



As precious as tomorrow

PAMP[®]

Produits Artistiques Metaux Precieux

SUSTAINABILITY
REPORT 2021



Editorial



Marwan Shakarchi
Chairman of the board

As we continue to pave the way towards greater sustainability, we have and always will promote responsible practices and quality products for today's and tomorrow's generations. With the integrity, commitment and determination of our unified teams, we continue to strive to meet the highest environmental, safety and social standards throughout our supply chain.

Moreover, the importance of our environmental, social and governance (ESG) impact is key to both us and our stakeholders and therefore this report ensures transparency, which is crucial in the creation of stronger relationships with our stakeholders.

This approach is a pivotal shared value amongst all MKS PAMP GROUP the companies.

Stakeholder engagement

Adapting in the face of adversity by leveraging technology to best serve and engage with stakeholders.

Economics

The long-term vision and willingness to continue to invest in the current structure emerge from the economic indicators for the financial year. In terms of results, the effects of the exceptional conditions dictated by the Covid-19 pandemic on the precious metals market are visible.

Supply chain

Thanks to the Crisis Committee, structured procedures and the commitment of all employees, we have been able to continue to serve our customers in the best possible way. We continued to implement supplier assessments and analysis processes and worked towards a sustainable supply chain, where information is transparently shared between all actors involved.

Our commitment to safety

The health and safety of our employees is our priority: in agreement with the Workers' Representatives, we have adapted our procedures and measures against Covid-19 in line with the changing health situation.

Environment

We have worked closely with the Department of Environment to protect the environment around the PAMP factory. We are continuing towards our CO₂ reduction goals, officially set with the Confederation, in line with expectations. We also apply procedures verified by certifying bodies that allow us to declare 100% recycled origin for some of our gold products and support a circular economy. We engage our suppliers to ensure that environmental standards are met across our supply chain.

Governance

Our governance structure permits us to further our commitments towards greater sustainability. Through this, we created the ESG Committee, which reports to the ExCom.

Thank you for helping us achieve concrete and effective actions for a more sustainable future for generations to come.

Marwan Shakarchi, Chairman of the board

Contents

Company, p. 4

- Core values
- Our product and Services
- Governance
- Company policy
- Group

Our approach: 'As precious as tomorrow', p. 12

Pillar 1: Stakeholder engagement, p. 14

- Stakeholder engagement activities
- Important topics for stakeholders
- Materiality matrix
- **Focus: Strengthened partnerships and new initiatives**

Pillar 2: Responsible production and supply chain, p. 22

- Production and supply chain
- Internal procedures
- Accreditations and collaborations
- Suppliers
- **Focus: A transparent chain of custody for metals**

Pillar 3: Environmental Responsibility, p. 30

- Materials
- Energy
- Water
- Waste
- Atmospheric emissions
- **Focus: Emission air quality: analyses confirm PAMP is performing well**

Pillar 4: Social Responsibility, p. 38

- Personnel
- Health and safety at work
- Training
- Local community
- **Focus: A structured approach to training**

Pillar 5: Economic Responsibility, p. 46

- Operating results
- Taxes, investments and sponsorship
- Origin of suppliers
- **Focus: Local development investments to benefit employee wellbeing**

Sustainability report, p. 53

GRI Index, p. 55-58

At a glance

Key facts and figures 2020-2021

PAMP & MKS PAMP GROUP

PAMP is the world's leading bullion brand which operates a state-of-the-art precious metals refinery and fabrication facility in Switzerland, with operations located in Castel San Pietro, Ticino. It is part of the MKS PAMP GROUP, with administrative headquarter in Geneva, that includes five brands with 13 offices in key markets throughout the world.

RESPONSIBLE SOURCING: OUR TRANSPARENCY TOOLS

Our **PROVENANCE™** service and our **VERISCAN™** App provide a cutting-edge authentication and traceability solution that leverages the blockchain technology to track the global precious metal supply chain, from source to end-product, guaranteeing responsible sourcing through a transparent approach.

STAKEHOLDER ENGAGEMENT

- Targeted activities and initiatives for internal and external stakeholders
- Monitoring of issues of importance to stakeholders: 16 topics identified
- Regular meetings and contacts for continuous updating and exchange on our social and environmental performances

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

- Renewal of RJC's Responsible Jewellery Council CoC (Chain-of-Custody) certification, now extended to include silver
- Increase in the number of suppliers to cope with the uncertainties related to the pandemic, in order to ensure continuity of service to our customers

Environmental Responsibility

- Positive results of the emissions and odour analysis campaign carried out with the Department of Environment
- Drastic reduction in the use of liquid fuels (close to zero), thanks to the complete switch of the heating system to a heat pump and the abandonment of diesel, replaced where necessary by methane
- The vast majority of waste is recycled (96%)
- Nitrogen dioxide (NO₂) emissions decreased (-13%), well below the limits and even below the average of all Ticino's detectors
- 100% of electricity sourced as Swiss hydroelectric

Social Responsibility

- 65% of employees have worked with PAMP for at least 5 years
- 50% of management are women
- Detailed guidelines and procedures for workplace safety, allowing to maintain control of our production processes, providing a safe working environment
- Vigorous resumption of training activities, also thanks to a more structured approach
- Strengthened partnerships with institutional stakeholders and the local community, new charitable initiatives (Istituto Sant'Angelo di Loverciano, Don Guanella nursing home for the elderly, Blood Transfusion Service of Italian-speaking Switzerland (CRS), Swiss Committee for UNICEF and others)

Economic Responsibility

- Positive results: turnover performance was expected considering the exceptional nature of the 2019-2020 financial year
- Long-term vision supported by a 16% growth in capitalisation
- Significant and consistent investment over time
- Ongoing support to local partners through sponsorships and donations

OUR CERTIFICATIONS & ATTESTATIONS

- ISO9001
- ISO14001
- ISO45001
- SA8000
- ISO17025
- ISO14021
- RJC Code-of-Practice
- RJC Chain-of-Custody

OUR KEY VALUES

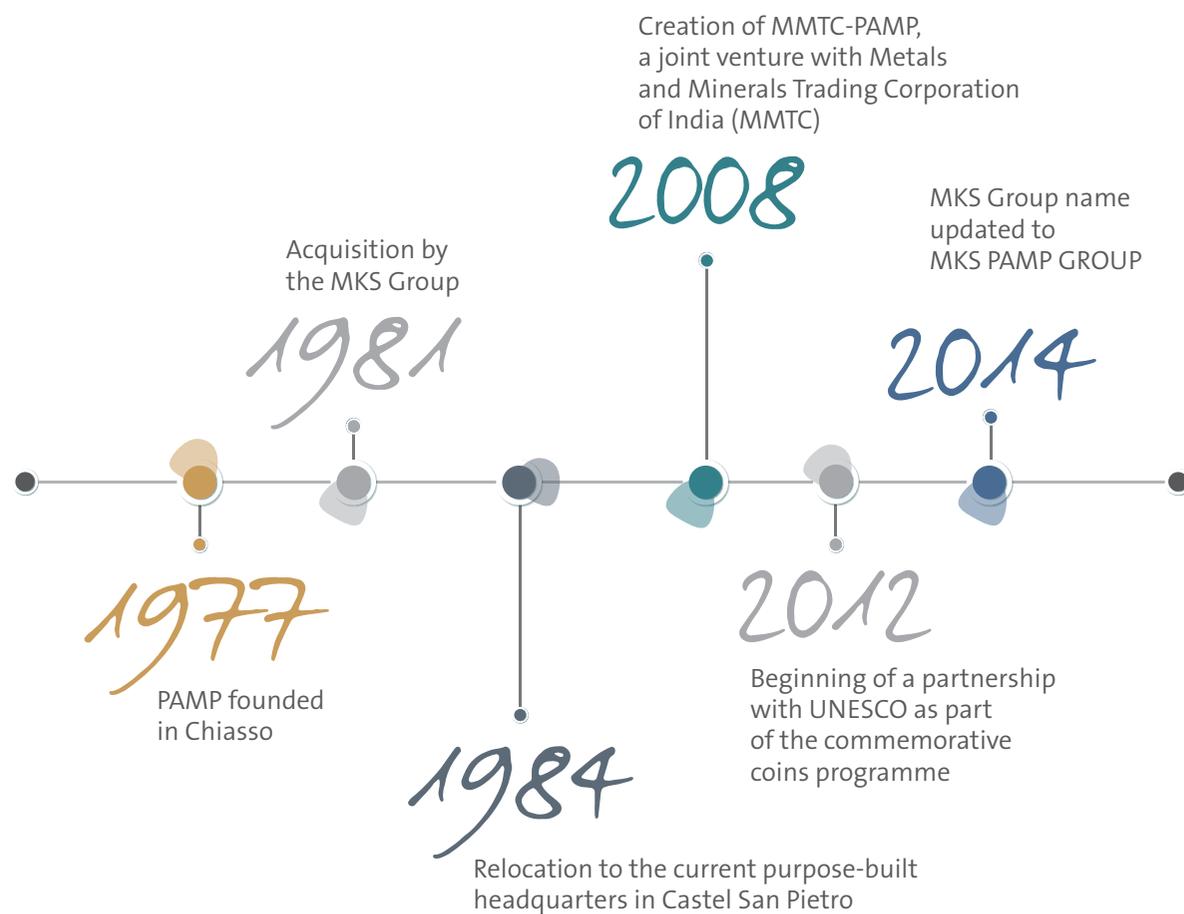
- EXCELLENCE
- TRUST AND RELIABILITY
- RESPECT
- RESEARCH AND INNOVATION
- PROTECTION AND DEVELOPMENT
- RESPONSIBLE SOURCING

Company

PAMP stands for 'Produits Artistiques Métaux Précieux'. Today our brand name represents leadership throughout the sector and high-quality processing of precious metals.

The PAMP operations are located in Castel San Pietro, Ticino. It is part of the MKS PAMP GROUP, with administrative headquarter in Geneva, that includes five brands with 13 offices in key markets throughout the world.

Together with MMTC-PAMP, which operates in India, PAMP is the group's operational and physical arm, handling the refining and fabrication of precious metals.



Core values

PAMP's culture is based on six essential values, which define our identity and determine our strategy.

By sharing those values at all levels, we can ensure they drive the development of our activities, our interactions with our stakeholders and our relationships with society at large. Those values also have a direct impact on our structure and policies as well as our organisational culture



Our products and Services

We are able to offer a full range of products and services, and our commitment is unwavering to ensure that customers receive the best solution for their needs.

Products

- **Finished and semi-finished products of traceable origin:** Production batches using segregated processing and equipment, guaranteeing full traceability of the precious metal throughout the chain
- **Cast bars and ingots:** Produced in gold, silver, platinum, and palladium
- **Minted ingots:** Produced in gold, silver, platinum, palladium, and rhodium in weights ranging from 0.3 g to 1 kg
- **Gifts and collectors' items:** coins, medals, pendants and other items in gold, silver, platinum, and palladium; for which we can handle the design, packaging and distribution
- **Semi-finished goods for industrial applications:** Pure precious metals, alloys, components, sponges, salts and solutions containing platinum group metals for the industrial and jewellery sectors



PAMP strengthens its commitment to fighting counterfeit products with the introduction of free VERISCAN™ scans

Traceability is as important as Know-Your-Client (KYC). As a result, it only made sense for the group to develop two intertwined solutions, Veriscan an app that enables the authentication of products with a simple scan, and Provenance a cutting-edge traceability solution that utilizes the blockchain technology to track the global precious metal supply chain, from source to end-product, guaranteeing the source through a transparent approach.

VERISCAN™ reduces the risk of counterfeits, boosts efficiency and in turn potentially decreases buy-back costs for both distributors and investors.



Services:



Added-value solutions – proprietary VERISCAN™ technology:

Unambiguous identification of select products from PAMP or its brand partners through the instant scanning of the surface of ingots and coins. Using the VERISCAN™ iPhone app, in most cases customers can securely obtain details on the provenance and authentication of metals quickly and easily. VERISCAN™ virtually eliminates the risk of counterfeiting and makes it possible to reduce reacquisition costs for distributors and investors alike



Refining of gold, silver and platinum group metals (annual capacity: 450 tonnes of gold, 600 tonnes of silver and 70 tonnes of platinum group metals)



Analysis and sampling: Control of precious metals by 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. The Laboratory also holds ISO/IEC 17025 accreditation, in recognition of the fact that it meets the standards required for carrying out analyses using accredited methods, and can therefore issue various types of certificates



Storage and vaulting services in Switzerland, the United States and India



Retail solutions for partners: Platform and know-how to support the retail sale of a range of products



Financial services (as we belong to the MKS PAMP GROUP): Physical trading of precious metals, unallocated trading, location and purity swaps, Web-based trading application (WTA), Web-based reporting and daily market reports

Customers and markets

PAMP has a varied global customer base operating in a range of sectors:



Central and commercial banks



National mints



Mining companies



Manufacturers of or dealers in jewellery and fine watches



Asset management and trading companies



Commodity trading advisors (CTA)



