Customers and Markets

We are proud to serve a diverse global clientele operating in a range of sectors and markets. For minted products, the main markets in which we operate are Europe, North America, and Asia. In the cast bar bullion market, our principal customer remains the banking sector, particularly in Europe.

CENTRAL AND COMMERCIAL BANKS



PRECIOUS METALS TRADERS



NATIONAL MINTS



BULLION WHOLESALERS



MINING COMPANIES



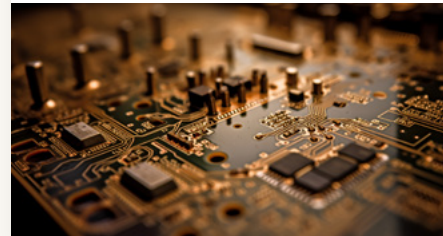
FUNDS



JEWELLERY & WATCH MANUFACTURERS AND RECYCLERS



INDUSTRIAL AND E-WASTE RECYCLERS



INDUSTRIAL MANUFACTURERS



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Stakeholder Engagement

► Stakeholder Engagement

We engage in exchanges, participate in activities organised by the commune, and invite feedback from our partners

Stakeholder Engagement

MKS PAMP volunteer employees repainting outdoor furniture for the kindergarten of the Municipality of Castel San Pietro, Ticino



Understanding the individual needs of our stakeholders is crucial to the way we operate. Whether it is with our employees, suppliers, institutions, or clients, we strive to maintain an open and collaborative approach as the basis for regular meetings and discussions. Aimed at generating value for all parties involved, we plan and participate in specific activities for each stakeholder and invite feedback from our partners to ensure we listen to what's important to them and to what we can improve.

With regards to external stakeholders, we hold regular meetings and visits, and we regularly attend fairs and trade events to maintain contact with customers, suppliers, and institutions. By way of communication, we publish daily market reports on all four metals, share frequent market insights from our analysts, and release yearly forecasts which are made publicly available. Our company website is our main tool for sharing

news and updates as well as publishing our annual ESG report, enabling us to communicate our progress on significant areas within the business.

For internal stakeholders, we regularly meet with Workers Representatives group, who represent employees at the production site. We encourage a two-way dialogue with our colleagues by providing suggestions boxes and updates on notice boards at our sites, facilities, and offices. Annual performance reviews are a time to reflect on individual performance and are a means for employees to provide feedback on their own personal development and offer suggestions for improvement. This year ESG was also included in the performance reviews. In 2022, all employees were asked to participate in an engagement survey which allowed for the creation of an improvement plan tailored to suggestions and requests, and a particular section of the survey was allocated to ESG.

Employees are provided with on-the-job learning and training opportunities, and are encouraged to take part in social events, company volunteering initiatives, and incentivised to cycle to work. The wider community is a crucial part of our engagement outreach and part of our commitment to being a corporate citizen that acts as a force for good. We regularly engage with the local community at our production site – including the commune of Castel San Pietro and various associations – to generate value and better understand their needs. At the same time, we facilitate contact so that we can be alerted to any incident that occurs near to our sites or facilities associated with our business practices. Likewise, we maintain a close relationship with emergency services and carry out regular drills, sharing plans in the event of untoward incidents.

Key Stakeholders



EMPLOYEES



CUSTOMERS & COMMERCIAL PARTNERS



SUPPLIERS



GOVERNMENT INSTITUTIONS



LOCAL COMMUNITIES



INDUSTRY ASSOCIATIONS



CIVIL SOCIETY



MEDIA



SHAREHOLDERS

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Transparent and Responsible Supply Chain

Transparent and Responsible Supply Chain

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Transparent and Responsible Supply Chain

From mine to market, MKS PAMP is committed to cultivating secure, ethical, and verified supply chains. Over the past several years, we have strengthened this commitment through longstanding collaborations with institutions and organisations to set the highest responsible standards in the industry. We do this by assessing and addressing human rights concerns, as well as wider environmental and social issues associated with the sourcing and traceability of our products.



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Transparent and Responsible Supply Chain

Our Group Responsible Precious Metals Policy outlines the commitments and responsibilities that are central tenets of our operating procedures. Our Group Responsible Precious Metals Policy is approved by the Group Board of Directors and reviewed annually. Changes are made to the Policy to reflect our commitment to regularly strengthening our requirements. The Policy is communicated to all our employees and is available to the public on our website. This Policy is communicated to – and part of our commercial agreements with – all our precious metals counterparties. We also encourage our counterparties to further communicate our Policy to their employees and own supply chain actors. This was updated in August 2022, following the reporting period.

We fight against:

- ✓ Human rights abuses associated with the trade of precious metals
- ✓ Direct or indirect support of illegitimate armed groups
- ✓ Bribery and fraudulent misrepresentation of the origin of precious metals
- ✓ Non-compliance with taxes
- ✓ Money-laundering and financing of terrorism

We commit to:

- ✓ Adhering to applicable sanctions
- ✓ Using official banking channels for any transfer of payments
- ✓ Maintaining adequate records to demonstrate due diligence
- ✓ Training our employees on AML-CFT and responsible sourcing practices

We address:

- ✓ Adverse ESG factors in our supply chain
- ✓ Climate change, by having Science Based Target (SBTi) approved carbon emissions reduction targets in line with the Paris Agreement

We adopt & implement:

- ✓ Effective due diligence against threat financing risk and adverse ESG factors
- ✓ Risk mitigation, including suspending or discontinuing strategies

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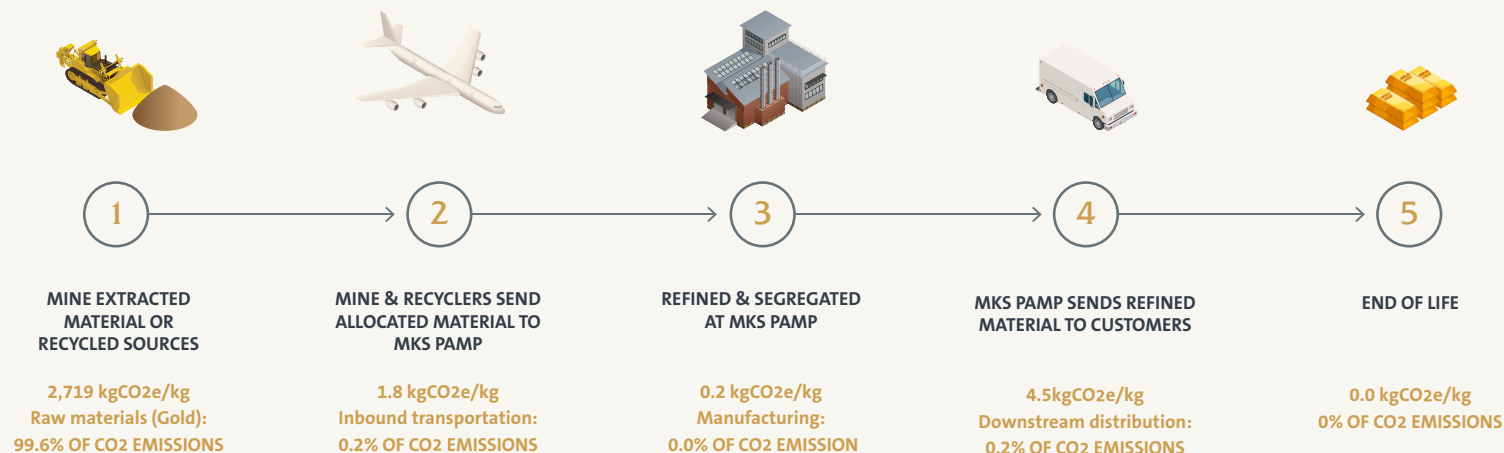
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Emissions Across Our Value Chain

Value Chain of 1kg Gold Bar:



Non-precious metals suppliers

At our production site in Castel San Pietro, Ticino, we assess non-precious metals suppliers with a questionnaire addressing transparency, quality, environment, health and safety, and ethics, asking them to adhere to the principles of our Code of Ethics. In-person interactions and meetings with regular suppliers are frequent.

Precious metals suppliers

In FY2022, we continued to improve our systematic approach to pre-contract due diligence by redrafting the refining contracts and onboarding documents of our precious metals suppliers to include information on Greenhouse Gas (GHG) emissions. We continue to implement our Responsible Precious Metals Group Policy and Know Your Customer Policies. In accordance with the Swiss AML Act, the LBMA & LPPM Responsible Guidance and the OECD Due Diligence Guidance

for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, all prospective precious metals supply chains go through a due diligence process, which include the verification of the identity of the contracting party, the identification of the beneficial owners, the screening through a software for money laundering, sanction and PEP identification, the collection of Know Your Customer (KYC) and Know Your Product (KYP) information and

corroborative documents. On site visits are carried out to corroborate the desktop due diligence performed. Precious metals suppliers continue to be monitored throughout the course of the business relationship, including due diligence updates, site visits and meetings. For the reporting period, mined precious metals supply chain were screened using social and environmental criteria.

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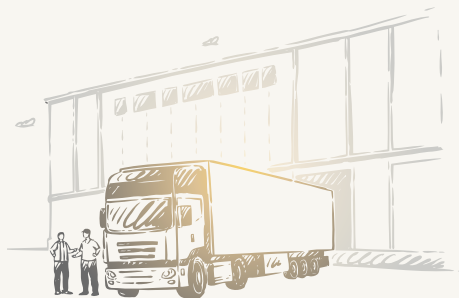
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Supply Procedure

Key Suppliers

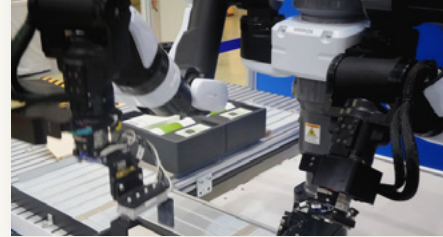
We interact regularly with a variety of suppliers. This entails constant controls along the lines of the voluntary SA8000 certification. The various partnerships range from service providers to material suppliers and can be grouped into the following categories:



MACHINERY AND EQUIPMENT



PACKAGING



CHEMICALS



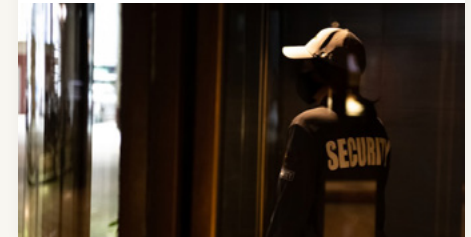
ENERGY



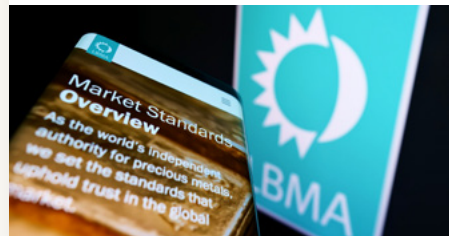
TECHNOLOGY



SECURITY



ASSOCIATIONS



CERTIFICATION & ACCREDITATION BODIES AND CONSULTANTS



GENERAL SUPPLIERS



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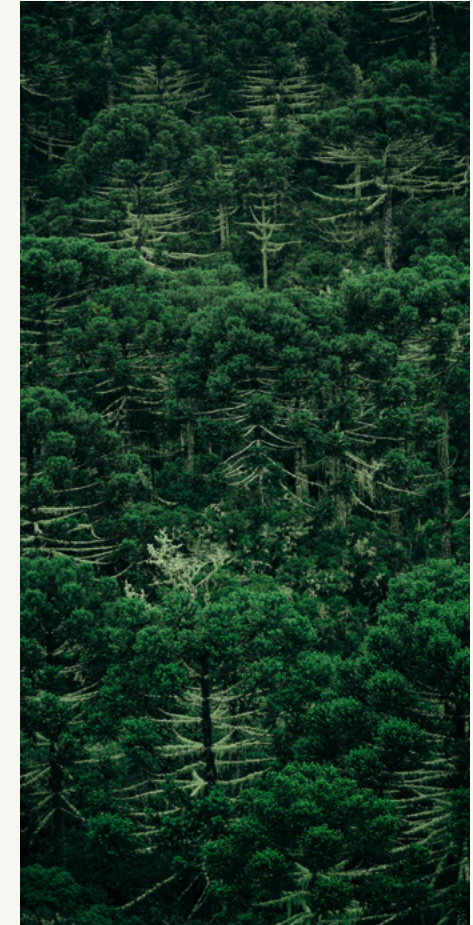
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Environmental and Social Assessment

All potential suppliers at our production site in Ticino are requested to complete a supplier assessment questionnaire covering health and safety, environmental, quality, and ethics. In addition to this, suppliers are required to sign MKS PAMP's general principles declaration. This assessment allows us to identify impacts on the environment, the economy, and people.

Through our precious metals procurement practices and procedures, we seek to minimise risks related to human rights issues. Our policies define initial and ongoing due diligence in agreement with the OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas and LBMA/LPPM Responsible sourcing requirements. To mitigate or prevent potential adverse impacts and ensure adherence to policy, we regularly conduct on-site visits and monitoring.

271 non-metal suppliers have been assessed for social and environmental impacts. Of these, none were identified as having negative or potentially negative impacts.



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Materials and Sourcing

The general sourcing of metals for our gold bars includes a mix of mined and recycled sources. The sourcing mix usually depends on market price fluctuations and availability of the different sources, as well as end consumer demand. We recognise that reducing our supply chain GHG emissions will take time, which is the reason we have set specific mechanisms to ensure they are considered while making decisions on our sourcing mix.



SCOPE 2

Key areas that contribute to our GHG emissions



ELECTRICITY USAGE IN OUR PRODUCTION PROCESSES AND OFFICES

Initiatives



SOURCE 100% RENEWABLE ELECTRICITY AT OUR PRODUCTION SITE



SPOTLIGHT

Collaboration with Swiss Better Gold

MKS PAMP is a leading member of Swiss Better Gold, an initiative based in Switzerland and supported by the Swiss State Secretariat for Economic Affairs ("SECO") that spearheads responsible gold programs for gold Artisanal and Small-Scale Mines (ASM). The initiative is supporting continuous improvement in gold ASM, which is often associated with fostering a vicious cycle of poverty, human rights issues, and environmental degradation. The gold ASM sector employs around 20 million people worldwide, many of whom are micro-entrepreneurs, and, alongside their families, they can often find themselves trapped in a cycle of social and environmental hardship. Swiss Better Gold provides a platform for these artisanal miners to improve their social and environmental practices while also establishing direct supply chains with members of the initiative. This programme has a significant positive impact on both the environment and the family livelihoods.

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Production System

A crucial aspect of our business activities, our production system provides the foundation for our operations. We ensure that we follow best practices and standards of excellence while also managing risks efficiently. At MKS PAMP, we ensure we remain compliant with relevant regulations and industry guidelines when it comes to sustainable production. With good production systems in place, we can contribute to minimising our environmental and social impact, reduce costs and ensure ethical working conditions.



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Production Line

Production processes



RAW METAL

The metal arrives at MKS PAMP in a variety of forms



HOMOGENISATION & REFINING

Several processes are involved to homogenise and refine the raw metal to achieve a fine metal



FINE METAL

CASTING

SEMI-FINISHED GOODS

The casting process converts the fine metal into the form of bars (for storage) or semi-finished goods (to undergo further processing)



BARS

STRIPS

GRAINS

FINAL PROCESSES

Numerous high-precision mechanical processes transform the strips of metal into minted products, while foundry processes allow small bars to be created for banks



MECHANICAL PROCESSES



MELTING

FINISHED PRODUCTS

Once finished, the products are checked and carefully packaged ready for the market



COINS & MEDALS, INGOTS AND BANK PRODUCTS



ECOLOGY DPT.

LABORATORY

The Ecology Department and the Laboratory guarantee product quality and compliance with environmental standards throughout the production cycle



After homogenisation, the Laboratory can determine the actual precious metals content of the material received



The Ecology Department manages all by-products of the production processes recovering precious metals and impurities



The Laboratory verifies the content of the material in various phases of the process so that its quality can be guaranteed and its purity certified



The Ecology Department manages all waste and pollutant emissions so that they can be stored or sent off site safely



The Laboratory analyses the quality of the water emitted to ensure that the limits imposed by law are respected



The Laboratory provides certificates to accompany the products, increasing their value for the customer

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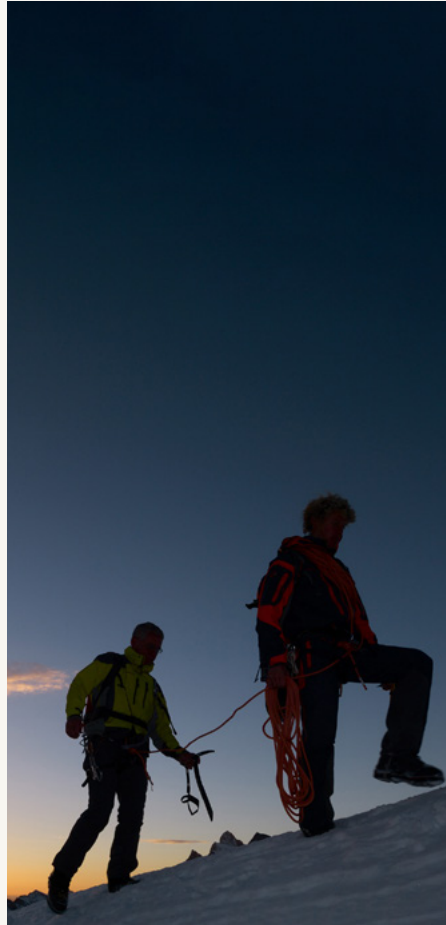
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Credentials

As a company, we strive to remain at the forefront of change and improvement, and work together with our partners to raise industry standards. We are proud to have contributed to several internationally recognised initiatives that set the highest codes of conduct and integrity for the industry as a whole. At the same time, we endeavour to put our experience, market insights and reputation at the service of industry strength and transparency. Our memberships, accreditations and involvement with various market associations are listed on the following page.



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► Credentials

Grievance Mechanism



Credentials

Memberships & Collaborations



Organisation for Economic Co-Operation and Development (OECD)

- Member of the Multi-Stakeholder Steering Group (MSG).

We contributed to the creation of the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, which provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. As part of the MSG, we support the implementation of the Due Diligence Guidance.



London Bullion Market Association (LBMA) - Member

We assisted in drafting the Responsible Gold Guidance, established for refineries to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practice.



London Platinum and Palladium Market (LPPM) - Member

We contributed to the first versions of the Responsible Platinum Guidance and the Responsible Palladium Guidance, inspired by LBMA guidance, and contributed to subsequent drafts.



Responsible Jewellery Council (RJC) - Certified Member (refinery)

We comply with the RJC Code of Practice, which defines the responsible ethical, human rights, social and environmental practices that all certified RJC members must adhere to. We also adhere to the Chain-of-Custody (CoC) certification standards, which define an approach for companies to handle and trade gold, silver and platinum group metals in a way that is traceable and responsibly sourced.



World Gold Council (WGC)

We contributed to the publication of the Conflict-Free Gold Standard in support of gold that does not contribute to armed conflict.



Responsible Minerals Initiative (RMI) - Member

We regularly collaborate with the RMI to support enhanced standards for responsible sourcing of minerals.



Alliance for Responsible Mining (ARM)

We are an authorised retailer of Fairmined certified gold, a label created by the ARM to support 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 Artisanal and Small-Scale Mining (ASM) access international markets and progress towards responsible extraction standards.



Swiss Better Gold Association - Founding Member and Member of the Board

Supports more socially inclusive and better environmental practices.



Public-Private Alliance for Responsible Mineral Trade (PPA) - Member

Supports the measures taken in the African Great Lake Region towards responsible sourcing.

ASFCMP (Swiss precious metals industry association) - Member

Association Romande des Intermédiaires Financiers - Member

Swiss Trading and Shipping Association (STSA) - Member

Swiss Boards for Agenda 2030 - Signatory

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Credentials

Accreditations



Chicago Mercantile Exchange (CME)

Accredited Good Delivery.



London Bullion Market Association (LBMA)

Approved Referee and Accredited Good Delivery Refinery.



London Platinum and Palladium Market (LPPM)

Approved Referee and Accredited Good Delivery Refinery.



New York Stock Exchange (NYSE)

Accredited Good Delivery.



Tokyo Commodity Exchange

Accredited Good Delivery.



ISO 17025 (General requirements for the competence of testing and calibration laboratories)

Accredited since June 2005.

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Credentials

Certifications

“In order to reshape our approach to responsible sourcing to achieve positive social and environmental impact along the value chain while enabling product integrity and traceability, we knew we needed to have the right partners. The commitment of MKS PAMP to sourcing responsible artisanal and small-scale gold made it clear to us that this partnership would enable us to deliver our objectives.”

Aurelia Figueroa

Global Head of Sustainability at Breitling

Certifications

We are also the only refinery in Switzerland to simultaneously hold all of the following accreditations:

✓ CARBON TRUST CARBON NEUTRAL LABEL

Certified Carbon Neutral for our 1kg gold cast bar, 400 oz gold cast bar and 1oz Lady Fortuna gold minted bar.

✓ CARBON TRUST CARBON MEASURED LABEL

Certified Carbon Measured for our silver grain, gold grain, 1oz Lady Fortuna gold minted bar, and 1kg and 400 oz gold cast bar.

✓ ISO 9001* (Quality Management System)

Certified since March 2008.

✓ SA 8000* (Social Accountability)

Certified since June 2014.

✓ ISO 45001* (Health and Safety)

Certified since July 2009 (formerly OHSAS 18001).

✓ ISO 14001* (Environmental Management System)

Certified since July 2009.