Bullion distributors



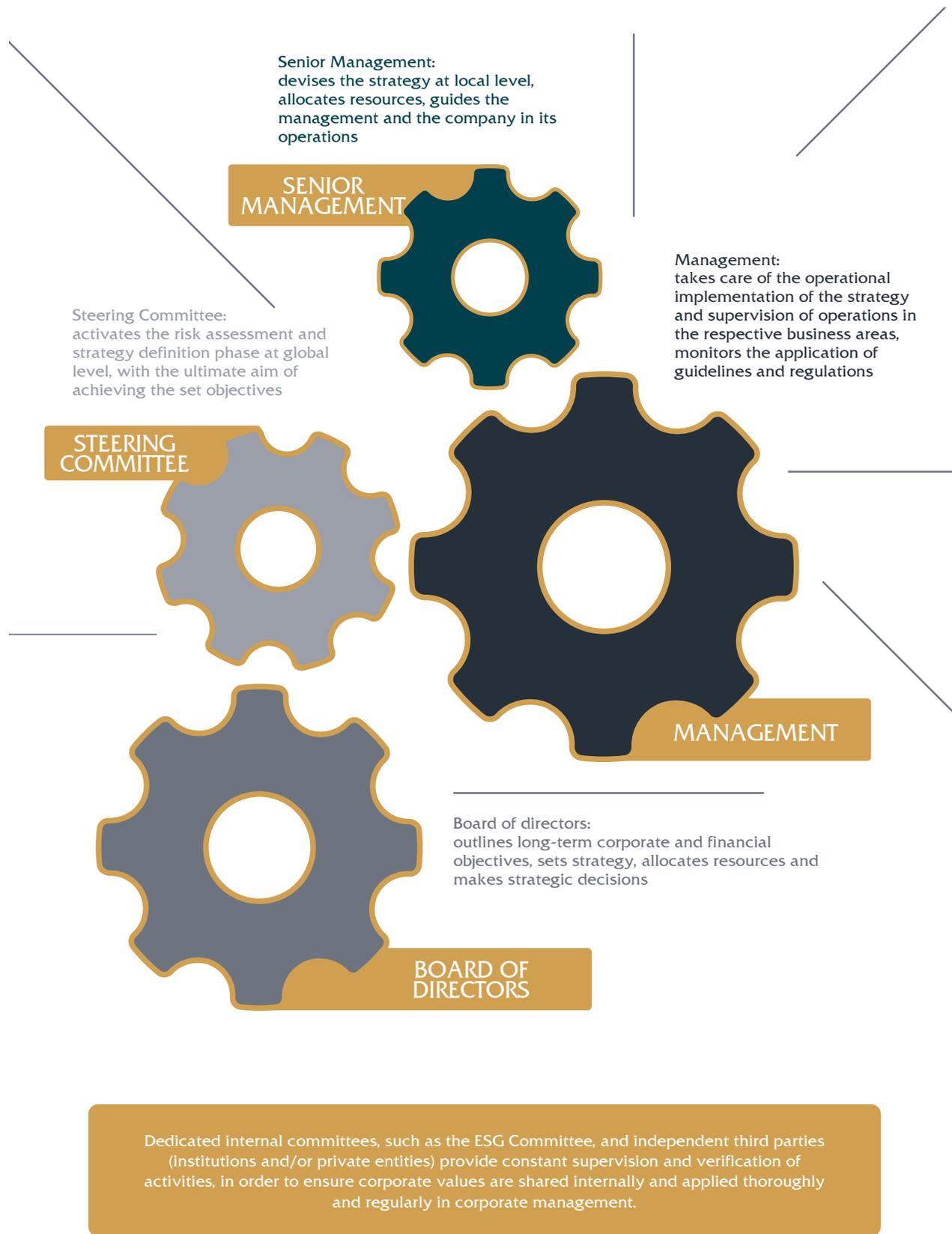
Major private investors



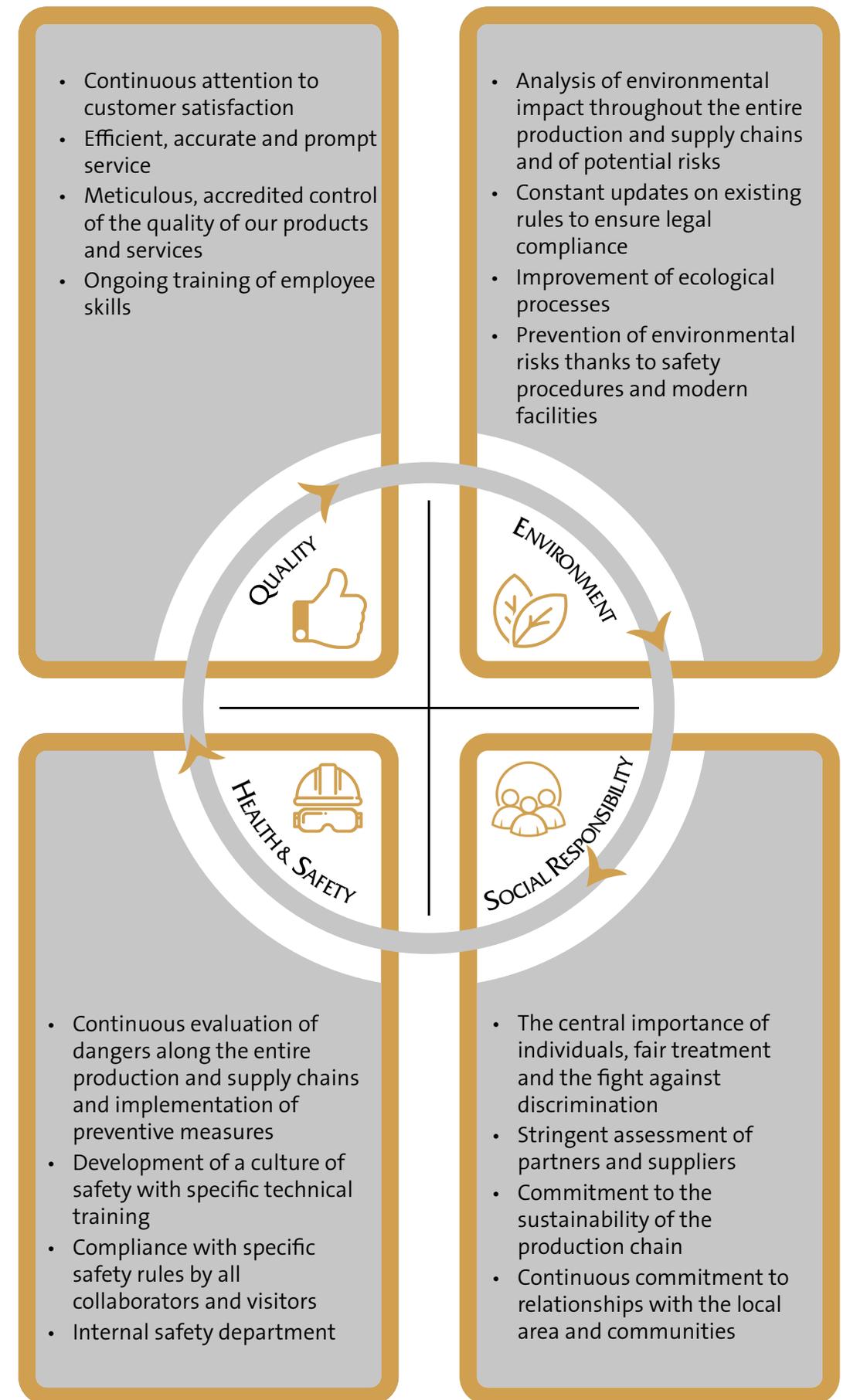
For minted products, the main markets in which PAMP operates are Europe, North America and Asia, while our principal customer in the cast bar bullion market remains the banking sector, especially in Europe and North America

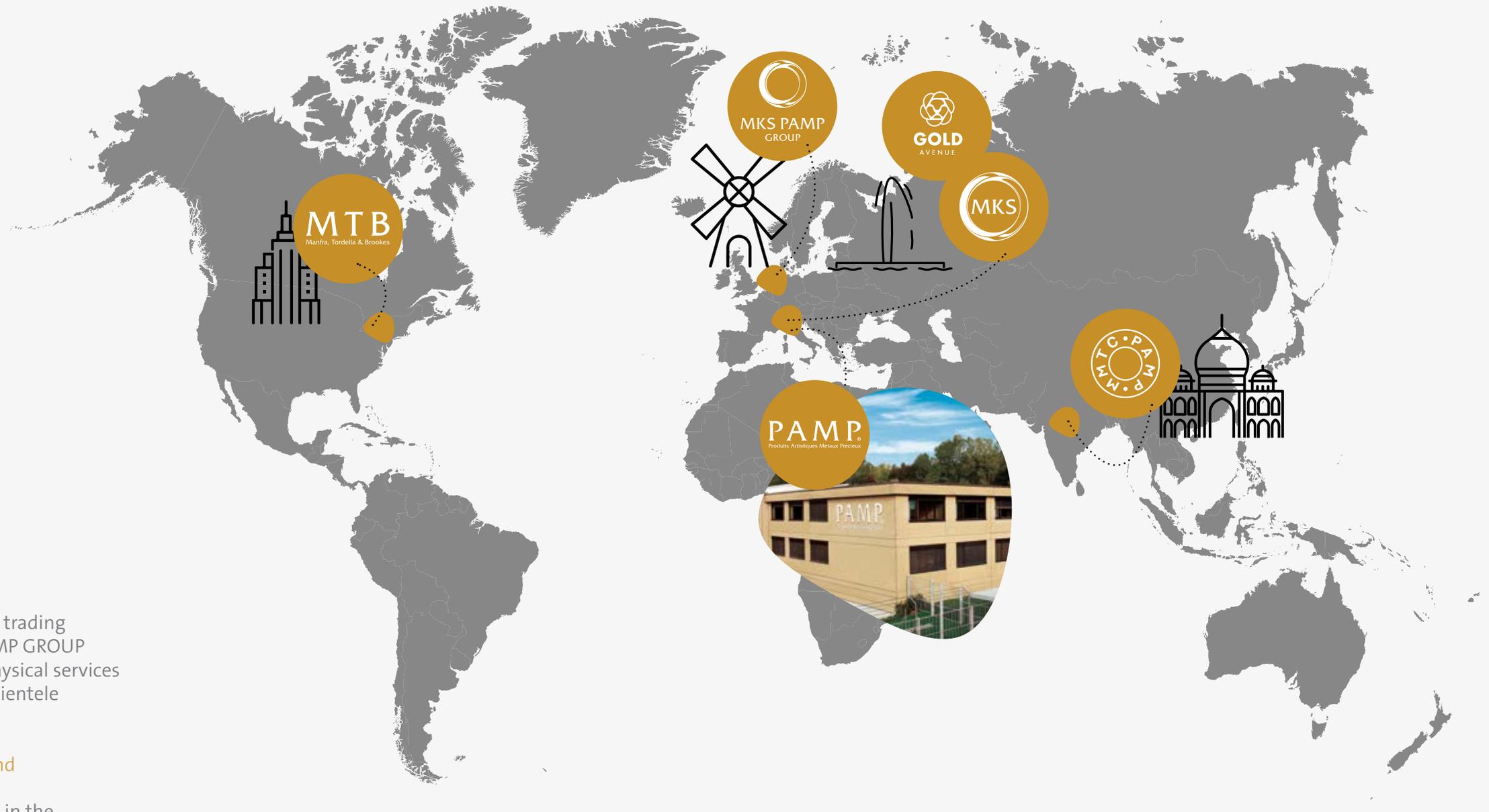
Governance

Being able to rely on a fast and effective decision-making process is one of our main priorities. For this reason, within the MKS PAMP GROUP we adopt the most agile governance structure possible. Our management bodies and their main tasks are described below:



Company policy





- **MKS SA**
Geneva, Switzerland
 - Founded in 1979
 - The largest and principle trading company of the MKS PAMP GROUP
 - Provides financial and physical services and trading to a global clientele

- **PAMP SA**
Castel San Pietro, Switzerland
 - Founded in 1977
 - The leading global brand in the production of ingots, in particular bullion commonly known as ‘small bars’
 - Processes precious metals at a facility with cutting-edge equipment

- **GOLDAVENUE SA**
Geneva, Switzerland
 - Founded in 2018
 - The official online, retail distributor of the MKS PAMP GROUP
 - Makes it easy for customers to buy, sell and deposit products of gold and other precious metals

- **MTB - Manfra, Tordella & Brookes, Inc**
New York, United States
 - Founded in 1957
 - Part of the MKS PAMP GROUP since 2002
 - Offers individuals and institutions a wide range of coins, ingots and investment bars

- **MKS PAMP GROUP B.V.**
Amsterdam, The Netherlands
 - Founded in 2008
 - Guarantees financial strength and structure to the entire group

- **MMTC-PAMP India Private Ltd.**
New Dehli, India
 - Founded in 2008
 - Manages the most modern precious metals refinery in the world and is the first and only LBMA Good Delivery refinery for gold and silver in India
 - The company is a joint venture with MMTC, the largest trading and precious metals importing company in India

- **OTHER LOCATIONS**
 - Dubai
 - Bangkok
 - Bangalore & Kochi (IT Centre of Excellence)
 - Hong Kong
 - Kuala Lumpur
 - Shanghai
 - Singapore
 - Sydney

OUR APPROACH: AS PRECIOUS AS TOMORROW

As a family company, our long-term vision promotes responsible practices and quality products to ensure a sustainable future for tomorrow's generation.

We have defined five pillars, or commitments, that guide us when establishing our goals. Those pillars represent the high extent to which we value all PAMP stakeholders.

Only by engaging in a dialogue with our stakeholders can PAMP create shared value. Our areas of activity are based on a sourcing, production, and supply chain founded upon transparent and sustainable management of raw materials that also ensures respect for the environment and human rights.

Our five pillars

1.
**Stakeholder
engagement**
p.14-15

2.
**Responsible
production and
supply chain**
p.22-23

as Precious as tomorrow

4.
**Social
responsibility**
p.38-39

3.
**Environmental
responsibility**
p.30-31

5.
**Economic
responsibility**
p.46-47

Stakeholder engagement

Our relationship with stakeholders is aimed at generating various forms of value for all parties involved. This is done by understanding the needs of individual stakeholders, the topics that are important to them, and the best ways of working together. An open and collaborative approach is the basis for regular meetings and discussions, specific activities and analysis of relevant stakeholder matters. By being aware of what is important to them, we guide our actions.



Visit to the Istituto Sant' Angelo di Loverciano

Targeted meetings with members of the local community

Targeted meetings with Workers' Representatives to assess changes generated by the pandemic and regulations



Leveraging the power of technology in our communications

16 important topics for stakeholders

INDEX

Stakeholder engagement activities	p.16-17
Important topics for stakeholders	p.18-19
Materiality matrix	p.20
Focus: Strengthened partnerships and new initiatives	p.21

Stakeholder engagement activities

We plan specific activities for each stakeholder, aimed at generating engagement and maintaining an open and collaborative two-way channel. The Covid-19 pandemic and restrictions on interpersonal contacts also impacted the first part of 2020-2021 financial year. In fact, for several months it was not possible (or safe) to organise face-to-face meetings or take part in trade fairs; in spring 2021, we were able to return to an almost normal situation, albeit one that was subject to stringent measures.

Our key stakeholder engagement initiatives are summarised in the table below.



STAKEHOLDER Involvement activities

Shareholders	Quarterly meetings of the Board of Directors (company owners)
Group Companies	Annual group strategy meeting Periodic meetings within business areas Meetings at fairs and trade events Regular contacts Company visits
Employees	Periodic meetings (every six weeks) with Workers' Representatives Notice board, suggestion box and register of ideas Social initiatives: company dinners, voluntary activities, the possibility of making individual proposals on a dedicated notice board Company training plan Annual performance reviews for workers through a system of KPIs Sustainability report
Customers and commercial partners	Company visits Interactions with the Sales & Marketing team Sector fairs Regular due diligence verifications and checks Sustainability report
Suppliers	Periodic meetings Regular due diligence verifications, checks and cataloguing External audits Use of digital platforms to structure information on sustainability Sustainability report

Institutions	Periodic meetings Company visits Regular contact Collaboration, exchange of data and technical consultancy on environmental topics Sharing information and communication (e.g. press releases) Voluntary initiatives in collaboration with the municipality Sustainability report
Local community	Sponsorship Voluntary initiatives in collaboration with local actors Periodic meetings with the local associations Dedicated email address for reporting environmental problems Sustainability report
Competitors	Informal meetings for discussions and debate Sustainability report
Industry associations	Memberships of various groups and associations Participation in working groups Provision of knowledge and expertise on various topics for the development of guidelines and regulations Collaboration on courses and seminars Participation in assemblies and meetings Participation in training events Sustainability report
Labour unions	Two-way communications channel Contact on specific occasions Sustainability report
Public services	Sharing emergency plans Regular updates on internal changes and exchange of information Ongoing direct collaboration mediated by the Cantonal Office Regular drills conducted during the year Sustainability report
Media	Press releases Press conferences Collaboration with a specialised company as the point of contact for media requests Sustainability report

Important topics for stakeholders

As we nurture lasting relationships with our stakeholders, we strive to grasp their concerns and needs.

As a result of this monitoring and continuous updating, we are able to outline the list of “material” issues defined according to GRI criteria:

- Areas in which the company can, through its operations, generate an impact
- Issues that are able to influence stakeholders’ judgements and decisions with respect to the company

The topics in the table below are grouped according to the pillar to which they refer and in the materiality matrix presented on page 20 cross-referenced with the degree of relevance, according to our assessment, for the various stakeholders.

Analysis and reflection on the matrix allow us to adapt company activities and operations, if necessary and appropriate.

For example, the pandemic during the 2019-2020 financial year, occupational health and safety issues have become increasingly important to different categories of stakeholders. We have thus reacted by implementing measures even greater than those required by regulations, in order to reassure and ensure the safety of employees and other stakeholders.

Stakeholder engagement

1 Transparency towards stakeholder
Shareholders, Group companies, Employees, Customers and Partners, Suppliers and Minerals supply chains, Institutions, Local community, Competitors, Sector associations, Labour unions, Public services, Media

2 Proactive approach to corporate social responsibility
Shareholders, Customers and Partners, Suppliers and Minerals supply chains, Institutions, Local community, Sector associations

Responsible production and supply chain

3 Ethical conduct and transparency of the production chain
Shareholders, Group companies, Customers and Partners, Institutions, Media

4 Compliance with laws and regulations
Shareholders, Group companies, Customers and Partners, Institutions, Local community, Sector associations, Labour unions, Public services, Media

5 Analysis of commercial partners and suppliers
Shareholders, Group companies, Customers and partners, Suppliers and Minerals supply chain, Institutions, Local community, Sector associations, Labour unions, Media

Social responsibility

6 Employment conditions and work environment
Employees, Institutions, Labour unions, Media

7 Occupational health and safety
Employees, Institutions, Labour unions, Media

8 Teaching and training
Employees, Sector associations, Labour unions

9 Partnerships with local actors and relationships with the local community
Institutions, Local community, Sector associations, Public services, Media

10 Dialogue with institutions
Institutions, Local community

Environmental responsibility

11 Protecting the environment
Shareholders, Customers and Partners, Institutions, Local community, Sector associations

12 Careful management of resources
Shareholders, Customers and Partners, Institutions, Local community

Economic responsibility

13 Lasting company competitiveness
Shareholders, Group companies, Employees, Customers and Partners, Institutions, Sector associations

14 Creation and distribution of economic value
Shareholders, Group companies, Customers and Partners, Suppliers and Minerals supply chains, Institutions, Sector associations, Labour unions

15 Creation of value through innovative, high quality products and services
Shareholders, Group companies, Customers and Partners, Competitors, Sector associations

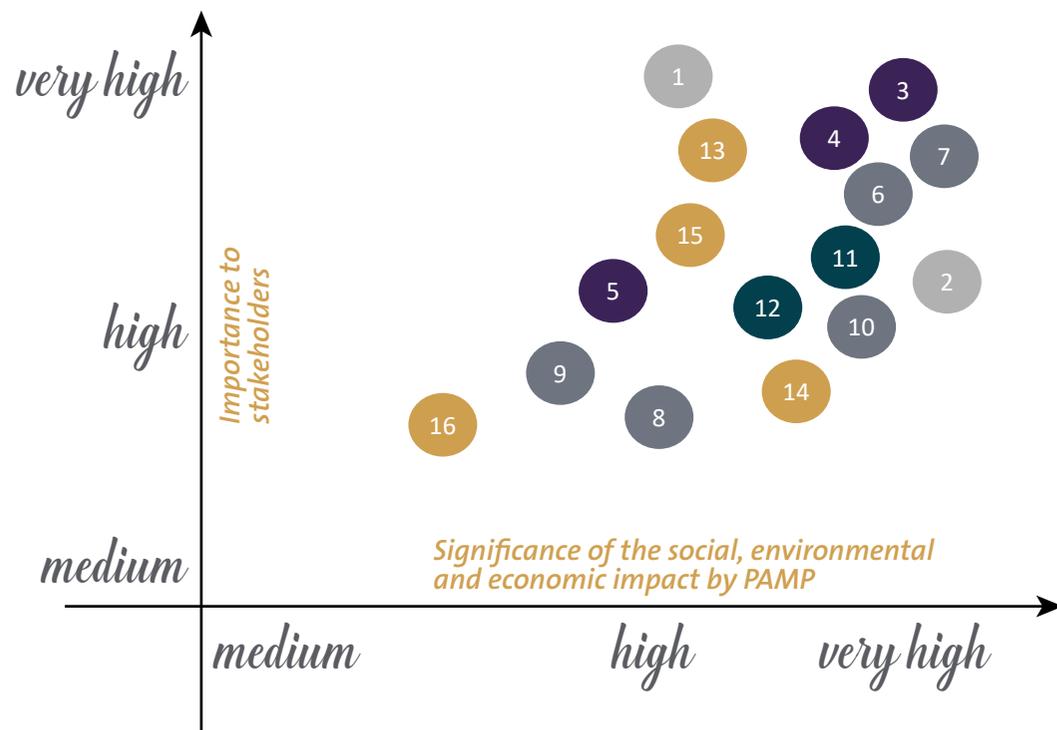
16 Purchase from local suppliers
Suppliers and Minerals supply chains, Local community, Sector associations, Public services, Media

Materiality matrix

The materiality matrix is a tool that allows us to identify all important topics, which are arranged based on:

- Importance to stakeholders
- Significance of the social, environmental and economic impact of PAMP

The matrix also informs the content of this report.



Stakeholder engagement

1. Transparency towards stakeholders
2. Proactive approach to corporate social responsibility

Responsible production and supply chain

3. Ethical conduct and transparency of the production chain
4. Compliance with laws and regulations
5. Analysis of commercial partners and suppliers

Social responsibility

6. Employment conditions and work environment
7. Occupational health and safety
8. Teaching and training

9. Partnerships with local actors and relationships with the local community
10. Dialogue with institutions

Environmental responsibility

11. Protecting the environment
12. Careful management of resources

Economic responsibility

13. Lasting company competitiveness
14. Creation and distribution of economic value
15. Creation of value through innovative, high quality products and services
16. Purchase from local suppliers

Strengthened partnerships and new initiatives

In the first half of 2021, PAMP undertook several activities to further strengthen the relationship with stakeholders.

As social distancing measures eased, we met in person with the Vivigorla e dintorni working group. On this occasion we were able to share information about our activities, as well as discuss some topics of interest in the Gorla area, where our production plant is located.

Secondly, the MKS PAMP GROUP Management, visited the clay workshop supported by PAMP at the Istituto Sant' Angelo di Loverciano. Afterwards, together with the school management, new projects were evaluated, for which there will be a significant increase in PAMP's contribution. With the start of the 2021-2022 school year, a preparatory activity for work in the garden and the "Loverciano Post" project, a quarterly newsletter developed by the students with the support of a professional editor, will be launched.

Last but not least, in conjunction with WHO World Blood Donor Day on 14 June, a blood donation drive was organised at PAMP by the Blood Transfusion Service of Italian-speaking Switzerland (CRS). A large number of staff participated in this initiative, making an important contribution at a critical time for the Transfusion Service. While respecting social distancing measures, this was also an opportunity to exchange with the transfusion team and donors over cakes, drinks and homemade marmalade.



Responsible production and supply chain

PAMP is firmly committed to ensuring a responsible sourcing and production chain. By doing so, we also aim to contribute to setting industry leading sustainability standards and positively influencing the entire sector. Our sustainability efforts are informed by key policies and guidelines: PAMP plays an active role in drawing up best practices, directives and regulations through its membership in international organizations. In addition, all our suppliers are subject to regular sustainability audits.

Renewal of Responsible Jewellery Council (RJC) CoC certification, now extended to include silver

Implementation of the protocol developed to cope with supply uncertainties due to the health crisis

Continued implementation of Responsible Precious Metals Group Policy and Know Your Customer Policies

Active role in working groups and sector organisations

INDEX

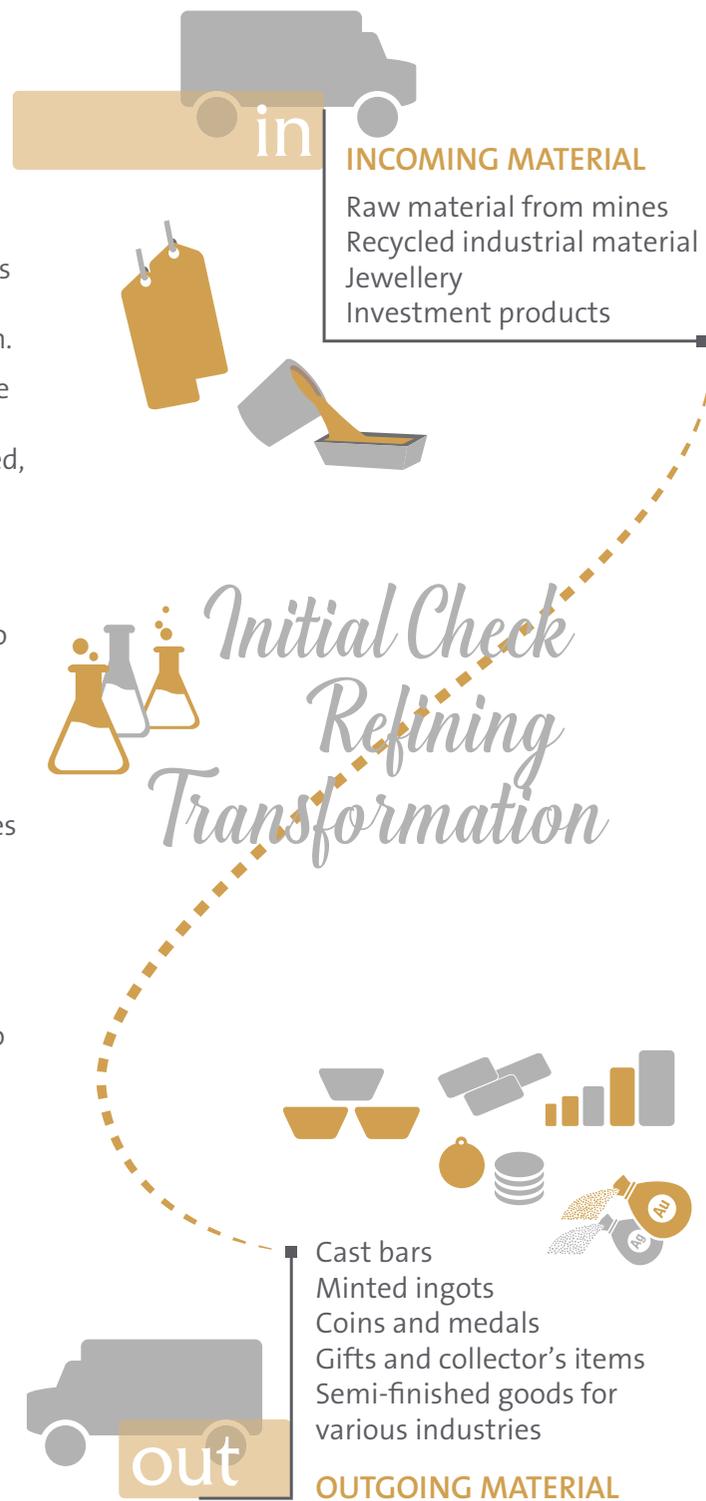
Production and supply chain	p.24
Internal procedures	p.25
Accreditations and collaborations	p.26-27
Suppliers	p.28
Focus: A transparent chain of custody for metals	p.29

Production and supply chain

Through a detailed due-diligence process, PAMP assesses all actors in its supply chains of precious metals, from the extraction of raw materials to the distribution to a global clientele. We aim to guarantee responsible sourcing and the traceability of all materials throughout the supply chain, including PAMP's production chain.