** Refinery operations (Ticino production site) only*



SPOTLIGHT

Putting responsible artisanal & small-scale mining on the map with Breitling

#SQUADONAMMISSION

At MKS PAMP, environmental and social performance drive our selection of business partners, as it has in our creation of an upstream gold supply chain for Breitling. According to the Swiss Better Gold Association, artisanal small-scale mining (ASM) provides a livelihood to over 40 million people worldwide, which, for the gold mining sector, corresponds to about 20 million miners and represents approximately 20% of the global gold production. Alongside the Swiss Better Gold Association, we have advocated and supported measures to build secure, transparent, and verifiable gold supply chains from responsible artisanal and small-scale miners to market. Today, we are proud to be the official sourcing partner to the luxury watchmaker, Breitling. Beginning our partnership with Breitling in 2020, we took our collaboration to new heights in 2022 with the creation of the brand's first ever “traceable watch”, which transparently informs and engages owners concerning the origins of its precious metals. Breitling utilized ASM gold, sourced from a mine supply chain developed by MKS PAMP, for this first-of-a-kind timepiece. The watch leverages Provenance™, our cutting-edge traceability solution that utilizes blockchain technology to track and trace the global precious metals supply chain.

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Credentials

Policy Commitments

Our internal policies on responsible business conduct follow Swiss Labour law and regulations. This includes respecting all employer obligations toward employees, particular with regards to minimum compensation, health, security, equality, and worker's rights.

All our policy commitments are approved by the Board of Directors and apply to all activities and business relationships. Our compliance department is responsible for ensuring compliance with our Responsible Precious Metals Policy, as well as to train all relevant employees on our responsible sourcing principle. 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.

Active Policies Include

✓ MKS PAMP GROUP

Responsible Precious Metals Policy (2022)
(publicly available)



✓ MKS PAMP SA Ticino branch

Health and Safety, Environment and Quality Policy
(internal document, shared with partners on request)



✓ MKS PAMP SA Ticino branch

SA8000 Policy
(internal document, shared with partners on request)



✓ MKS PAMP SA Ticino branch

Code of Ethics
(internal document, shared with partners on request)



✓ SUPPLIER DECLARATION OF COMMITMENT (SENT TO SUPPLIERS REQUESTING ADHERENCE TO OUR BASIC PRINCIPLES)

Adapted from our Code of Ethics



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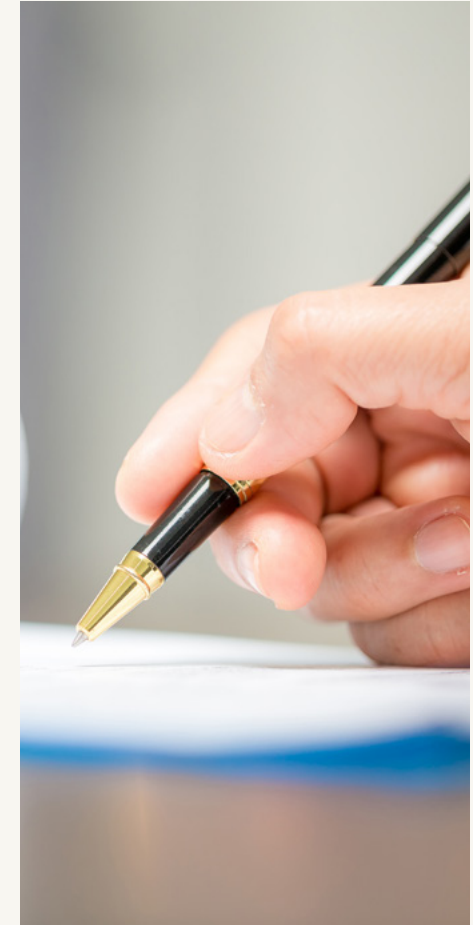
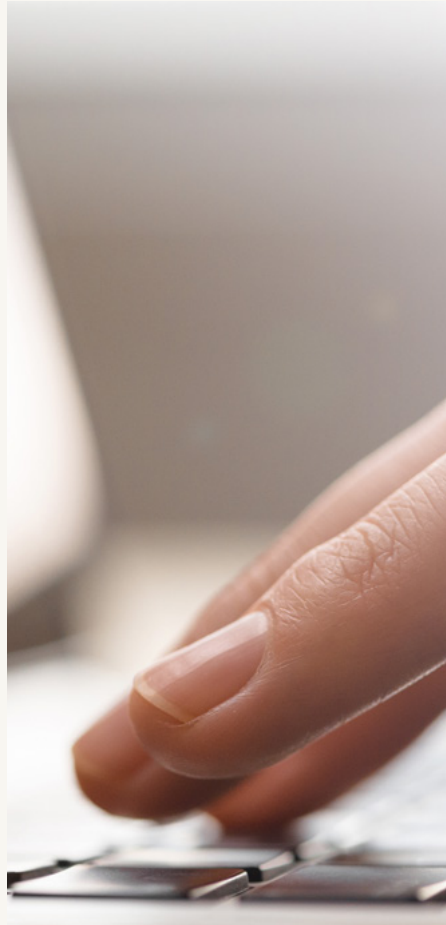
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Grievance Mechanism

MKS PAMP has put in place an accessible, independent, respectful, and transparent grievance mechanism via email and reporting boxes in the factory, allowing any employee, supply chain actor or stakeholder to confidentially and without any fear of reprisal, voice any concerns over the supply chain or any newly identified risk. All concerns raised will be treated with fair conduct and transparency towards the concerned party and for the purpose of preventing future grievance or harm and of contributing to continuous learning. Regular improvement is provided through peer review or industry best practices. In addition, MKS PAMP answers to and processes grievances communicated by relevant bodies such as the London Bullion Market Association (LBMA) or the Responsible Minerals Initiative (RMI).



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Our Three-Step Carbon Reduction Plan

Emissions

This year, our ESG team introduced working groups and training initiatives involving all levels of the organisation and encouraged focus meetings with the Executive Committee to ensure a greater level of understanding around climate change matters in a comprehensive and far-reaching way.

Quantifying emissions allows for a deeper understanding of our GHG reduction approach and permitted us to create detailed action plans, both at company and product level given the separate footprints, reduction frameworks, and timelines required.



01

Select sources that have set GHG emissions reduction goals, have taken steps to reduce or adopt additional reduction initiatives.



02

Redraft our refining contracts and onboarding document of our precious metals suppliers to include information on GHG emissions.



03

Revise our strategy to include a greater focus on new clients' base that have GHG considerations.



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Emissions



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



SPOTLIGHT

Science Based Targets initiative (SBTi)

In April 2022, the SBTi approved our Scope 1 target ambition in line with a 1.5°C trajectory and Scope 3 target ambitions in line with a WB2°C. In doing so, we proudly became the first precious metals company to have set SBTi approved carbon emissions reduction targets. As we embark on our journey towards decarbonisation, we are committed to working alongside our partners to achieve our ambitious targets and inspire others in our industry to follow suit. Science-based targets are important because they show companies how much and how quickly they need to reduce their GHG emissions to prevent the worst effects of climate change. Specifically, we have committed to reducing absolute Scope 1 greenhouse gas (GHG) emissions by 46.2% by FY30 and FY29 (from a FY19 baseline).

We have also committed to continue sourcing 100% renewable electricity through 2030. Furthermore, we have committed to reducing absolute Scope 3 GHG emissions 27.5% by 2030 (from 2019).

The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). We join the SBTi in its belief that businesses have a vital role to play in driving down GHG emissions and building the resilient, zero-emissions economy we urgently need.

"We congratulate MKS PAMP on setting science-based targets consistent with limiting climate warming to 1.5°C, the most ambitious goal of the Paris Agreement. By setting targets grounded in climate science, MKS PAMP is taking action to prevent the most damaging effects of climate change."

Alberto Carrolo Pineda
Managing Director,
Science Based Targets at CPD

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Emissions

To reduce the company's GHG emissions, the company has set SBTi targets and signed an Action for Climate Empowerment (ACT) agreement with the Swiss Government.



Our SBTi Commitments



SCOPE 1*

MKS PAMP SA commits to reduce absolute scope 1 GHG emissions 46.2% by FY2030 from a FY2019 base year.

642.1 tCO₂e

BASELINE YEAR (FY2019)

-46.2% CO₂e

TARGETS

345 tCO₂e

TARGET YEAR (FY2030)



SCOPE 2*

MKS PAMP SA commits to annually sourcing 100% renewable electricity through FY2030.

100% Renewable energy

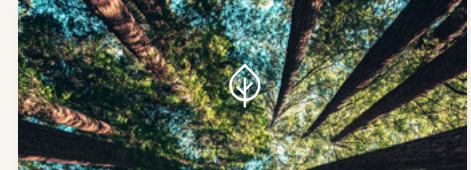
BASELINE YEAR (FY2019)

100% Renewable energy

TARGETS

100% Renewable energy

TARGET YEAR (FY2030)



SCOPE 3*

MKS PAMP SA commits to reduce absolute scope 3 GHG emissions 27.5% by FY2030 from a FY2019 base year.

8,217,359 tCO₂e

BASELINE YEAR (FY2019)

-27.5% CO₂e

TARGETS

5,957,585 tCO₂e

TARGET YEAR (FY2030)

We use the ISO 14064 and GHG Protocol Corporate Standard to measure our emissions, with FY2019 as our base year.

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Emissions

Revaluating our baseline year

In light of more accurate data being made available since our initial calculation in FY2019, we have re-evaluated our baseline year emissions in line with the GHG Protocol Corporate Standard. Following the new calculation, the baseline number decreased for all 3 scopes, meaning that our target emissions for FY2030 have also lowered. The updated calculations have been submitted to SBTi for review and revalidation, respecting their requirement for base year emissions recalculation.



The major changes to the baseline year are:



A revaluation of emissions in Scope 3 category 1, resulting in a 30% reduction of scope 3 emissions. Following our efforts to gather GHG data from our sources, we have more reliable numbers of our sources' past emissions.



A shift in emissions from Scope 1 to Scope 3 category 6, resulting in a 10% reduction in scope 1 emissions. Due to the miscategorisation of certain emissions, the legal and/or financial control of certain asset(s), such shift was necessary.

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Emissions

GHG emissions reductions for reporting period: SCOPE 1

SCOPE 1 *Explanation:* Reduction of emissions due to operational and process efficiency at office and refinery.

EMISSION TYPE	SCOPE 1, tCO ₂ e		
	Baseline FY19 (Adjusted)	FY22	% Change from FY19 to FY22 (Adjusted)
STATIONARY	541.0	340.7	-37%
MOBILE	23.2	5.5	-76%
FUGITIVE	77.9	138.3	78%
TOTAL	642.1	484.5	-25%

We use the ISO 14064 and GHG Protocol Corporate Standard to measure our emissions, with FY2019 as our base year. During the reporting period, we achieved a reduction of 157.6 tCO₂e for scope 1.

GHG emissions reductions for reporting period: SCOPE 2

SCOPE 2 *Explanation:* Significant decrease in Scope 2 emissions due to a decrease in market-based electricity usage in favour of location-based electricity.

	SCOPE 2, tCO ₂ e (Renewable Electricity)		
	Baseline FY19 (Adjusted)	FY22	% Change from FY19 to FY22 (Adjusted)
TOTAL	100%	100%	-

We use the ISO 14064 and GHG Protocol Corporate Standard to measure our emissions, with FY2019 as our base year. During the reporting period, we continued sourcing 100% renewable electricity

RENEWABLE
ELECTRICITY

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GHG emissions reductions for reporting period: SCOPE 3

We use the ISO 14064 and GHG Protocol Corporate Standard to measure our emissions, with FY2019 as our base year. During the reporting period, we achieved a reduction of 2 437 843 tCO₂e for scope 3.



SCOPE 3 *Explanation:* We worked on gathering more complete and reliable data from our suppliers with regards to their emissions. The baseline value for supplier emissions intensity was generalized at 38'100 tCO₂e/t while for FY22 supplier intensity used more specific values. This resulted in a reduction of gold doré from 251 tons to 204 tons.

EMISSION TYPE		SCOPE 3, tCO ₂ e		
		Baseline FY19 (Adjusted)	FY22	% Change from FY19 to FY22 (Adjusted)
01.	PURCHASED GOODS & SERVICES	8'178'577	5'727'843	-30%
02.	CAPITAL GOODS	1'294	967	-25%
03.	FUEL & ENERGY RELATED ACTIVITIES	121	70	-42%
04.	UPSTREAM TRANSPORTATION & DISTRIBUTION	4'716	4'149	-12%
05.	WASTE GENERATED IN OPERATIONS	24	57	+138%
06.	BUSINESS TRAVEL	343	209	-39%
07.	EMPLOYEE COMMUTING	245	280	+14%
08.	UPSTREAM LEASED ASSETS	0	7	N/A
09.	DOWNSTREAM TRANSPORTATION & DISTRIBUTION	528	1'123	+113%
10.	PROCESSING OF SOLD PRODUCTS	30'349	43'722	+44%
15.	INVESTMENT	1'161	1'089	-6%
TOTAL		8'217'359	5'779'516	-29.7%

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Emissions

Actions

Decarbonizing our production process requires actions across all our activities and processes. We recognize that for this transformation to take place, it is necessary that the MKS PAMP workforce, who will be carrying out these actions, understands our goals, drivers, and approach. **As such, our action plan is comprised of two parts:**



ENGAGE OUR WORKFORCE ON ESG AND CLIMATE IMPACT

01

MKS PAMP plans to continuously ensure common knowledge of its workforce on topics related to climate and its effects on its operations. To do so, MKS PAMP plans on doing the following:



Carry out a comprehensive mandatory training course for its employees and leadership (including the board of directors).



Set up working group across departments to discuss specific challenges related to minimizing our carbon footprint.



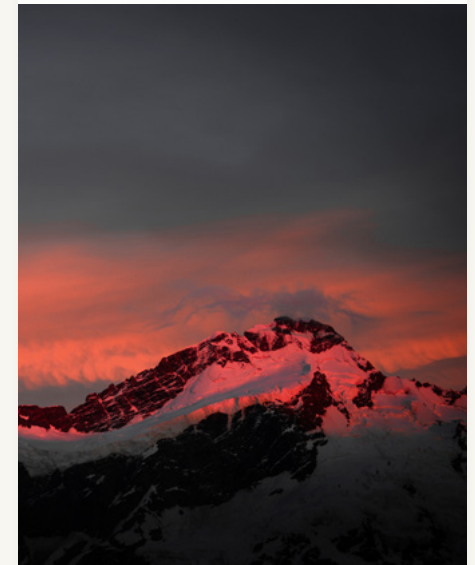
Hold informal sessions every two months on ESG topics including climate.



CARRY OUT ACTIVITIES THAT WILL REDUCE OUR GHG EMISSIONS

02

GHG reduction activities (see next page)



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Emissions

Actions - GHG reduction activities



Scope 1

Key areas that contribute to our GHG emissions:

- Natural gas consumption in boilers at the production site.
- Diesel usage for the generator at the production site and fuel in company cars.
- Refrigerant for air conditioning systems in the offices.

Initiatives:

- ✓ Conduct an energy analysis for our manufacturing process to reduce the use of natural gas.
- ✓ Eliminate use of diesel in boilers
- ✓ Manage use of refrigerant for cooling units.
- ✓ Electrification of vehicle fleet.

Scope 2

Key areas that contribute to our GHG emissions:

- Electricity usage (stemming from natural sources) across all operational site: its refinery in castel san pietro and its two office sites in geneva.

Initiatives:

- ✓ Source 100% renewable electricity.

Scope 3

Key areas that contribute to our GHG emissions:

- Purchased goods and services, specifically of precious metals.
- Manufacturing of sold products.
- Upstream transportation.

Purchased goods and services account for 99.5% of our GHG emissions in Scope 3.

Initiatives:

As the majority of MKS PAMP Scope 3 emissions lie in the purchase of precious metals, MKS PAMP will take actions focused on the management of its precious metals supply. It will focus on the following three areas:

- ✓ **SOURCE SELECTION:** ensure that our sources have set GHG emissions measurement, reduction goals and taken steps to reduce or adopt additional reduction initiatives.
- ✓ **AMEND OUR CLIENT-RELATION DOCUMENTS:** redraft our refining contracts and onboarding documents of our precious metal suppliers to include information on ghg emissions.
- ✓ **REVISE OUR SALES STRATEGY:** include a greater focus on new clients' base that have GHG considerations.

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► Emissions

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Actions - Scope 3 Initiatives

In each area, we have defined short (by FY24), medium (by FY27), and long term (by FY30) actions:



Source selection

- ✓ Maximize recycled materials (short-term focus)
- ✓ Establish internal controls for sourcing carbon emission management (medium-term focus)
- ✓ Evaluate our working relations with mining sources (long-term focus)
- ✓ Improve our refining capacity for recycled materials (long-term focus)



Amend our client-relation documents

- ✓ Update existing refining contract within mining source (short-term focus)
- ✓ Incorporate carbon measurement and reduction requirements in clients' onboarding forms and compliance reviews (medium-term focus)
- ✓ Formalize clients' carbon reduction targets (long-term focus)



Governance and sales strategy

- ✓ Change MKS PAMP bylaws to mention the necessity for the company to strive for a material positive impact on society and the environment. (Short-term focus)
- ✓ Conduct market analysis related to precious metal sourcing emission factors (short-term focus)
- ✓ Discuss ghg emissions with precious metals suppliers regularly (medium-term focus)
- ✓ If necessary, it will also establish business relationships with new clients that have ghg emissions in line with our GHG emissions goals (long-term focus)



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Tracking our effectiveness

With a view to monitoring the progress of our actions, we have several tools in place:

Emissions

Atmospheric emissions and noise pollution

At MKS PAMP, we ensure our production processes are conducted with the utmost respect for the health and safety of our employees, the local community, and the environment. This is particularly relevant for our production site, located in Castel San Pietro, Ticino. We monitor noise levels, odours, and maintain polluting emissions (NOx) in accordance with Swiss legal requirements. In FY2022, we measured cumulative emissions of 31.280 kg NOx and took proactive action to mitigate their impacts.

NOx is the main source of pollution in our emissions that we can continuously monitor. We strive to reduce any potential impacts on the environment and local community in an on-going manner.

01

We keep data logs from our continuous monitoring of NOx concentration, as mandated by law, so that data can be tracked, and analysed in real-time to give us a better understanding of our emissions.



02

We stay ahead of our CO₂ reduction goals, by actively measuring our GHG footprint on a monthly basis. This allows us to ensure that all targets are met and exceeded.



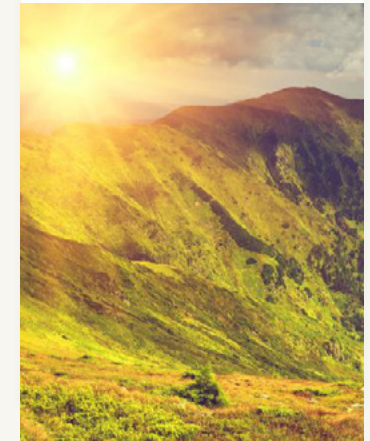
03

We collaborate with leading local academic and scientific institutions, to leverage their expertise in best practices for GHG inventories and perform joint analyses to further improve our understanding.



04

We ensure that our progress is evaluated correctly, and we have used the goals set and approved by SBTi targets and the ACT initiative as benchmarks.



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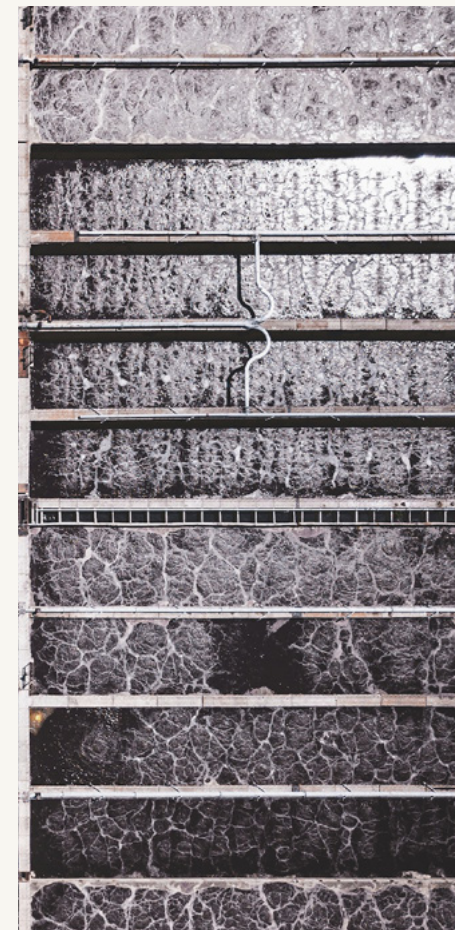
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Water and Effluents

We recognise that water is invaluable, and are committed to managing it responsibly, specifically at our production site in Castel San Pietro, Ticino. With regards to water disposal, we adhere to an agreement which monitors and restricts the number of polluting substances according to local and national laws and regulations. Precautionary measures have been put in place and all water-related impacts are closely monitored. Clean water is analysed and discharged to a river, chemical water is processed internally in the Ecology department and later disposed to the public water treatment plant.

For chemical water, MKS PAMP ensures that we comply with all thresholds set by the related regulations and abide by our agreement with the public water treatment plant. At the same time, we check that all water used for cooling is chemically unaltered before discharging it into a nearby river.

In FY2022, we were in full compliance with all legal requirements.