Thanks especially to the innovative services based on blockchain technology that we have developed, such as PROVENANCE™ and VERISCAN™ (details on page 9), the traceability and transparency guaranteed by the due-diligence process can be easily accessed also by the end customer.

The efforts undertaken since the early stages of the Covid-19 pandemic to ensure an efficient supply chain despite the difficulties caused by the health situation also played a key role during the 2020-2021 financial year. The implementation of the protocol developed ad hoc to deal with supply uncertainties enabled us to continue to serve our customers well.



Internal procedures

All commercial collaborations involve rigorous risk-based due diligence, a process that includes documents screening, external verifications, and onsite visits. Those procedures are essential when we consider a new supplier. Ongoing verifications produce a continuous set of data, allowing us to ensure compliance is maintained throughout the working relationship to ensure all activities are conducted with complete respect for human rights while also preventing the financing of conflicts or terrorism, as well as corruption and money laundering.

Policies, Regulations and Guidelines

Responsible Precious Metals Group Policy

This is a policy defined at group level, in accordance with and in addition to the international standards, which forms the basis of our internal code of conduct and helps us to achieve the objectives mentioned above.

Guidelines defined by OECD and LBMA

They guide us in conducting due diligence monitoring and analysis at the beginning of each business relationship.

Know Your Customer procedure

Further support to the OECD management system through which we verify the following for all existing and potential customers:

-  The origin of the raw materials that will be processed
-  The legality of financial funds
-  Respect for human rights and standards of working conditions
-  The environmental impact of mining and production operations

Finally, our operations are supervised by external authorities, such as the **Association Romande des Intermédiaires Financiers (ARIF)** - licensed by the Swiss Financial Market Supervisory Authority (FINMA) - which guarantees our activities against money laundering and terrorist financing.

Accreditations and collaborations

We cooperate dynamically with many organisations at national and international level, participate willingly in dedicated working groups, and play an active role in setting guidelines and standards for the whole industry.

- **Responsible Jewellery Council, RJC:** we comply with the Code of Practice and renewed the Chain-of-Custody (CoC) certification during the reporting year (more details on page 29)
- **Organisation for Economic Co-Operation and Development, OECD:** we are an active member of the Multi-Stakeholder Steering Group, a working group dedicated to the implementation of the OECD Due Diligence Guidance
- **London Bullion Market Association, LBMA:** we have co-authored the Responsible Gold Guidance and the similar Responsible Silver Guidance
- **London Platinum and Palladium Market, LPPM:** we collaborated on the drafting of the Responsible Platinum Guidance and Responsible Palladium Guidance inspired by LBMA regulations
- **World Gold Council, WGC:** we contributed to the publication of the Conflict-Free Gold Standards in support of gold that does not cause or support armed conflict
- **Swiss Better Gold Association, SBGA:** we were a founding member and actively participate in the steering of the association
- **Responsible Minerals Initiative, RMI:** we have long collaborated with the RMI and joined as an upstream member in 2019. We collaborate with RMI to advance key topics related to responsibly sourced precious metals (and by extension other metals)
- **Public-Private Alliance for Responsible Mineral Trade, PPA:** we renewed our commitment to the organisation, with the aim of helping to promote programmes aimed at developing responsible procurement practices among small-scale mining operators
- **Alliance for Responsible Mining:** since 2018, we have been an authorised retailer of Fairmined certified gold, a label created by the organisation with the intention of supporting responsible gold mining practices at small or artisanal mines

Accreditations:

- London Bullion Market Association: Ordinary Member
- London Platinum and Palladium Market, Tokyo Stock Exchange: Associate Member
- New York Stock Exchange, Chicago Mercantile Exchange: non-clearing Member



Our products are recognised as **Good Delivery** by the following organisations:

- London Bullion Market Association, LBMA
- London Platinum and Palladium Market, LPPM
- Swiss National Bank, SNB
- Tokyo Stock Exchange, TOCOM
- New York Stock Exchange, COMEX
- Dubai Gold and Commodities Exchange, DMCC
- Chicago Mercantile Exchange, CME
- Shanghai Gold Exchange, SGE



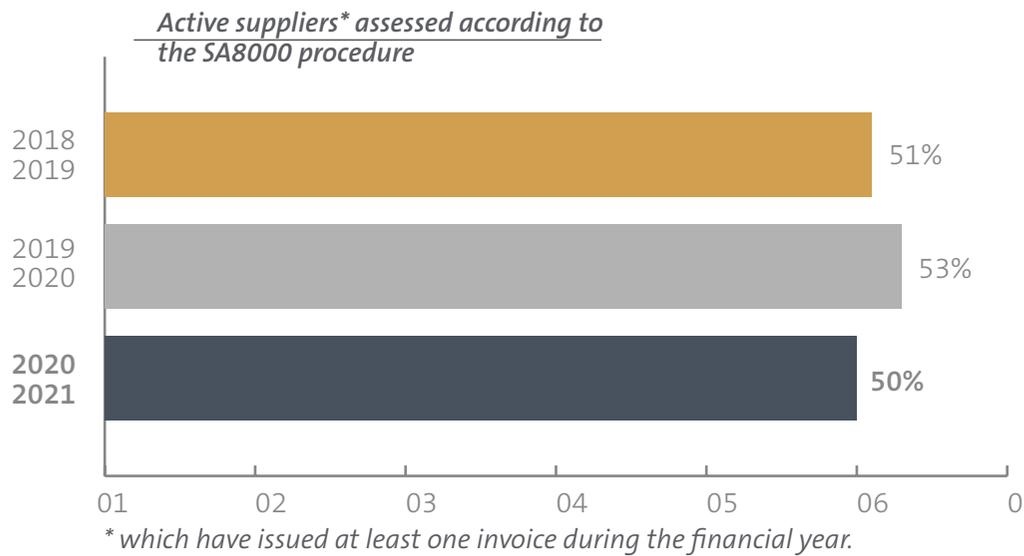
New York
Mercantile Exchange



Suppliers

We interact regularly with different types 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
-  Technology
-  Packaging
-  Associations
-  Chemicals
-  Bodies and Consultants
-  Energy
-  General suppliers
-  Security



As shown in the graph **Active suppliers assessed according to the SA8000 procedure**, the count of assessed suppliers stood at 50% (261 out of a total of 522).

Although in percentage terms the number of suppliers assessed fell slightly, in absolute terms the total number increased. This is due to an increase in the total number of suppliers from 481 to 522, following the creation of dual supply channels. This was necessary in order to cope with the market uncertainty resulting from the pandemic crisis.

EVALUATION PROCESS

The effectiveness of supplier analysis is guaranteed by a structured evaluation process. This method is based on a verification questionnaire, which monitors compliance with various environmental and social criteria, and on the signing of a declaration of commitment to our ethical standards: this is required of all suppliers, especially those who play a significant role in the PAMP supply chain; in addition, we initiate spot checks to verify the veracity of the declarations. This process also enables us to establish a stable, long-term relationship with individual suppliers, which is generally our goal at the start of a collaboration.

A transparent chain of custody for metals

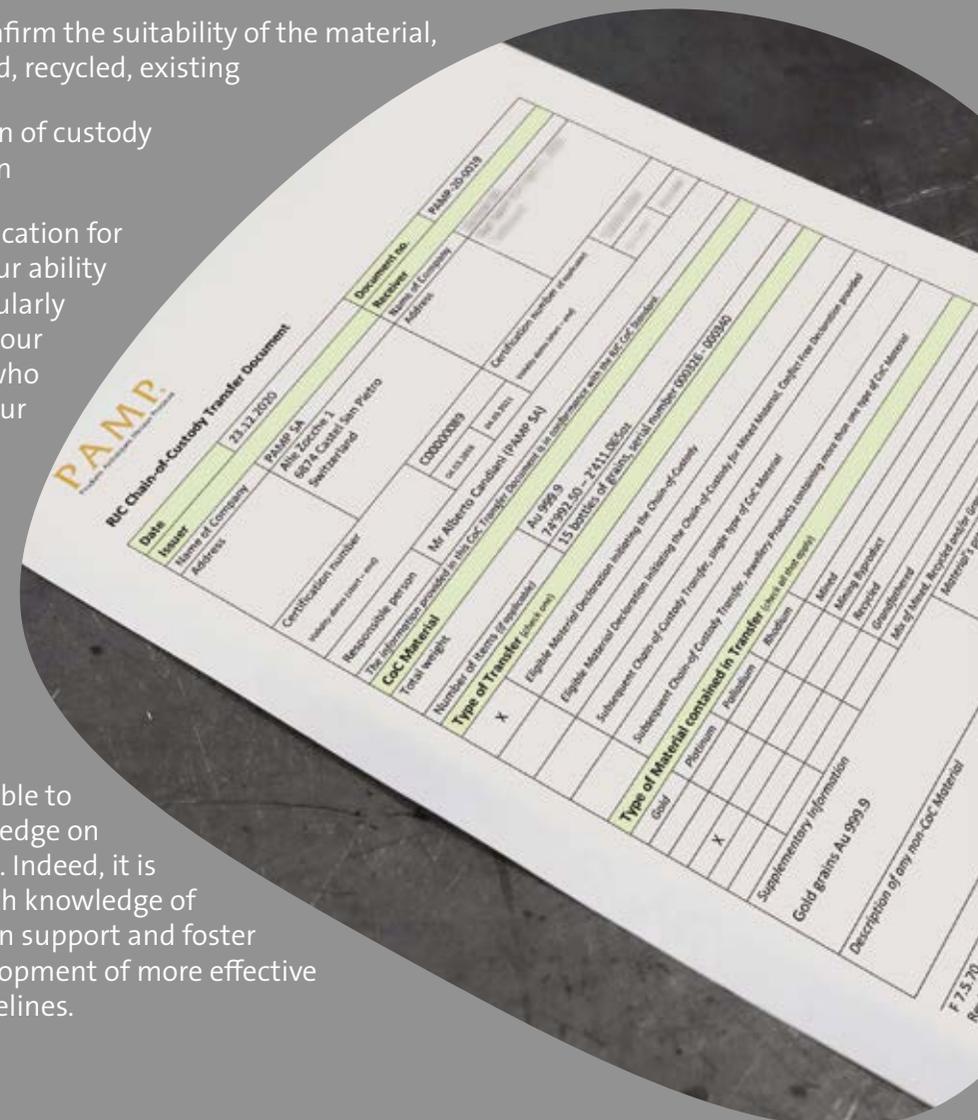
During the year, we successfully completed the recertification process for the Responsible Jewellery Council (RJC) Chain of Custody (CoC) standard. This RJC standard defines the requirements for the implementation of a chain of custody for precious metals that are produced, processed and marketed in a responsible way: a chain of custody of the material in the various steps that make up the entire jewellery supply chain.

This standard is voluntary and complements the association's Code of Practice (CoP) for promoting responsible business practices, certification of which is mandatory for all RJC business members.

The key points of the CoC standard concern:

- Principles of due diligence and know your counterparty for responsible procurement
- Chain of custody management systems
- Systems to confirm the suitability of the material, whether mined, recycled, existing
- Issuing of chain of custody documentation

A key aspect of certification for our business lies in our ability to rigorously and regularly monitor and analyse our refining customers, who are, once approved, our sources of precious metal. In the assessment process, we use the London Bullion Market Association (LBMA) toolkit. The toolkit was developed in collaboration with various actors in the sector and we were able to contribute our knowledge on customer procedures. Indeed, it is thanks to our in-depth knowledge of the sector that we can support and foster the continuous development of more effective regulations and guidelines.



Environmental responsibility

We operate in an industry where environmental protection is very important and are aware that through our role we can make a difference. We support a circular economy and apply procedures verified by certifying bodies that allow us to declare 100% recycled origin for part of our gold products.

In our production activities, we strive to have as little impact as possible on the surrounding environment. We use resources sparingly striving to access the cleanest and most renewable sources (such as Swiss hydroelectric power) dispose of waste in the best possible way, and monitor external air and water emissions through rigorous analysis.

-99%
in the
consumption of
liquid fuels

Structured emissions
analysis campaign in
cooperation with the
Division of Environment,
part of the cantonal
Department of the
territory

INDEX

Materials	p.32
Energy	p.33
Water	p.34
Waste	p.35
Atmospheric emissions	p.36
Focus: Emission air quality: analyses confirm PAMP is performing well	p.37



Adhesion to the initiative of PET-Recycling Schweiz for the collection of PET using official containers

ISO 14021
certificate,
possibility to declare
100% recycled origin
for our gold products

Collaboration with
the Castel San Pietro
Municipality to reduce
emissions during
professional commutes:
3 e-bikes purchased
for employees and an
initiative to encourage
the purchase of a
personal e-bike



96%
recycled waste,
and **4%** of
unsorted waste

Materials

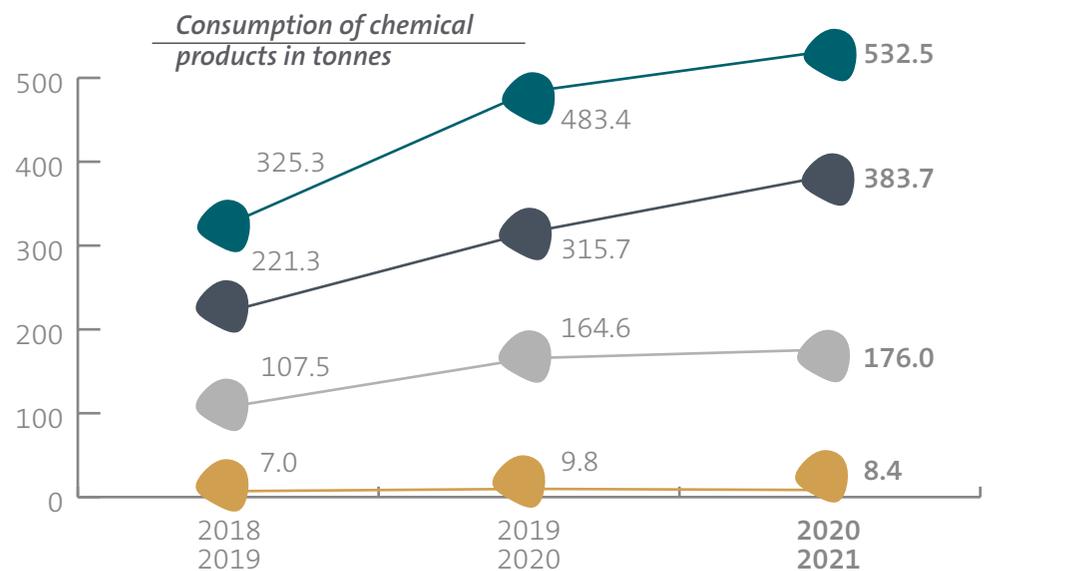
For our production processes, we use some chemicals more than others, including:

- Hydrochloric acid, used in gold refining
- Nitric acid, used in silver refining
- Caustic soda, used to neutralise acids

With regard to the new data presented below, these refer to the fiscal year (2020-2021). This generates a certain level of overlap between the last two years, but does not affect the possibility of investigating the trend in the use of materials and chemicals.

The consumption of chemical products is directly related to the type and quantity of material refined. Following the increase in production activity, there was an increase in the **consumption of chemical products** to meet the demand: hydrochloric acid (+21%), nitric acid (+7%) and caustic soda (+10%). The remaining types of materials their use is substantially in line with previous years.

Another factor influencing the consumption of chemicals is the source of supply, such as the specific mine or recycler sending us metal to be refined. There is a direct correlation between the consumption of hydrochloric and nitric acid and the concentration of copper in the refined material. The waste of this material produces copper sludge which is recycled for reuse. The use of caustic soda is therefore essential to neutralise the acids used and to ensure that the wastewater produced during production processes is almost neutral before it reaches the treatment plants.



Chemical	2018/2019	2019/2020	2020/2021
Hydrochloric acid 33%	221.3	315.7	383.7
Nitric acid 65%	107.5	164.6	176.0
Sulphuric acid 94%	7.0	9.8	8.4
Hydrogen peroxide 35%	23.1	39.6	42.2
Ammonia 25%	3.6	5.4	10.1
Dextrose monohydrate	5.2	8.0	7.5
Caustic soda 30%	325.3	483.4	532.5
Sodium metabisulphite	26.6	40.6	35.6

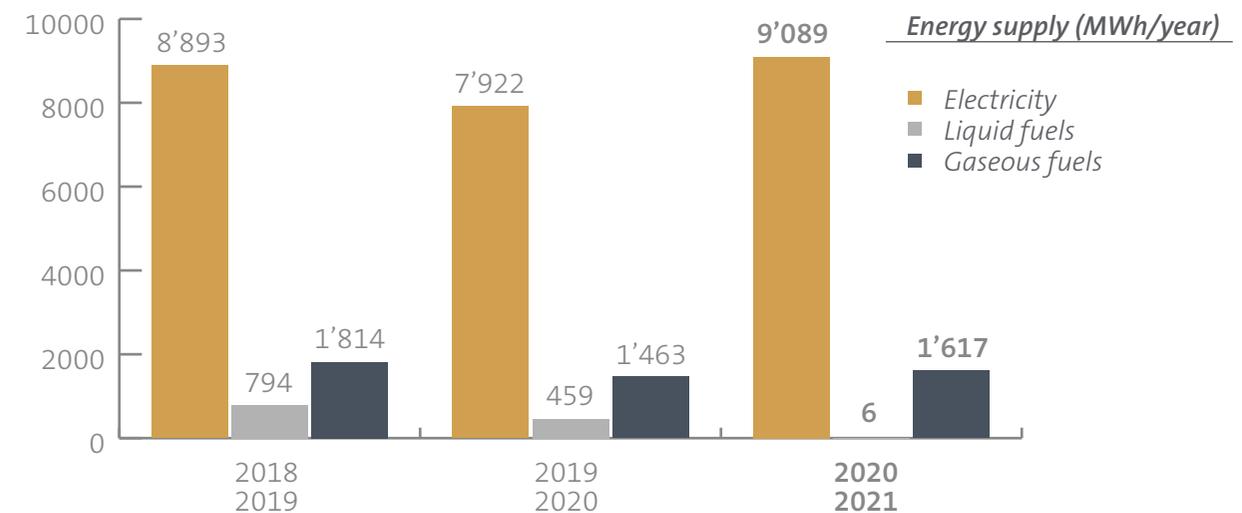
- Caustic soda
- Hydrochloric acid
- Nitric acid
- Sulphuric acid

Energy

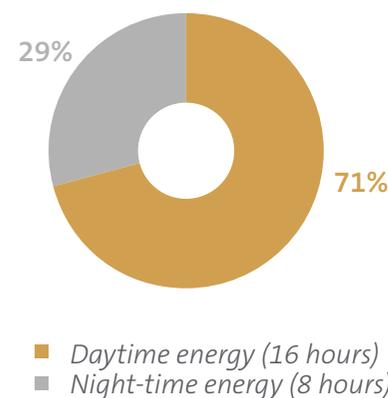
The data on **Energy Supply**, demonstrates a slight increase in energy consumption in the 2020-2021 financial year. This amounted to a total of 10,712 MWh, an increase of 9% compared to the previous year (9'844 MWh). These values are closely related to a general increase in production activity, but also to a change in the production mix.

Our energy supply currently relies heavily on electricity (85% of the total, +15% compared to the 2019-2020 financial year) from renewable sources and specifically Swiss hydroelectric power. Since 2016 we have committed to only source electricity from Swiss hydroelectric providers. There has been a substantial reduction in the use of liquid fuels (-99%): the consumption of liquid fuels, and in particular of diesel oil, has been practically zero, as we only use the heat pump and some methane burners (gaseous fuels + 10%) for heating, the use of liquid fuels has been limited to supplying the emergency generator, which is tested monthly for safety reasons. This also results in a reduction of gas volumes such as nitrogen oxides (NO_x) while providing greater efficiency in heating the plant.

Finally, the **Daily Distribution of Electricity Consumption** shows how energy consumption was distributed between daytime and night-time hours at 71% and 29% respectively. These values are in line with the classic distribution of PAMP's production activity.



Day-to-day distribution of electricity consumption



How much energy per hour worked?

As a result of constant efforts to improve the efficiency of processes, in the last financial year the consumption of processed energy decreased by 6%, from 33.1 KWh to 31.0 KWh, continuing the slight positive trend recorded over the years.

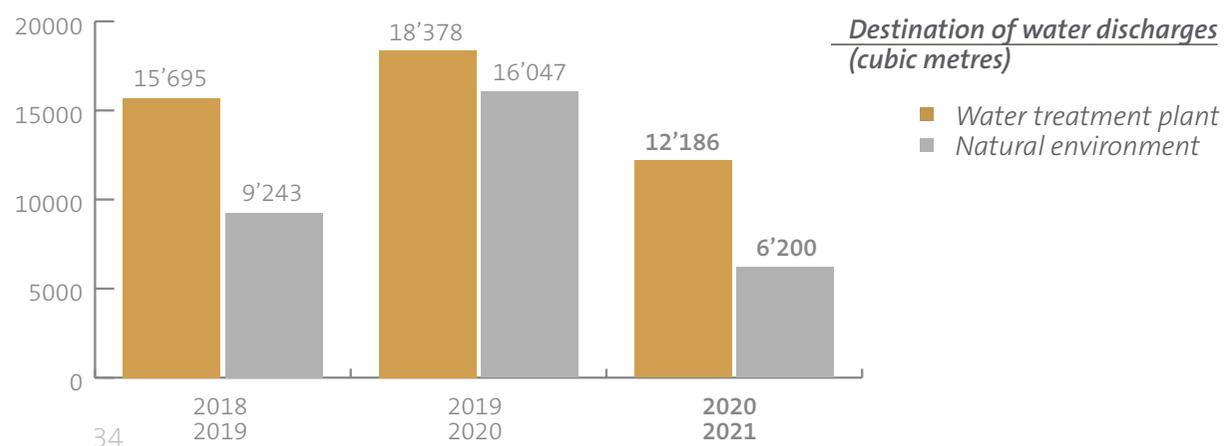
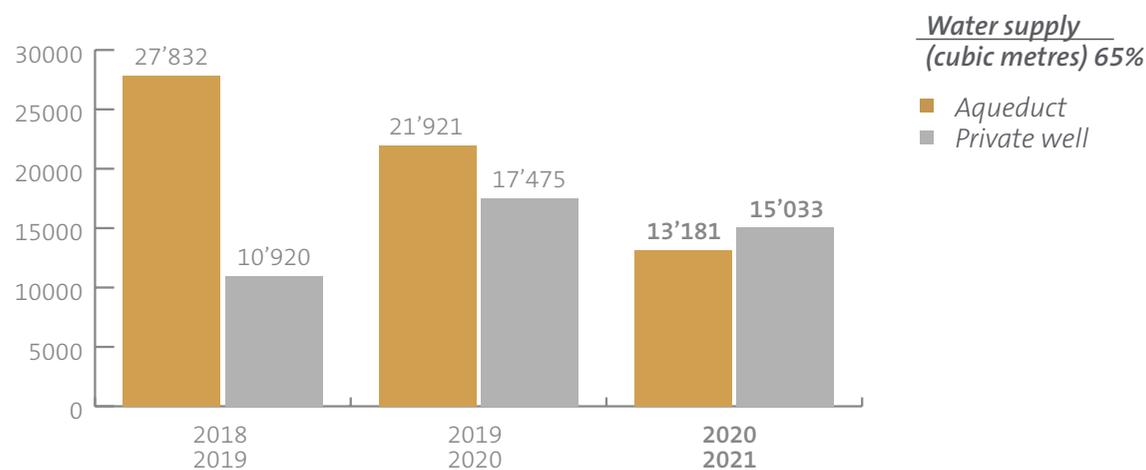
Water

In the 2020-2021 financial year, water use and discharge returned to normal values for PAMP. No site activities influenced these values; there was a slight increase compared to the historical values, mainly due to the increase in production activity and cooling activity related to the refining processes.

The **Water supply** graph shows that water consumption has fallen considerably (-28%), to a total of 28,214 cubic metres consumed. This figure demonstrates once again how the previous years were mostly anomalous years, influenced by various construction activities undertaken to improve energy consumption in the factory. In relation to the supply mix, values also returned to standard levels: 47% of water was taken from the aqueduct, while 53% was taken from private sources.

With regard to the **Destination of water discharges** and their distribution between the treatment plant and the natural receptor, 65% of the total water supply was allocated to water discharges. Using the device that performs the reverse osmosis process, we can count on excellent capacity for recovering water from the private well that can be used to cool the machinery, and can therefore be discharged into the stream: 34% of the water discharged was for the natural receptor, while 66% was for the treatment plant. This figure is in line with what was happening in years not affected by special construction works.

All water discharged externally is first subjected to a process of analysis by our in-house laboratory, in order to ensure its suitability for release to the surrounding areas. In addition to this commitment, we work with the Consorzio Depurazione Acque di Chiasso e Dintorni (CDACD), with which we agree on the chemical properties of discharges, the time intervals to be followed and the quantity of water to be sent to the treatment plant.



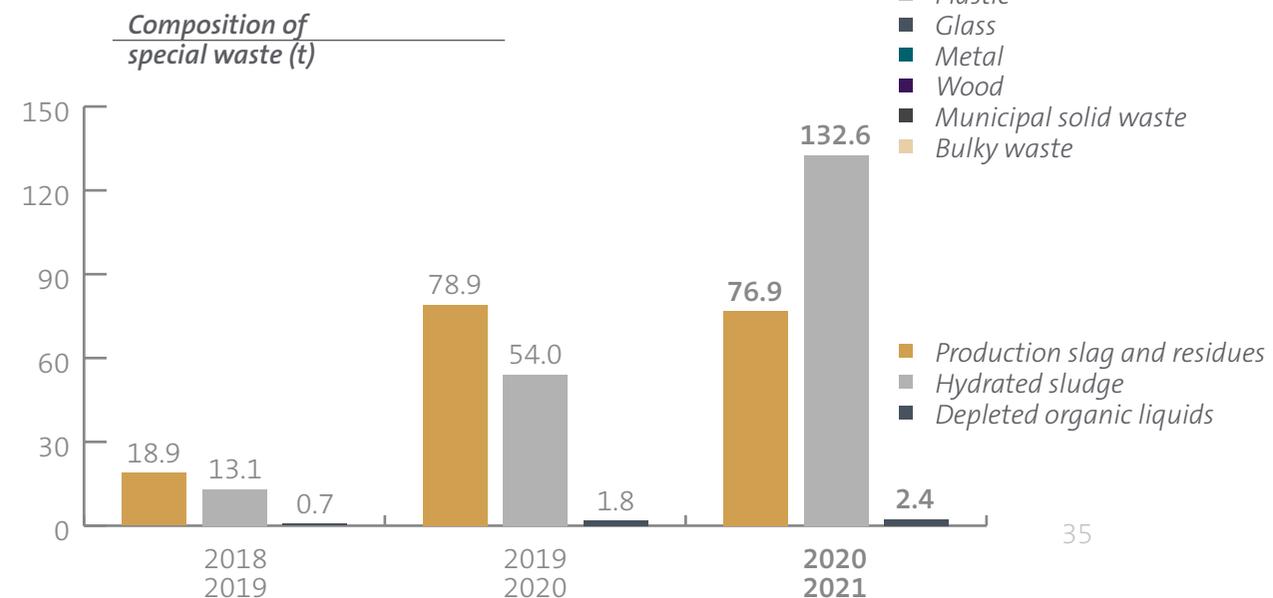
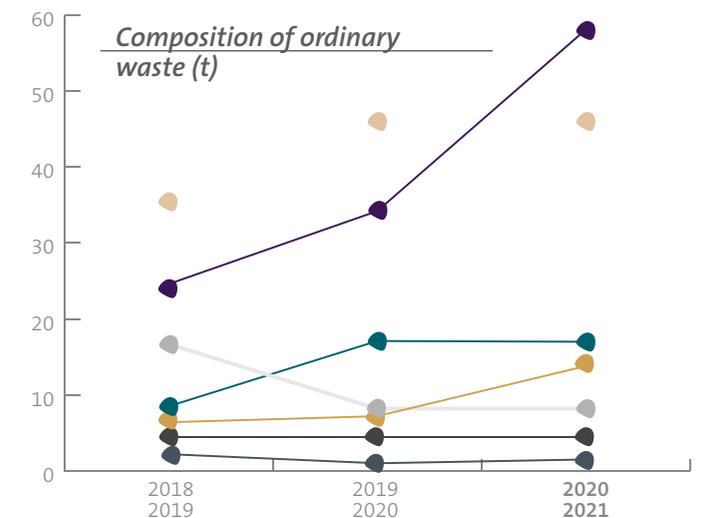
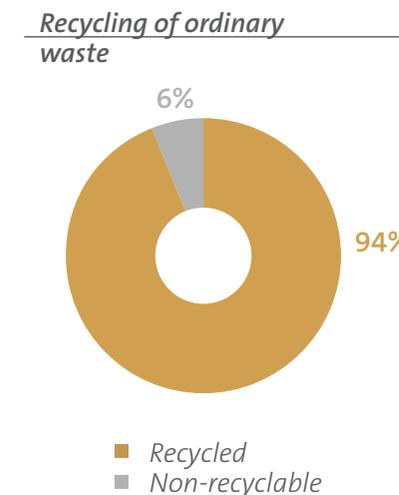
Waste