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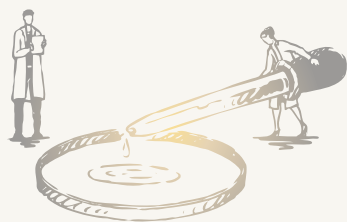
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Water and Effluents

Precautionary measures at our production site

We have installed precautionary measures to avoid any potential negative impacts on the environment:



Sealed flooring at the facility to prevent against any leakage or overflow, even in the case of emergency.



A catch tank collects discharge before it is directed to a water treatment plant.



A Laboratory performs internal tests to assure the suitability of water before discharge, with further analysis conducted by the authorities of Canton of Ticino.



A nano-filtration system helps reduce the load on sewage and on the water processing plant.



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Water and Effluents

Water withdrawal and discharge data

We are committed to providing transparent information on our water consumption. All withdrawn water is freshwater and contains $\leq 1000\text{mg/L}$ of Total Dissolved Solids. Our total water consumption stands at 1.01 ML, which is calculated as the difference between water withdrawal and discharge.

We share our annual water balance report with the relevant public office in order to monitor environmental impacts.

Total water withdrawal & discharge for MKS PAMP sites

WATER WITHDRAWAL	TOTAL [ML]	CASTEL SAN PIETRO [ML]
GROUNDWATER	12,71	12,71
THIRD-PARTY WATER	12,48	12,48
TOTAL WATER WITHDRAWAL	25,19	25,19

WATER DISCHARGE	TOTAL [ML]	CASTEL SAN PIETRO [ML]
GROUNDWATER	9,18	9,18
THIRD-PARTY WATER	15	15
TOTAL WATER DISCHARGE	24,18	24,18

Tracking effectiveness

MKS PAMP carefully monitors water consumption and disposal through the use of several water metres. In this regard, our aim is to reduce our overall net consumption. As part of initial assessments being conducted for ongoing projects, we have estimated variations in water usage and planned methods of disposal. This will enable us to accurately analyse potential future impacts.

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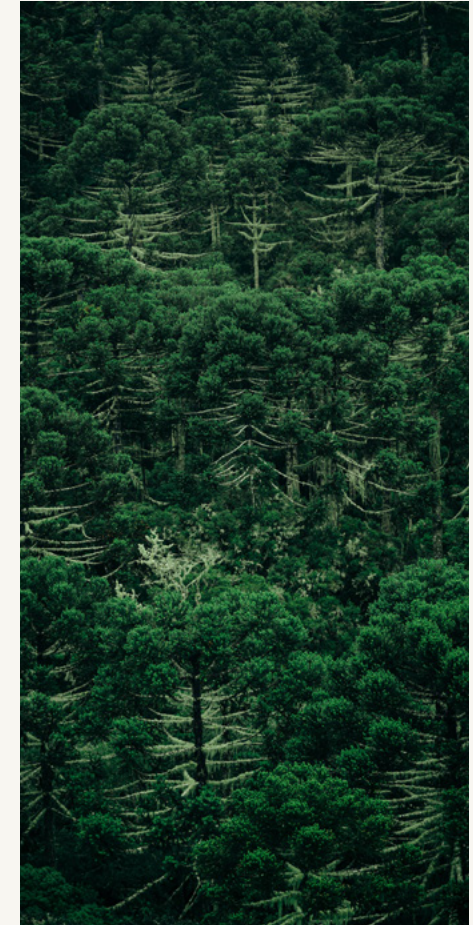
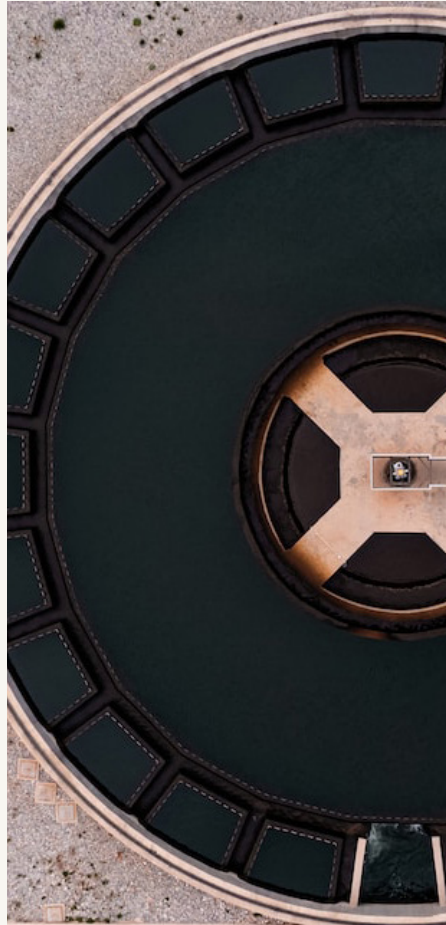
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Waste

In FY2022, total waste generated by the Castel San Pietro, Ticino site amounted to 316.54 metric tons. Despite a general increase in the quantity of waste during the reporting period, we have seen a reduction in plastic of around 13% following the introduction of PET collection, which amounted to 480 kg. Refining and melting activities are the main contributors of hazardous waste, which is recycled or sent to specialised companies for further treatment.



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Reducing Waste-optimizing circularity

The circular economy is central to our vision, and to who we are as a company. This translates to ensuring we are better equipped to source and refine recycled precious metals as well as recycling inputs and recyclable products.

To reduce the amount of internal waste requiring incineration, we have implemented advanced scanning technologies to detect metal within this waste and thereby minimise their incineration. Additionally, packaging re-use has been enabled in cooperation with certain mines and paper reduction measures are also being taken to further reduce waste.



Waste separation

We have installed a system to properly separate waste into categories. Some of the hazardous chemical waste is sent to specialised recyclers for safe disposal and treatment, such as copper hydroxides which are recovered as copper. Overall, our waste handling process involves a combination of internal destruction, recycling internally, recycling externally and external disposal. We encourage our partners to recycle wherever possible to minimise destructive disposal methods.



Recycling

MKS PAMP is associated with the Swiss PET Recycling Association, granting us access to a network of companies focused on increasing plastic (PET) waste recycling rates. The separated waste is sent to specialised recyclers which employ specific methods to recover or re-use materials in accordance with the nature of different waste types. Hazardous waste is shipped according to Swiss and EU regulations for transporting special waste and chemicals. All recyclers we collaborate with abide by EU standards. We also take part in due diligence processes before establishing relationships with recyclers to ensure that our waste is responsibly processed.



Tracking effectiveness

At MKS PAMP, we focus on maximising recycling. Some waste-related data is provided by waste collectors and by the Swiss Federal Administration logistical office (special waste is officially reported to the Pollutant Release and Transfer Register (PRTR) + VeVa registers/offices).



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Waste

Total waste diverted from disposal for MKS PAMP sites

The total waste diverted from disposal during the reporting period amounted to 276.81t. This can be broken down to 183.271t of hazardous waste diverted from disposal for MKS PAMP sites reached and a total weight of 93.55t of non-hazardous waste. Over 90% of our waste comes from our refinery in Castel San Pietro. For more information on the types of waste diverted from disposal, please refer to our GRI Index and to the annex technical report.



NON-HAZARDOUS WASTE
DIVERTED FROM DISPOSAL

93.55 t.

HAZARDOUS WASTE DIVERTED
FROM DISPOSAL

183.27 t.

TOTAL WASTE DIVERTED
FROM DISPOSAL

276.82 t.

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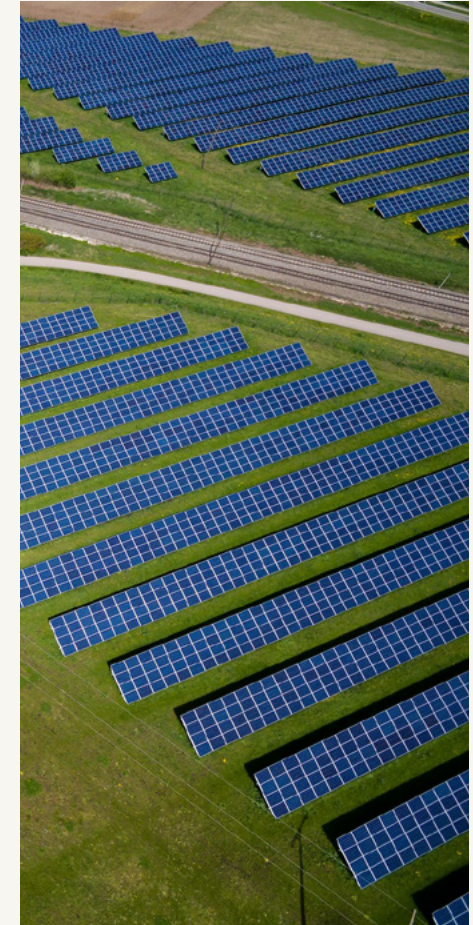
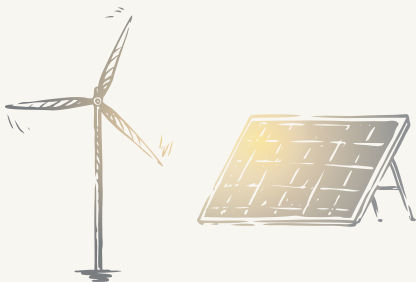
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Energy

At MKS PAMP, we understand that the consumption of energy from fossil sources has an adverse effect on climate change. As a sector that requires a high amount of energy for its business activities, we have established clear commitments and objectives for energy use that are closely tracked for progress and performance.



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Energy

Our Commitments



MKS PAMP has set targets for GHG reduction in line with a science-based approach and the SBTi 2030 targets. For Scope 2 emissions we continuously source 100% renewable energy.



MKS PAMP has set the following commitments with regards to energy consumption:

The organisation has entered into an agreement on CO₂ reduction, initially signed in 2016 (ACT).



MKS PAMP sites continue to source fully renewable purchased electricity.



We have set a goal to reduce our fossil fuel sources such as methane.



Since 2017, MKS PAMP Ticino production site only purchases renewable electricity from Swiss hydroelectric.



Planned installation of photovoltaic panels in Q2/Q3 2023.

Energy Consumption



At its production site in Castel San Pietro, MKS PAMP has consumed 6.354 Gigajoules (GJ) of methane and 212.4 GJ of propane. Additionally, the total electricity consumption for that location stands at 34'959.6 GJ. Combined, this brings the organisation's overall energy usage to 41'526 GJ.



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Measures to manage impact



Ongoing energy use analyses are conducted with the aim of identifying opportunities for improvement.



A system for monitoring electricity consumption at a granular level is being studied and will be introduced soon.



A heat pump is used to reduce natural gas consumption.



As an additional service to our employees and to celebrate our positive actions towards renewable energy, MKS PAMP provides solar energy produced on site for charging eBikes and purchased renewable energy for charging eCars at its production site in Castel San Pietro.



To optimise isolation within our Geneva-based offices, we have undertaken specific work including, but not limited to, improved window insulation and reinforced wall insulation.



Tracking effectiveness



We disclose our yearly emission for our Scope 1,2 and 3 in our ESG report, as well as our progress from our baseline year.