A review of the composition of ordinary waste shows an increase in total waste (+42%) in the 2020-2021 period. The increase in waste in the form of paper/cardboard and wood (+91% and +70% respectively) had the greatest impact on the **Composition of ordinary waste**. That increase was caused by a growth in production activity: this has in fact determined the receipt, together with the material to be refined, of a greater quantity of packaging and products to be disposed of.

The level of the remaining types of waste was substantially maintained. Once again, this year it was possible to keep the amount of plastic produced at a low level (-1%) compared to previous years.

Recycling of ordinary waste illustrates the separate waste collection promoted in the company which has enabled us to recycle 96% of our waste. In 2020, PAMP also joined the "PET-Recycling Schweiz" initiative, which is responsible for the collection and recycling of PET beverage bottles in Switzerland: we have installed 4 special containers in different areas of the plant.

Special Waste Composition values are also highly influenced by the increase in production activity (more slag and production residues than in the past) and the type of material refined. In the last period, the values were higher than the usual trend for PAMP, with a sharp increase in the production of sludge hydrates (+146%), the result of refining material containing a high amount of copper. For the treatment, recovery and recycling of this material, we actively cooperate with authorised partner companies to which we send this type of slag produced at the end of the process.



Atmospheric emissions

Data on *atmospheric emissions* confirms the positive trend in the last year: -13% recorded by both Castel San Pietro and PAMP detectors.

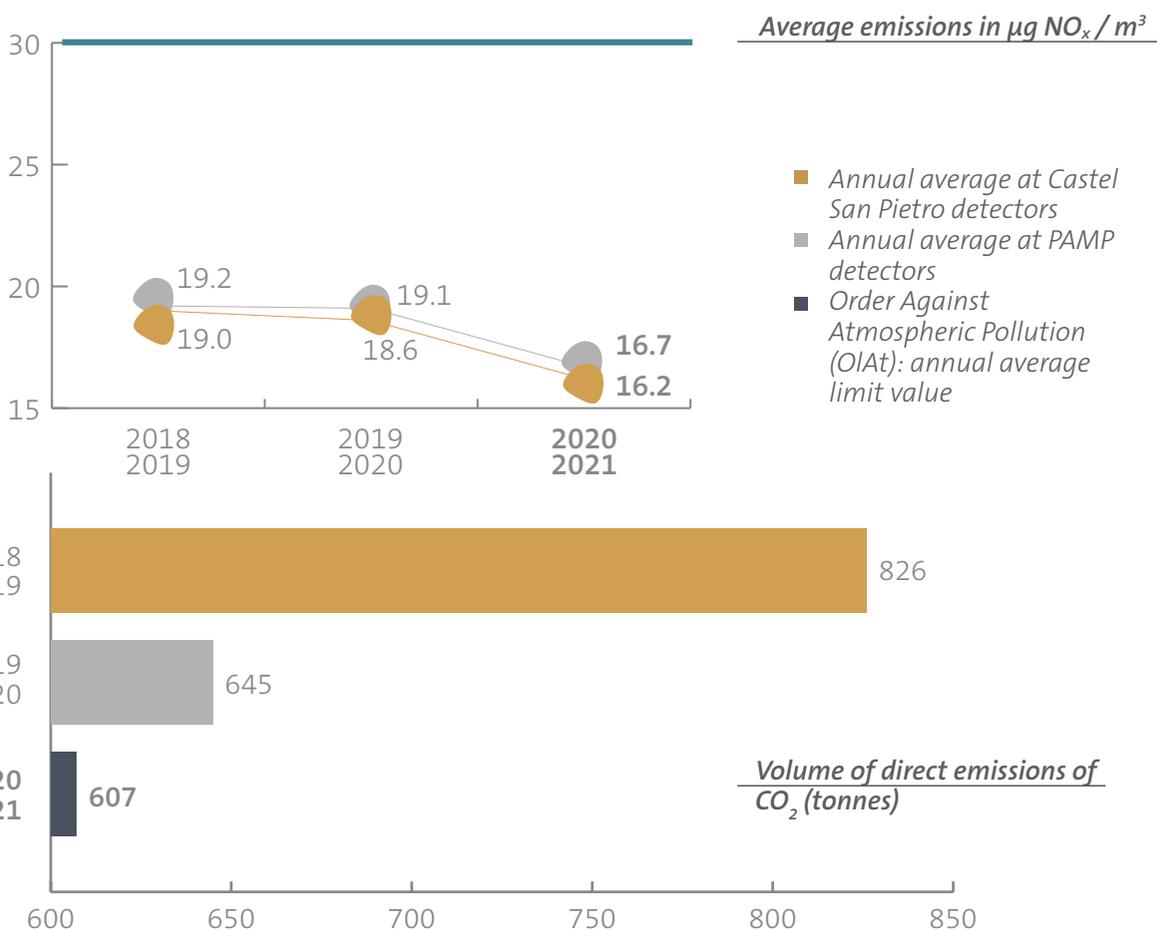
Commentary by the Office for Air, Climate and Renewable Energy, Environment Division, Department of territory.

”NO₂ (nitrogen dioxide) emissions in the 2020-2021 period around PAMP are only slightly higher than in the region (Castel San Pietro): an average difference over the last 5 years of 0.4 µg/m³ (= 2%). This difference is insignificant, and caused partly by emissions from production smokestacks, but mainly by induced traffic from both PAMP and surrounding businesses and activities. They are steadily decreasing (-7% each year, i.e. 1/3 less emissions than 5 years ago), both around PAMP and elsewhere, mainly due to the general improvement of the vehicle fleet.

NO₂ emissions are monitored throughout the Canton of Ticino: as a comparison, the average of all the detectors in Ticino gives a value of 18.2 µg g/m³ over the period 2020-2021 (compared with a limit value set by the OIAt of 30 µg g/m³), which is therefore higher than the detectors at PAMP, with a decrease of 7% compared with the previous year. The values measured along the busy road (cantonal road) are 30% higher than those measured at PAMP, while the detectors away from PAMP in less busy areas are only 15% lower.

Emissions of nitrogen dioxides around PAMP are therefore to be considered normal (even lower than average), and are mostly caused by local traffic (including traffic induced by the company): NO_x emissions from production therefore cause insignificant emissions, thanks to the treatment of flue gases at the outlet.”

The volume of direct CO₂ emissions also continued its downward trend (-6%) after a sharp drop in the 2019-2020 financial year. This figure reflects the energy mix, which sees a predominant use of electricity (Swiss hydroelectric power) and almost no use of liquid fuels.



Emission air quality: analyses confirm PAMP is performing well

One of PAMP’s 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. Aspects such as noise, smells and atmospheric emissions are all the more important given that the plant is located in a residential area. In addition to continuous monitoring of potentially polluting emissions (NO_x), cleaning processes and odour abatement to ensure the quality of the air emitted, measures (such as the recently installed ventilation and washing systems) to improve performance in the area are regularly evaluated.

Following a number of reports of sporadic cases of unpleasant odours, and in close collaboration with the Department of Territory, Air, Water and Soil Protection Section, which issued an official request fully supported by PAMP, a scrupulous analysis campaign of atmospheric emissions and odours was carried out in the first half of 2021.

The value recorded through samples and measuring the concentration of NO_x (nitrogen oxides), HCl (hydrochloric acid), SO_x (sulphur oxides), NH₃ (ammonia) and H₂S (hydrogen sulphide). The data confirms that “emissions of nitrogen dioxides are within the limits and are analysed regularly by the authorities and continuously by the company (with data control by the authority); the other substances analysed in chimney emissions are all well below the OIAt limits: very low values and in some cases even below the detection threshold”, so, the Department concludes, these are “insignificant or even negligible emissions”.

With regard to odour analysis, carried out by collecting samples and evaluating them using dynamic olfactometry, according to the Department these have given “fluctuating values from which it is difficult to draw conclusions”. Although the odour emissions do not represent any potential health risks, we have taken proactive measures to prevent nuisance odours and got a clear ranking of priorities for future improvements to our systems.



Social responsibility

At PAMP, the focus on people covers every activity, carefully assessing the social implications of the business operations. The health and wellbeing of our employees is a key priority: we strive to provide them with a work environment that is not only safe, but also pleasant, that stimulates professional and personal development (e.g. through training), as well as satisfaction and loyalty to the company through different initiatives.

With an open approach, we build and foster relationships within the region, being able to contribute to the well-being of the local community both socially and economically, taking active steps to interact both with institutions and the local population.

Maintaining measures to protect staff and stakeholders from Covid-19

Renewal of support to Don Guanella nursing home for the elderly, Mendrisiotto Ambulance Service (SAM) and Swiss Committee for UNICEF



Volunteer days through collaborations with local entities

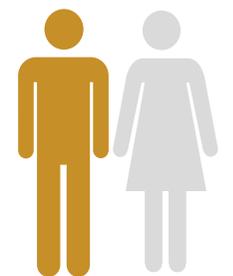
Renewal of collaboration with the Istituto Sant'Angelo di Loverciano and expanded projects for 2021-2022

65% of the workforce in the company for more than 5 years



Support for the Blood Transfusion Service of Italian-speaking Switzerland and blood collection day at PAMP on the WHO World Blood Donor Day (details on page 21)

194 employees hired on a permanent basis



INDEX

Personnel	p.40-41
Health and safety at work	p.42
Training	p.43
Local community	p.44
Focus: A structured approach to training	p.45

Personnel

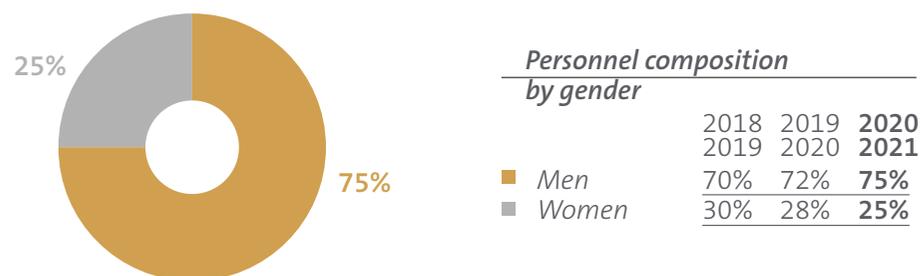
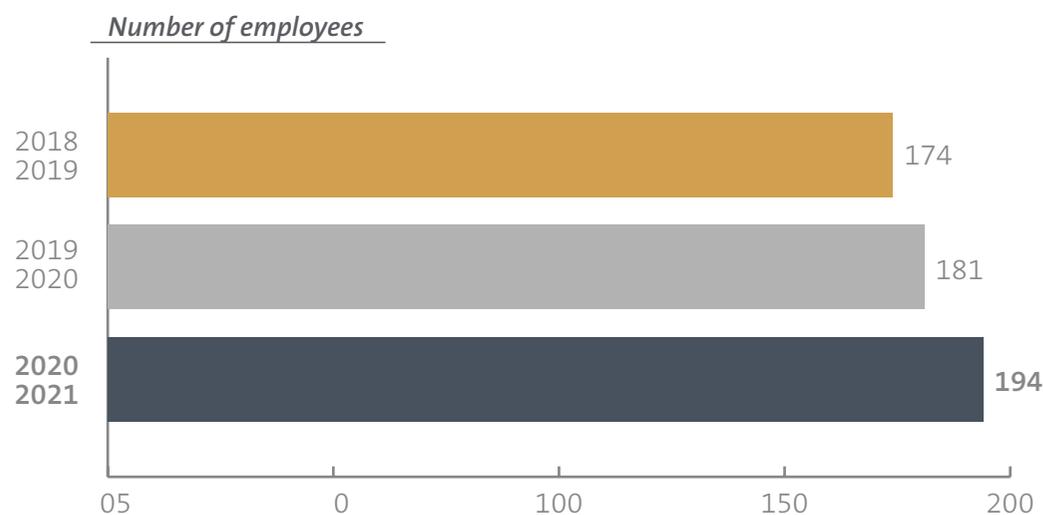
Over the last few years, PAMP's production has experienced a steady increase. This trend has positively influenced the values shown in the graph regarding the **Number of employees**. Today PAMP can count on a total of 194 employees, most of whom are full-time. They were 14 departures of employees due to retirement age or fixed-term contracts, while 27 employees were hired.