Since 2016, our production site in Ticino has had its direct CO₂ emissions (and thus fossil fuel consumption) measured annually by an official third-party auditor, reporting to the Swiss Confederation. According to the most recent report available (FY22), CO₂ emissions have been reduced from 584.92 tons in 2020 to 318.09 in 2021 (exceeding the 2021 set goal of 408.05 tonnes).



We track our progress for reducing fossil fuel sources through yearly disclosure of fossil fuel use, as well as monthly internal monitoring in accordance with the requirements set forth in the ACT initiative.



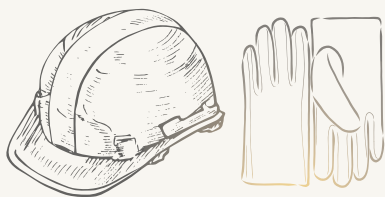
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Social Accountability

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Our management actively encourages members to report issues and reinforces this practice in all training sessions.

Occupational Health and Safety

One of our main priorities has always been to ensure that production processes are carried out with the utmost respect for the health and safety of employees, the local community, and the environment. Our Health and Safety policies, procedures and directives encompass risk analysis exercises, accident and near-miss investigations, root-cause analyses, internal audits, safety walks, and employee training.

We monitor our progress in occupational health and safety matters using 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).

We maintain our ISO 45001 certification, an international standard for the management of occupational health and safety, which also ensures we retain consistent employee engagement in managing these issues.

MKS PAMP follows the Swiss institutional body for Health and Safety (SUVA) guidelines by conducting an inventory and risk analysis to



identify potential dangers. Risk is eliminated or minimised using the hierarchy of controls of risk substitution, technical, organisational, and personal measures. No fatalities or serious injuries were recorded during the reporting period.

With a view to always ensuring the health and safety of our employees in the workplace, we make sure that they can report any work-related hazards easily. In addition to discussing concerns with their direct superiors, workers have direct access to the Health, Safety,

Environment and Quality (HSEQ) team, as well as Human Resources, top management, and the Worker Representatives group. For the further safeguarding of our employees, these reports can be handled anonymously. Our management actively encourages members to report issues and reinforces this practice in all training sessions. Continuous health and safety trainings are held for all employees and are included the induction for new hires.

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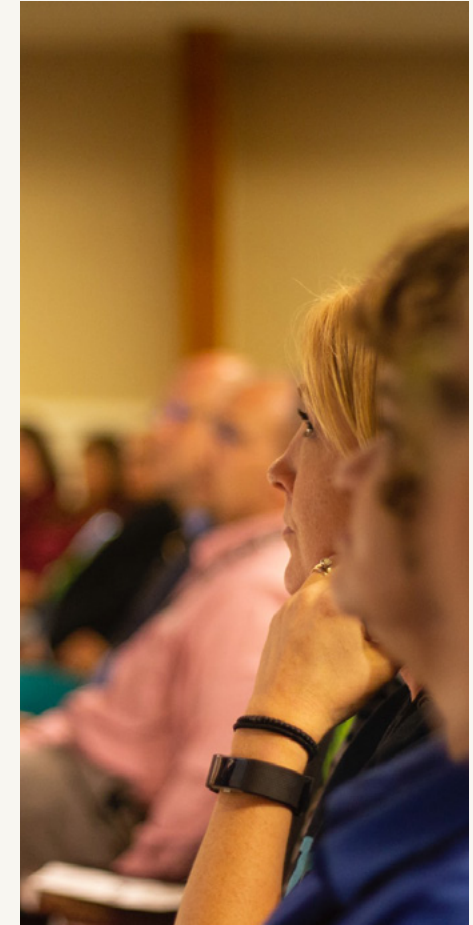
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Employment

We take steps to ensure ethical and safe working environments by implementing policies and commitments with regards to employment practices. These include staff regulations, a whistleblowing policy (in the process of being reviewed) and an anti-harassment policy.

Additionally, we focus on providing management training, conducting individual coaching measures, and engaging in discussions with affected persons to prevent and mitigate any potential negative impacts that may occur in association with our organisation.



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Employee Survey

Our people have always been our strongest asset, and as we grow as a business, it is important that we take everyone's ideas and opinions into consideration. This year, our employees participated in our first employee survey since the merger as "One Team". The survey was conducted and synthesised by an independent third-party.



This year, 90% of our employees participated in our first 'One Team' employee survey.

Following the survey, we have set out an action plan to improve our collaboration among teams and sites (Geneva and Ticino) as well as foster a culture of open dialogue and communication.

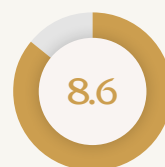
To further cultivate an environment where our employees feel comfortable to securely report

any possible wrongdoing or raise concerns, we are in the process of re-evaluating our whistleblowing process and creating a dedicated platform for it. We plan a follow-up survey by the end of 2023 to check our progress in this area.

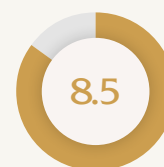
HIGHEST SCORES (out of 10)



I am proud to work at
MKS PAMP



I have confidence in
the future of
MKS PAMP



I am motivated to go
beyond what is
expected of me

LOWEST SCORES (out of 10)



I am aware of what is
going on in other
MKS PAMP
offices/departments



Information circulates
well between different
departments



We are effective
at managing cross
departmental projects

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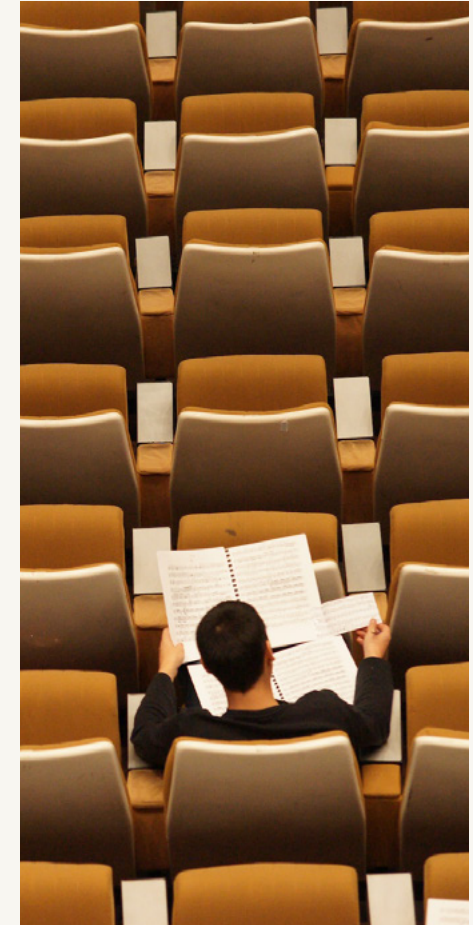
Local Communities

Training and Education

Training and education are a cornerstone of our working environment which require our commitment with adequate scope and scale. To manage training and education, MKS PAMP is developing a learning platform with recommended paths, off-the-shelf training, and access to all employees based on their needs and preferences.

Our platform will include the functionality to track, monitor and report employees' goals, mandatory and optional training will be offered, as well. At the same time, a Learning Management System is currently being implemented to provide training regarding current roles and wider development training.

Elsewhere, transition assistance programs have been put in place for the continued employability of personnel following retirement or contract termination, managed on a case-by-case basis.



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To cultivate a positive social impact where we operate, we maintain open communication and engage in long-term relationships with local community stakeholders. We also support philanthropic community initiatives and encourage volunteering amongst our teams. Local outreach initiatives during FY2022 included:



FONDAZIONE SANT'ANGELO DI LOVERCIANO

We supported a school gardening project and a small editorial office to produce the "Loverciano Post", a quarterly newsletter developed by students with support by a professional editor. Both the activities represent the nature of the collaboration between the company and the special school, which supports the students in learning skills that may be useful as they approach the world of work.



SERVIZIO AUTOAMBLANZA MENDRISIOTTO

We provided support to purchase new equipment.



SOCIETÀ PERCORSO VITA MENDRISIO E DINTORNI

Corporate volunteering and a discussion of support to future projects took place.



TRASFUSIONE CRS SVIZZERA ITALIANA

SERVIZIO TRASFUSIONALE SVIZZERA ITALIANA

We provided financial support in order to facilitate their efforts and activities, focused on promoting the importance of donations and on recruiting new donors.



CASA DON GUANELLA

DON GUANELLA RETIREMENT HOME

Financial support was given and was dedicated to guest entertainment activities.



TAVOLINO MAGICO

Cibo salvato – cibo donato

TAVOLINO MAGICO

We provided support at the distribution centre located in Chiasso.

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SWISS COMMITTEE FOR UNICEF

We participated as a sponsor for the “L'impegno del Ticino per l'infanzia” event aimed at raising funds in favour of the COVAX initiative, for the distribution of vaccines anti Covid-19 in the poorest countries.



MUNICIPALITY OF CASTEL SAN PIETRO

Corporate volunteering and support was carried out for specific projects through an ongoing relationship with the municipality.

TICINO INDUSTRIAL ASSOCIATION (AITI)
AND CANTONAL FINANCE AND ECONOMICS
DEPARTMENT (DFE)

We organised a visit for representatives of both AITI and DFE, also joined by members of parliament to the production site.



SWISS RED CROSS

Support was provided to the Swiss Red Cross destined for Ukraine.

VIVIGORLA E DINTORNI
NEIGHBOURHOOD ASSOCIATION

Regular meetings took place; dedicated points of contacts remained active.



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Fondazione Sant'Angelo

“Over the years, we have found a highly effective mode of collaboration with MKS PAMP, based on exchange and dialogue with a common goal: creating value for the students. In this way, we have been able to jointly carry out various projects that are useful for educational purposes and help prepare students for their working life, while also being highly appreciated by teachers, students, and their families.”

Marilena Pulieri, Director
Director, Fondazione Sant'Angelo

MKS PAMP supported the furnishing of a new classroom opened in the school year 2022-2023

Further to these initiatives, we are committed to prioritising local community engagement when it comes to operations and business activities. As such, we have conducted various assessments and programmes listed below:



Broad Based Local Community Consultation Committees And Processes That Include Vulnerable Groups.



Environmental And Social Impact Assessments And Ongoing Monitoring



Public Disclosure Of Results Of Environmental And Social Impact Assessments.



Local Community Development Programmes Based On Local Community Needs.



Works Councils, Occupational Health And Safety Committees And Other Worker Representation Bodies To Deal With Impacts.



Formal Local Community Grievance Processes.



SPOTLIGHT

Local partnership with Fondazione Sant'Angelo

For over ten years, MKS PAMP has nurtured a close partnership and strong friendship with educational institution Fondazione Sant'Angelo di Loverciano. The local school, based in Castel San Pietro, focuses on the education and training of children and teenagers with special needs, promoting their development, study and introduction to the world of work, and offers their families a place for sharing and support. We are proud to have been able to develop several valuable projects over the years together with the Institute's management in the field of bringing young people closer to work, and to continue in this mission together. This and other virtuous collaborations in the area have increasingly made the special school of the Sant'Angelo Foundation in Castel San Pietro a point of reference for young people and their families. Today the school welcomes 40 children and teenagers, aged 6 to 20, a number that has grown steadily over the last 4-5 years.