The negative turnover rate for the reporting year remained constant at 7%, while the positive turnover rate was 15%.

As there is no collective agreement for our sector, in addition to the cantonal minimum wage, which is compulsory by law from 2021, we are committed to guaranteeing our employees an adequate salary, based on the calculation of certain parameters that change over time and consider the needs of the employees. The result of this process leads to the definition of the minimum living wage, which is periodically discussed and validated with the SA8000 Representatives.

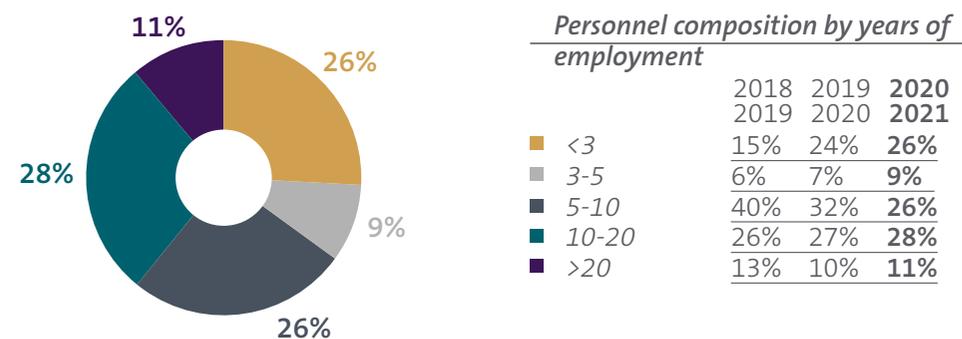
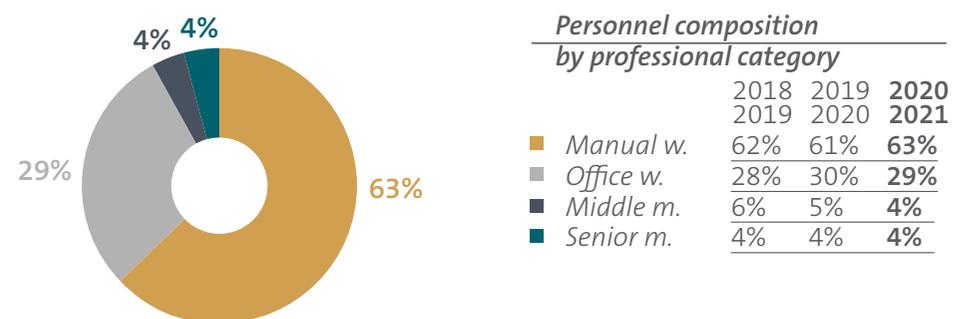
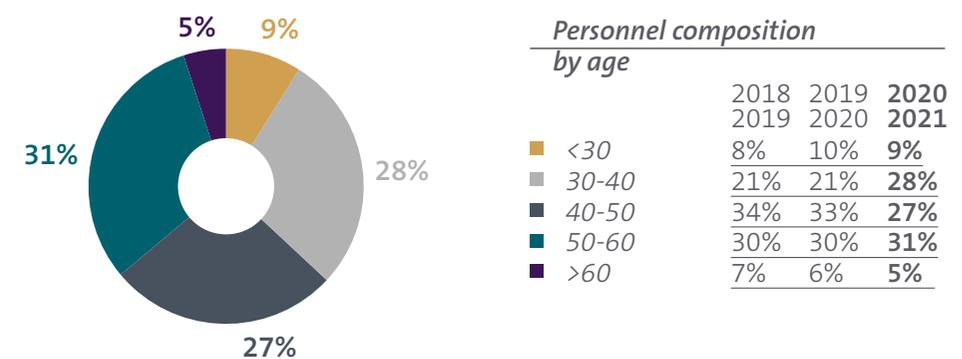
Representation of personnel by gender is strongly influenced by the high number of male applicants to the job position. For positions mainly filled by men (e.g. in the chemical-metallurgical department) there have been over 90% of male applicants.

Saw some changes in the 2020-2021 period in line with cyclical changes in the structure of the workforce. There was a slight increase in the workforce between the ages of 30 and 40 (+7%), and a decrease in the percentage of employees between the ages of 40 and 50 (-6%).



Personnel composition by professional category also remained at the levels of previous years, with a slight increase in the number of workers in response to the increase in production activity in the last financial year.

As shown by the **Personnel composition by years of employment**, there is an increase in the number of employees who have been with the company for less than 3 years - the result of new hires. The majority of staff have been with PAMP for more than 5 years (65% of the total). This is partly the result of initiatives aimed at developing a sense of belonging to the Group. These include voluntary work, initiatives, the company notice board for individual proposals and frequent meetings with employee representatives.



Health and safety at work

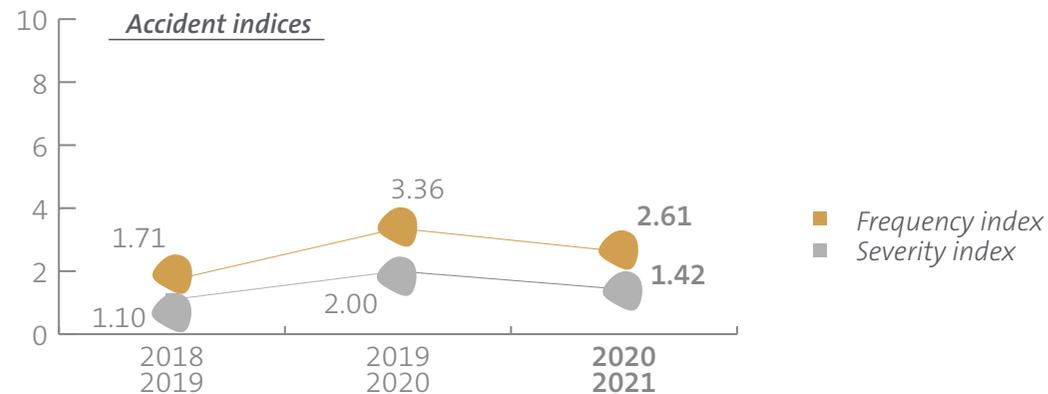
Over the years we have introduced rules to govern our system for managing worker health and safety. Specifically, PAMP has conducted a range of activities to make the workplace as safe as possible:

- Regular checks on compliance with existing laws
- Implementation of internal procedures that take all processes into account
- Organisation of regular health and safety training and awareness-raising initiatives
- Regular collaboration with the occupational doctor to receive support on how best to protect workers

We have retained ISO 45001 certification, an international standard for occupational health and safety, which also ensures that we have greater employee engagement in managing these issues.

The 2020-2021 financial year was positive in terms of occupational health and safety, with a reduction in both the **frequency index** (number of accidents per 100,000 hours worked) and the **severity index** (number of working hours lost due to occupational accidents per 1,000 hours worked) of accidents, which fell by 22.3% and 29% respectively.

In addition to all this, it should be stressed that the important awareness-raising work carried out over the years has helped to achieve this goal.



A Committee to further improve safety

Within the compliance with ISO 45001, we have established a Health and Safety Committee, in which both management and employees are represented. This allows us to consult with employees in, for example, accident investigations, sharing the results of audits with them to obtain feedback and define actions to be taken collaboratively. This active cooperation is crucial in order to further improve our performance as far as occupational health and safety is concerned.

ISO 45001 is an international standard we have been compliant with since 2020. By focusing our health and safety management system on this standard, we can better align ourselves with the structure of other ISO standards (e.g. quality and environmental management) and at the same time ensure greater employee engagement.

Training

Creating a work environment of continuous learning and development to foster excellence is of strategic importance to PAMP. We therefore provide a range of training opportunities for all our employees.

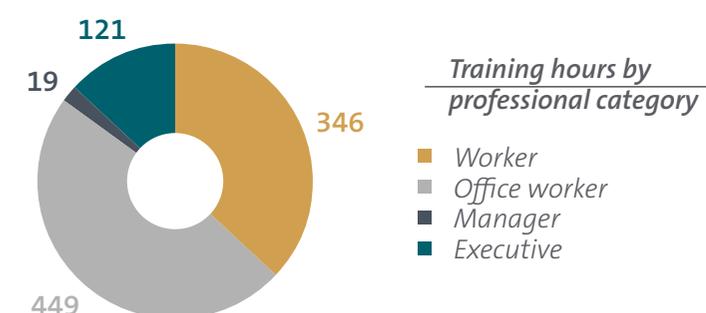
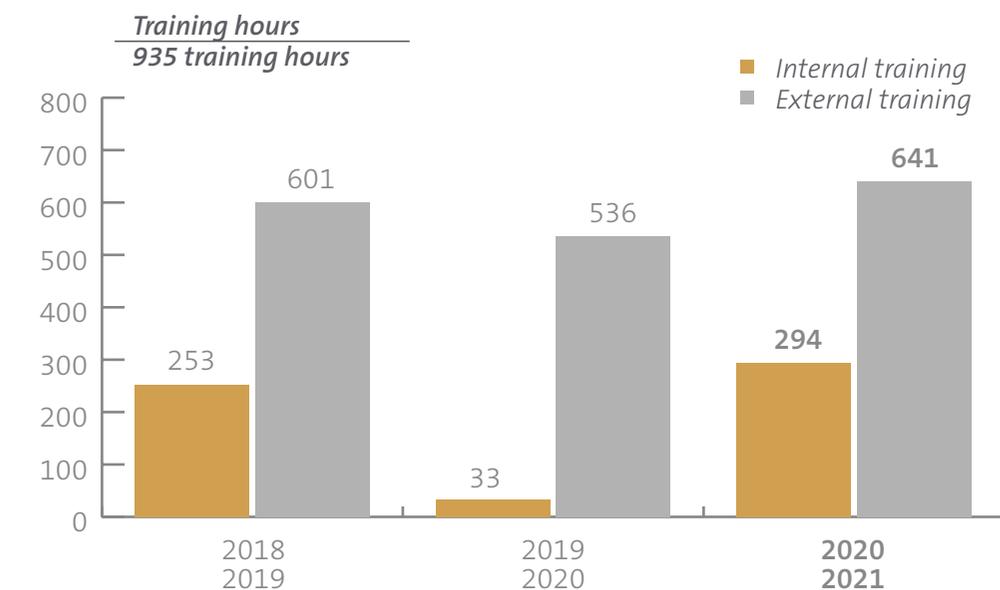
Training hours increased by 64% in the year under review.

It should be noted that most of the training was carried out in the first six months of 2021, when both internal and external training restarted. This is directly attributable to the implementation of a new personnel management system (details on p. 45), through which trainings are coordinated and whose implementation work was undertaken as early as the beginning of 2020.

To enhance skills and knowledge-sharing, senior team members developed specific courses to address training needs.

As shown in the graph of **Training hours by professional category**, it is the worker category that has seen the greatest increase in the number of training hours (+19%). Among the various courses promoted in 2021, the basic chemistry course, for example, saw a high rate of engagement from employees working in the metallurgical chemical departments. This is a fundamental aspect, considering that it contributes both to the personal development of employees and to increasing safety in the workplace.

In line with our commitment to implement best practices to measure and build legitimate, responsible, secure, transparent and verifiable precious metals supply chains throughout our operations, annual staff trainings on human rights issues, anti-money laundering and regulations were organized and made accessible to all PAMP employees.



Local community

Caring for the community we live in, and well aware of the positive impact we can have on the local context, we are committed to constantly working hand in hand with institutions and representatives of the society, as well as supporting various organisations. In recent years we have extended the range of our charitable activities and have undertaken more initiatives, strengthening our relationships with various stakeholders.

The objective for the future remains to maintain an open approach and dialogue, so that we can respond to any new needs that may arise.

OUR LOCAL PARTNERSHIPS

- **Department of the Environment:** close collaboration to protect the environment
- **Castel San Pietro Municipality:** organisation of regular meetings, informal relations and collaboration at different levels, voluntary initiative in collaboration with the Municipal Technical Office
- **Società Percorso Vita Mendrisio e dintorni:** voluntary work for cleaning and tidying up the path on the Castel San Pietro site
- **Associazione Vivigorla e dintorni:** regular contact
- **Inhabitants of Castel San Pietro:** direct communication channel available to citizens and dedicated e-mail ecoambiente@pamp.com
- **Istituto Sant'Angelo di Loverciano:** annual support for special projects (this year, ceramics workshop) that support children with disability
- **Mendrisiotto Ambulance Service:** donation, contacts to develop a partnership
- **Transfusion Service of Italian Switzerland:** donation, organisation of a donation day at PAMP (details on page 21)
- **Swiss Committee for UNICEF:** support for the charity evening Ticino's commitment to childhood

A structured approach to training

Already at the beginning of the 2019-2020 financial year, PAMP had “laid the foundations” for a new approach to training. This past year it was possible to reap the benefits of this effort, which resulted in the development and implementation of a new management system.

In detail, the training areas on which PAMP's training activities are focused concern:

- Languages
- Health and Safety at Work
- Lean production
- Chemistry, metallurgy and materials
- Licences and certificates
- Standards and procedures

The training sessions, which are taught by internal teams who make themselves available to knowledge-sharing, take the form of highly structured multi-edition courses, which generated more than 100 attendees during the year (some employees participate in more than one training session).

Some courses are also aimed at obtaining certifications. The Lean course, for example, is divided into five different modules and is aimed at obtaining Lean Bronze certification from an external certification body.