At the start of the 2021-2022 school year, we supported a gardening project, as well as the launch of the “Loverciano Post”, a quarterly newsletter developed by the students with the support of a professional editor. Further to these projects, we also supported the furnishing of a new classroom, with tables suited to the needs of the children.

Our support represents the nature of the collaboration between the company and the school, aimed at supporting the youth in learning skills that may be useful in approaching them to the world of work.

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Fondation MKS is financed by MKS PAMP GROUP with a donation up to 3% of their annual profits. The foundation actively supports the following organisations:

**CERCLE DU GRAND THÉÂTRE DE GENÈVE**

Since its inception, the Cercle has provided significant financial support to the Grand Théâtre de Genève through contributions to performances. Joining the Cercle allows to support the Grand Théâtre's mission: to share the magic of opera, engage young audiences in operatic life, make performances accessible to all, host top-tier productions, and promote artistic creation and innovation.

**FONDATION COLIS DU CŒUR**

Established in 1993, the Fondation Colis du Cœur provides food and hygiene products to families and individuals in need in the Canton of Geneva. Each week, through its two distribution sites and with the support of over 200 weekly volunteers, it offers essential aid to nearly 7,000 people holding a "Colis du Cœur" certificate.

**FONDATION PARTAGE**

The Fondation Partage is the food bank of the canton of Geneva. It collects, sorts and stores unsold goods from Geneva's food stores and shops to redistribute them for free to a network of beneficiary associations and social services. Since 2020, the Fondation Partage has also been preparing food aid bags. This initiative directly supports individuals facing financial hardship within the Canton of Geneva.

**FONDATION POUR GENÈVE**

For over 45 years, the Fondation pour Genève has been promoting Geneva's global influence, attractiveness, and openness by supporting federal and cantonal authorities in international development. It brings together entities such as the International Circle of the Fondation pour Genève, the Diplomatic Club of Geneva, the GVA2 Association, the Reception Network, and the Eduki Foundation.

**LE CARÉ**

Le CARÉ is an emergency day center providing an open, welcoming space for individuals experiencing material or emotional difficulties, often associated with social isolation and exclusion. Its core services include offering hot meals, hygiene facilities, locker storage, hairdressing, and distributing clothing and food in a nurturing environment.

**MAMCO**

Dedicated to contemporary art, the MAMCO puts art and artists at its core and welcomes all audiences. It presents historical journeys through multiple exhibitions revolving around a main project, refreshed three times a year. Housed in a former factory, acquired by the city of Geneva, MAMCO's spaces span 3,500 square meters, making it, to date, the largest contemporary art museum in Switzerland.

**ORCHESTRE DE LA SUISSE ROMANDE**

The Orchestre de la Suisse Romande is the premier symphonic orchestra in the region as well as the principal orchestra of the Grand Théâtre de Genève. Composed of 112 musicians, the OSR today ranks among the major international orchestras. Founded in 1918 by Ernest Ansermet, the OSR not only shines in French-speaking Switzerland and on the international stage, but also carries out its missions of cultural mediation, education, and preservation of its heritage.

The foundation is financed by MKS PAMP GROUP with a donation up to 3% of their annual profits.



SPOTLIGHT

Fondation MKS

Launched in 1999, Fondation MKS is a private foundation established to honour Mahmoud Kassem Shakarchi's legacy and his vow to provide future generations with better schooling by placing education at the heart of its activities.

The foundation provides direct assistance to beneficiaries and financial support to local non-profit organisations with a view to strengthening learning, understanding and access to education. For specific projects, Fondation MKS collaborates with local partners who help carry out the initiatives. It also supports local community actions, near its offices and production site, which are predominantly focused on food scarcity.

The foundation is financed by MKS PAMP GROUP with a donation up to 3% of their annual profits. The headquarters are based in Geneva, Switzerland with local offices in Lebanon and the USA.

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Good Governance

Good governance is a critical component of sustainability in family businesses, and this is also true at MKS PAMP. Our unique ownership structure and operating model make our good governance practices essential to safeguard the long-term success and continuity of our business. Effective governance is also essential for setting a solid foundation and ensuring that our company is run responsibly and ethically.

At the same time, being a family business helps us establish policies, objectives, and strategies that carefully guide our decisions and operations toward achieving ambitious goals. This, in turn, allows us to build greater trust between stakeholders by ensuring transparency in all its activities, improving management accountability, and increasing efficiency in resource allocation. Ultimately, good governance helps MKS PAMP reach the highest standard of excellence while managing risks efficiently.



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Corporate Governance

We continuously aim to strengthen our corporate governance practices to better integrate risk management and mitigation processes of human rights and environmental risks and impacts.

Based on our values of integrity, partnership and entrepreneurship, our Board of directors have defined the internal policies that guide our business. Such policies include our AML-CFT and Responsible Precious Metals Policy, our Harassment Free Workplace Policy, our Gift and Entertainment Policy, our IT Policy, and our Code of Conduct.

Our governance structure and policy frameworks support our efforts to comply with all applicable national and international laws and regulations. We continuously aim to strengthen our corporate governance practices to better integrate risk management and mitigation processes of human rights and environmental risks and impacts, including those stemming from value chains, into corporate strategies.

The Board of Directors is briefed on ESG progress and developments at every Board meeting. MKS PAMP also belongs to the Swiss Boards for Agenda 2030 Initiative, an Alliance of Swiss CEOs and Board Members who commit their companies to a high level of board accountability to drive sustainability and business resilience. We are the only precious metals company to have committed to the SAB 2030 leading us to update our bylaws to enhance the board's social and environmental responsibility.

To fulfil our responsibilities to our stakeholders including clients, suppliers, and employees and ensure our stakeholders are satisfied with our responsible sourcing, service, and product offering, we apply the following concepts:



Respect stakeholders' rights and ensure their equal treatment.



Consider the interests of stakeholders, and cooperate with them accordingly.



Regularly engage in constructive dialogues with our stakeholders.



Strengthen transparent exchanges on ESG objective and performance with our stakeholders.

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Risk Management and Mitigation

Risk and risk management is a fundamental element of our business activities. With this in mind, we constantly seek to find new ways to manage risks and deliver impact amid an increasingly uncertain global context. The risk management approach addresses known risks and seeks to uncover unknown and emerging risks. This requires undertaking recurring risk assessments which are led by our risk department in collaboration with our ESG team and involves all layers of the company, with the Board of Directors actively engaging and strongly sponsoring the reshaping of risk taxonomy and the integrated risk control map.

Given the fluid process of risk management which fluctuates according to internal and external factors, MKS PAMP has embarked on a journey to further strengthen risk management organisation and principles. In this way, we have implemented three lines of defence which align with best practices from the banking environment.



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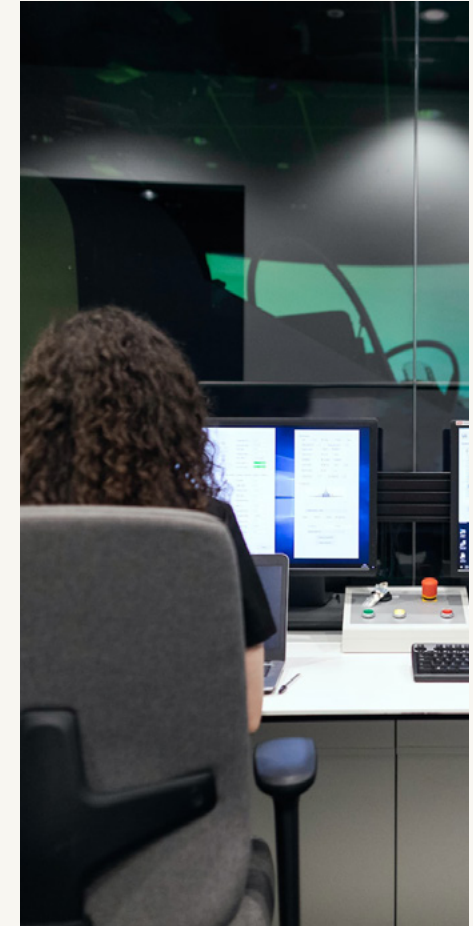
Corporate Governance

Data security and Privacy

With a view to reducing our cybersecurity risk and protect sensitive data, we follow the National Institute of Security and Technology (NIST) framework. In short, this allows our IT Security and Infrastructure teams to identify, protect, detect, respond, and recover data and digital assets – to which we apply the same level of protection and diligence as we do our tangible assets.

All employees are made aware of and are required to follow our Data Privacy and Security Guidelines which govern their daily work. An external cybersecurity awareness training program is also provided to staff.

During the 2022 reporting period, MKS PAMP has not experienced any security breach. We continue to upgrade and adapt our data security capabilities in response to the evolving external environment and varying levels of threat.



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Economic Performance

Over the past year, we have continued to contribute positively and substantially to the economies and people of producing countries by purchasing precious metals. To mitigate the potential negative impact of mining, we perform due diligence on all sources of precious metals sourced and only work with mines that safely satisfy our requirements in compliance with LBMA guidance and OECD due diligence guidance for responsible supply chains of minerals from conflict affected and high-risk areas.

To mitigate the potential negative impact of mining, we perform due diligence on all sources of precious metals.

We take 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.



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► Economic Performance

Innovation

Business Adaptability

Economic Performance

Equally committed to prioritising profitability and sustainability, our strategy is to adopt an integrative approach that incorporates progressive solutions in our commercial and operational activities in line with our mission.

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

Our strategy is to adopt an integrative approach that incorporates progressive solutions in our commercial and operational activities in line with our mission.



Goal

Our goal is to increase economic performance.



Target

Our target is a 15% yearly increase in profits.



Considerations

- Evolution of turnover
- Evolution of capitalisation
- Evolution of investments
- Evolution of taxes

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Innovation

MKS PAMP has long been a pioneer in the precious metals sector, as the first fabricator to decorate the reverse of its small bars. Throughout our history, we have played a role in transforming our industry by introducing numerous next-generation products and services that have become industry best practices.

Today, research and innovation continue to be one of our core values. We create innovative products and services, not only with a view to deliver for our clients, but also by introducing next-generation and transformative solutions that will drive the entire industry forward. It was with innovation in mind that we were prompted to produce the first Carbon Measured and Carbon Neutral precious metals products to achieve certification by the Carbon Trust.

We strive to set high standards for bullion identification security through our proprietary solutions VERISCAN™ and PROVENANCE™, which operate on the fact that, just as in Nature, even man-made products possess microscopic ‘surface profiles’ as individual and distinctive as a fingerprint. MKS PAMP’s innovative solutions leverage the unique surface data of each registered PAMP product, captured at the production line, to identify and confirm authenticity through its advanced scanning system. This revolutionary system allows to greatly reduce the risk of counterfeits, boost efficiency and in turn potentially decrease buy-back costs for both distributors and investors.

Thanks to continuous innovation, MKS PAMP has secured a place as a leader in this highly competitive market.

THE LADY FORTUNA™

The world’s best-known ingot motif.



COLORISATION

Our production site was the first to develop engineering for the colourisation of bars and pendants.



MULTIGRAM

A convenient way of providing small bars to new customers while meeting quality standards.



CertiPAMP™

Sealed packaging for small bars acting as both an airtight environment to protect the bar within, and as a signed certificate of authenticity.



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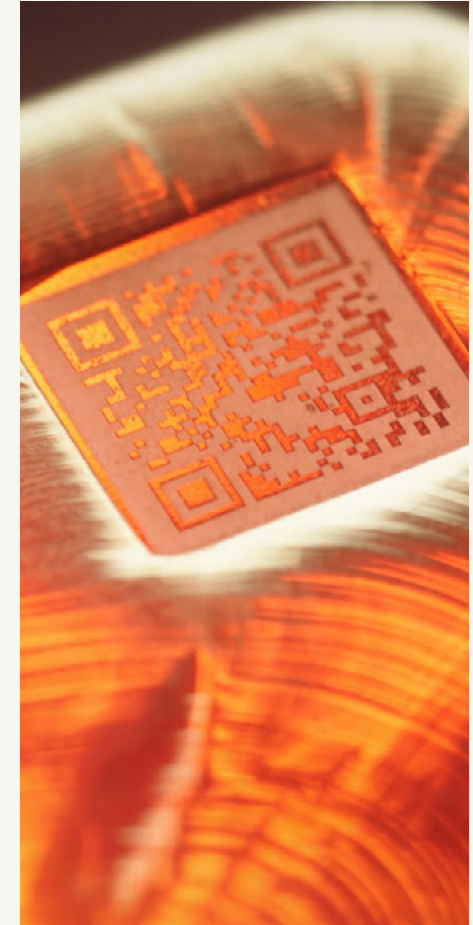
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Innovation

Innovation is also a pivotal element in driving the continuous improvement of our own processes to make them more efficient and less impacting on resources and environment. Accessing the expertise of widely recognized experts through projects and advisory consultations is a powerful approach that we put in place to sustain our own skilled specialists through the collaboration with researchers, scholars and advisors from renowned universities.

We have active projects in assessing our energetical efficiency, in designing some new industrial processes and, more in general, in defining our innovation strategy.



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Business Adaptability

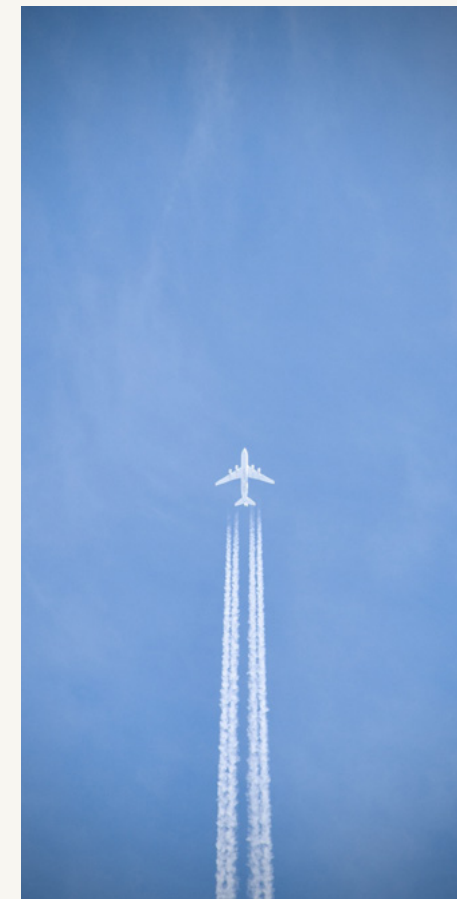
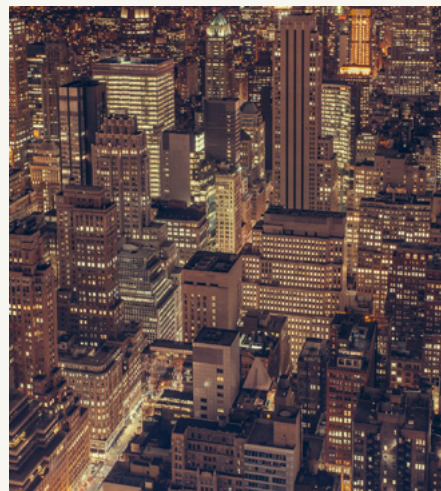
Business adaptability is becoming an increasingly important factor in the modern ESG landscape. Flexibility allows us to quickly respond to changes in their environment and make strategic decisions that can improve long-term prospects for success. It also enables us to pursue new opportunities as they arise, while managing risks associated with unexpected external events like the COVID-19 pandemic or the Ukraine conflict.

We know businesses that are agile and flexible are better equipped to compete in an ever-changing global economy while simultaneously reducing their environmental footprint. This is particularly relevant for a family business which has the ability to pivot quickly when necessary. Having a closer connection to the local communities in which they operate, and a more intimate understanding of their customers makes

We are prepared to adapt our strategies and operations when faced with emerging social, economic or even political issues.

family companies better positioned to anticipate changes in customer needs and preferences. In this way, their agility and their ability to adjust quickly allows them to stay relevant in the market.

Indeed, we are prepared to adapt our strategies and operations when faced with emerging social, economic or even political issues. To do so, we must continue to have the ability to assess new situations and adjust course if necessary. This includes taking prompt measures such as diversifying supply chains or altering production processes in response to changes in consumer behaviour or other market conditions. By staying ahead of potential disruptions, MKS PAMP can optimise its performance and remain competitive in a rapidly evolving market.



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► Looking at 2023

Looking to 2023

As we conclude our latest ESG report, we are proud to share that MKS PAMP has made significant progress in integrating sustainability into our corporate governance. Our commitment to ESG principles has not only become a fundamental aspect of our business operations, but it also reflects our identity as a purpose-driven company.

We recognise that our success is not only measured by financial performance but also by our ability to create value for all our stakeholders while addressing social and environmental challenges. As a family company with deeply rooted values, we remain committed to driving positive change and contributing to a thriving future for all.

Firm in the belief that positive change starts at individual level, we have been working hard to find the right balance between implementing ESG efforts and ensuring that our stakeholders are conscious of their duties to do so. We will continue to embrace this challenge next year, especially as we incorporate ESG as a Key Performance Indicator, urging us to rethink how we do business - not only with a profit mindset but with an ESG mindset too.



2023 will be an instrumental year for us: we will transition from target-setting to target-reaching, and implement the policies and action plans we established this past year in earnest. We have started our journey in the area of climate change, committing to reducing our emissions to a quantity that is in line with containing global warming to a 1.5°C limit. We look forward to even stronger action to achieve this objective and further our ambition.

Finally, we want to be seen as a trusted partner wherever we are present and whoever we interact with. I have no doubt we will make strides towards our environmental and social

commitments, given the great impetus placed on these goals both internally and externally. We will tirelessly advocate these efforts, as stewards of sustainable business and shared value, showing the industry that placing these fundamentals at the heart of what we do is not only compatible, but part of our DNA. Over four decades these values have allowed us to reach where we are today, and I have no doubt they will continue to help us as we move forwards.

Tamara Jomaa-Shakarchi
Head of ESG, MKS PAMP

“Through one, our common purpose, we believe we can create a more sustainable industry, to the benefit of us all.”

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	2-22: Statement on sustainable development strategy	<u>9</u>		
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GRI 3: MATERIAL TOPICS 2021	201- ECONOMIC PERFORMANCE			
	3-3 Management of material topics	<u>22; 19-21</u>		
	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	<u>23</u>		
	201-3 Defined benefit plan obligations and other retirement plans	<u>24</u>		
	201-4 Financial assistance received from government	<u>24</u>		

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GRI 3: MATERIAL TOPICS 2021 (continued)	302- ENERGY			
	3-3 Management of material topics	<u>25; 19-21</u>		
	302-1 Energy Within the Organization	<u>26</u>		
	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	<u>26</u>		
	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.
	303- WATER AND EFFLUENTS			
	3-3 Management of material topics	<u>26; 19-21</u>		

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	303-2 Management of water discharge-related impacts	<u>27</u>		
	303-3 Water withdrawal	<u>27</u>		
	303-4 Water discharge	<u>28</u>		
	303-5 Water consumption	<u>28</u>		
	305- EMISSIONS			
	3-3 Management of material topics	<u>28; 19-21</u>		
	305-1 Direct (Scope 1) GHG emissions	<u>29</u>		
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GRI 3: MATERIAL TOPICS 2021 (continued)	305-3 Other indirect (Scope 3) GHG emissions	<u>30</u>		
	305-4 GHG emissions intensity		Information not available	The company does not have access to granular data to provide. The company plans to fulfil this requirement in upcoming reporting cycles.
	305-5 Reduction of GHG emissions	<u>30</u>		
	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	<u>30</u>		
	306- WASTE			
	3-3 Management of material topics	<u>31; 19-21</u>		
	306-1 Waste generation and significant waste-related impacts	<u>31</u>		
	306-2 Management of significant waste-related impacts	<u>31</u>		

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	306-4 Waste diverted from disposal	<u>32</u>		
	306-5 Waste directed to disposal	<u>33</u>		
	308- SUPPLIER ENVIRONMENTAL ASSESSMENT			
	3-3 Management of material topics	<u>34; 19-21</u>		
	308-1 New suppliers that were screened using environmental criteria	<u>34</u>		
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	403-2 Hazard identification, risk assessment, and incident investigation	<u>38</u>		
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	403-4 Worker participation, consultation, and communication on occupational health and safety	<u>38</u>		

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	403-6 Promotion of worker health	<u>39</u>		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>39</u>		
	403-8 Workers covered by an occupational health and safety management system	<u>39</u>		
	403-9 Work-related injuries	<u>39</u>		
	403-10 Work-related ill health	<u>39</u>		
	404- TRAINING AND EDUCATION			
	3-3 Management of material topics	<u>40; 19-21</u>		
	404-1 Average hours of training per year per employee		Information not available	The organization does not have access to the information requested. In the up-coming months, the company will be launching a learning development tool to collect the required data.

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	413- LOCAL COMMUNITIES			
	3-3 Management of material topics	<u>41; 19-21</u>		
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	414- SUPPLIER SOCIAL ASSESSMENT			
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Reports

Click to view the following reports:



GRI Technical Report



The 2022 MKS PAMP LBMA/ LPPM Independent Limited Assurance Report.

MKS PAMP is audited on a yearly basis for its compliance with the LBMA Responsible Gold Guidance.

2022 MKS PAMP LBMA INDEPENDENT LIMITED ASSURANCE REPORT



2022 MKS PAMP LPPM INDEPENDENT LIMITED ASSURANCE REPORT

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