In other areas of training, we rely on collaboration with external organisations. This is the case with language courses, held in collaboration with MySchoolTicino (which is based in our neighbourhood) which provides in-depth study of English, French and Italian.

Finally, we are pleased to report that in occupational safety and health protection, two department managers completed Suva training to qualify as “Assistants in Occupational Safety”.



Economic responsibility

One of the fundamental aspects of economic responsibility is creating value for all stakeholders and instilling confidence about the future. To do so, we have a long-term strategy to support company growth. Our approach guides us in further strengthening relationships with our commercial partners and providing ongoing support to local organisations, generating economic value at both the cantonal and national level.

+ 16%
increase in capitalisation

- 13%
evolution of turnover

+55%
increase in investments

32%
Ticino suppliers out of all our suppliers of consumables, machinery or services



Investments in the plant (refurbishment of laboratory) and in the vicinity (purchase of house in front of PAMP, details on page 51)

3%
of revenue allocated to Fondation MKS to promote access to education

INDEX

Operating results	p.48
Taxes, investments and sponsorship	p.49
Origin of suppliers	p.50
Focus: Local development investments to benefit employee wellbeing	p.51

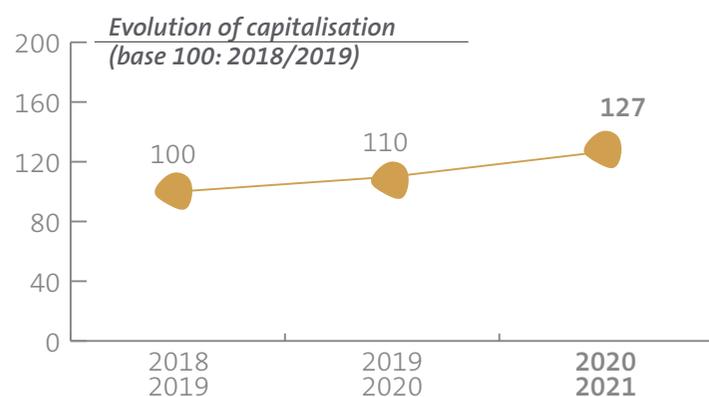
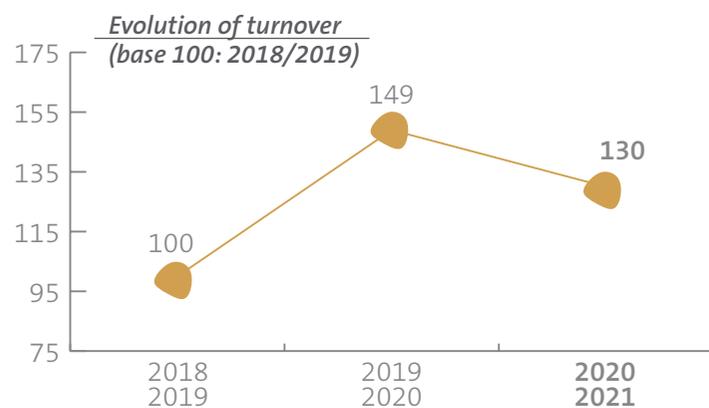
Operating results

The operating results for the period 2020-2021 shows an overall positive trend for PAMP. These results are the direct consequence of long-term management, which minimises the risks of market fluctuations.

The **Evolution of turnover** graph shows a - slight decrease of -13%.

However, the overall trend remains positive and up compared to previous years (not affected by exceptional conditions in the precious metals market).

The company's growth is also well described by the **Evolution of capitalisation**, which has experienced an increase of 16%. PAMP is in fact more capitalised than in the previous year, as a result of some investments in place and the allocation of operating profit to reserves.



We are part of the following associations:

- Swiss Association of Manufacturers and Traders in Precious Metals (ASFCMP)
- Chamber of Commerce of the Canton of Ticino (Cc-Ti)
- Associazione Industrie Ticinesi (AITI)
- Associazione ticinese industria orologiera (ATIO)

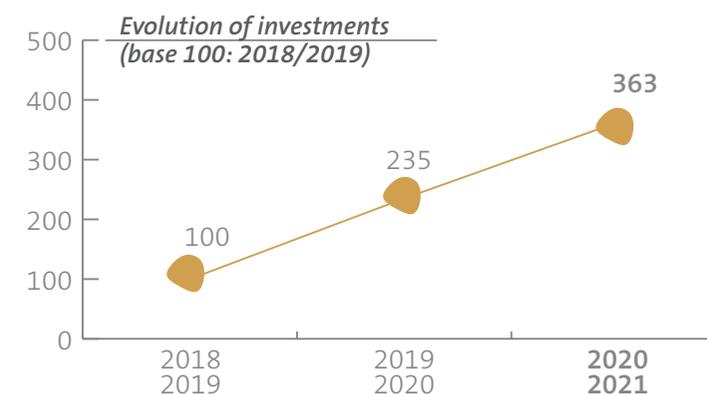
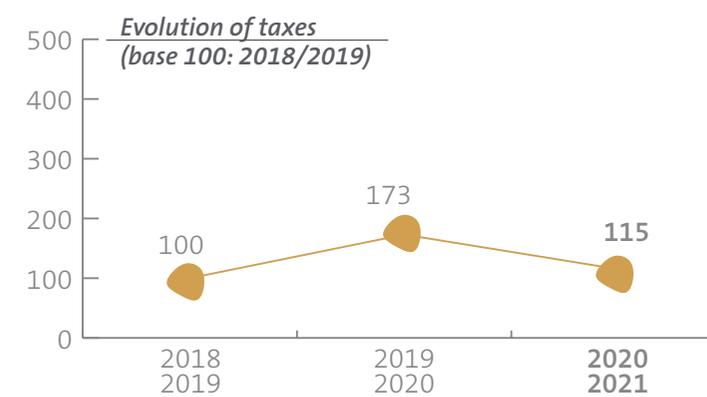
Tax, investments and sponsorship

The **Evolution of taxes** follows a trend directly affected by the company turnover. In relation to the 2020-2021 financial year, taxes also underwent a negative change (- 34%). The exceptional conditions in the first part of 2020 led to an anomaly in economic trends; excluding these particular market conditions, tax growth has been continuous and the progression is still in place, especially when compared to the history of PAMP.

Another indicator that follows a dynamic of high, but at the same time stable, growth is that relating to the **Evolution of investments**. Several increases have been recorded over the years, with a constant and consistent cadence.

In detail, investments increased by 55% in the last financial year. A large part of the latter is attributable to the purchase of the building in front of the PAMP plant (details on page 53) and to the works aimed at obtaining a more structured laboratory. The works at the laboratory have resulted in the renovation of the relevant rooms and the introduction of new machinery. The latter is qualitatively important because it makes it possible both to increase the company's competitiveness through a better performing laboratory and to improve the quality of the work environment.

As far as the **Evolution of charitable activities** is concerned, numbers show an increase which cannot be compared with previous years. In fact, as of 2020, PAMP committed to provide 3% of its profit to Fondation MKS, which on top of its wider scope projects, also finances charitable activities identified by PAMP. The foundation was created in 1999 and manages the philanthropic activities of the MKS PAMP GROUP. This allowed PAMP to maintain its local activities by consolidating long-standing partnerships as well as those started recently (e.g. with Servizio Autoambulanza Mendrisiotto and Servizio Transfusionale Svizzera Italiana).



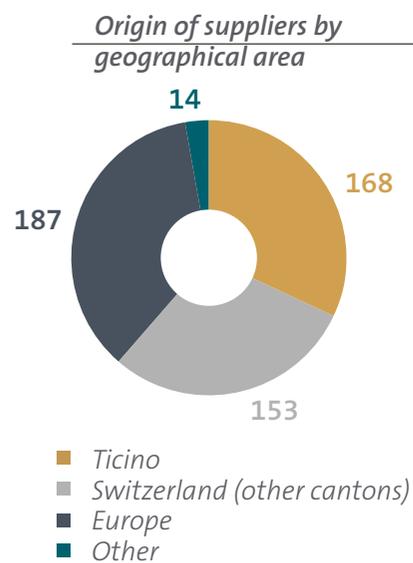
Origin of suppliers

This section provides an analysis of the *origin of suppliers by geographical area*, well aware that a structured effort towards social responsibility is also based on the type of partnerships we establish.

The graph shows all suppliers who issued invoices during the fiscal year and who provided consumables, machinery or performed services. As a result of the pandemic crisis, we interfaced with a higher number of suppliers. In detail, we approached 522 suppliers in the 2020-2021 financial year.

This figure increased as a result of a project to secure supply channels. In many cases, this took the form of opening dual supply channels to ensure the continuity of PAMP's production activities and ensure good delivery to customers. This, moreover, also allowed to get in touch with new suppliers, in some cases closer and better accessible from our premises, hence simplifying and improving the overall logistic process, with positive effects on the indirect impact of the supply chain.

In addition, a number of choices dictated by the 2020 pandemic have also had an impact on the possibility of sourcing locally. To ensure the continuity of the supply system, we have focused on increasing the percentage of suppliers in the rest of Switzerland (+15%). On the other hand, the number of suppliers from outside Europe has fallen further (-26%), both as a matter of principle to have fewer of them, and because of the criticality of air freight in the pandemic context.



Local development investments to benefit employee wellbeing

During the financial year, PAMP purchased a single-family house located across the street from its entrance and, following the submission of a building application for renovation works on the property, obtained the building permit and started the works.

With the intention, very appreciated by the local stakeholders, of preserving the identity of the building and its integration in the mixed industrial/artisan and residential context of Gorla, the restructuring will be aimed at enhancing the value of the building - located in a strategic position for the company - through the creation of spaces mainly for the benefit of employees. In addition to a space that will act as a warehouse to support the one already existing in the production plant, the project (as visible in the image below) provides for the creation of a break room equipped with a kitchen for employees and a relaxation area. The outdoor area will also be reorganised with parking spaces dedicated to electric vehicles, equipped with a charger and a pergola with tables. This last aspect in particular responds to a need expressed by the staff, since there is no outdoor area in the immediate vicinity of the company that can be used as a refreshment area during breaks.

With a view to generating a benefit for the local economic fabric as well, when choosing the various players involved in the renovation project (architectural firm, construction company, craftsmen, etc.), priority was given as much as possible to companies in the region.

The significant investment in this project, together with the renovation of the laboratory (in terms of improving the premises and purchasing new, more technologically advanced machinery), are clear proof of PAMP's confidence in the area, its long-term vision and its desire to ensure continuity for its employees and the local community.





Sustainability report

Topics contained in the report

The information contained in the “About us” section concerns the entire PAMP company and its Castel San Pietro site.

Format

This sustainability report has been prepared in accordance with the guidelines of the Global Reporting Initiative (GRI), “Core” option (adopted option: GRI Standards).

Reference period and reporting cycle

This Sustainability Report covers the period from 1 July 2020 to 30 June 2021. The Sustainability Report is published annually. The previous report covers the period 1 July 2019-30 June 2020.

External verification

The majority of the information in this sustainability report has been verified through internal and external audits. In general, all data have been collected and analysed in a rigorous manner. Consequently, the report has not been subjected to further external certification audits.



Global Reporting Initiatives Standards Index

Number	Disclosure	Page Number	Comments/Omissions
GENERAL STANDARD DISCLOSURES			
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	4	
102-2	Activities, brands, products, and services	6,7	
102-3	Location of headquarters	4	
102-4	Location of operations	4,10,11	
102-5	Ownership and legal form	4	Private corporation
102-6	Markets served	7	
102-7	Scale of the organization	4,40,41,48	
102-8	Information on employees and other workers	40,41	
102-9	Supply chain	24,25	
102-10	Significant changes to the organization and its supply chain		None
102-11	Precautionary Principle or approach	30,31	
102-12	External initiatives	26,27	
102-13	Membership of associations	26,27	
STRATEGY			
102-14	Statement from senior decision-maker	0,1	
102-15	Key impacts, risks, and opportunities	0,1,12,13	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behavior	5,9,26,27	
GOVERNANCE			
102-18	Governance structure	8	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	16,17	
102-41	Collective bargaining agreements	40	
102-42	Identifying and selecting stakeholders	16,17	
102-43	Approach to stakeholder engagement	14,15,16,17	
102-44	Key topics and concerns raised	18,19,20	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	53	PAMP SA
102-46	Defining report content and topic boundaries	53	
102-47	List of material topics	20	
102-48	Restatements of information	53	
102-49	Changes in reporting	53	
102-50	Reporting period	53	
102-51	Date of most recent report	53	
102-52	Reporting cycle	53	

102-53	Contact point for questions regarding the report	59	
102-54	Claims of reporting in accordance with the GRI Standards	53	
102-55	GRI content index	55,56,57,58	
102-56	External assurance	8, 53	

ECONOMIC PERFORMANCE

ECONOMIC PERFORMANCE

103	Management approach	46,47	
201-1	Direct economic value generated and distributed	48,49	For privacy reasons, we do not report economic results

MARKET PRESENCE

103	Management approach	38,39	
------------	---------------------	-------	--

INDIRECT ECONOMIC IMPACTS

103	Management approach	46,47,49	
203-1	Infrastructure investments and services supported	49	

PROCUREMENT PRACTICES

103	Management approach	46,47,50	
204-1	Proportion of spending on local suppliers	50	

ANTI-CORRUPTION

103	Management approach	22,23	
205-1	Operations assessed for risks related to corruption		None
205-2	Communication and training about anti-corruption policies and procedures	43	

ENVIRONMENTAL PERFORMANCE

MATERIALS

103	Management approach	30,31,32,37	
301-1	Materials used by weight or volume	32	

ENERGY

103	Management approach	30,31,33	
302-1	Energy consumption within the organization	33	
302-3	Energy intensity	33	
302-4	Reduction of energy consumption	33	

WATER

103	Management approach	30,31,34	
303-1	Water withdrawal by source	34	
303-3	Water recycled and reused	34	

EMISSIONS

103	Management approach	30,31,36,37	
305-1	Direct (Scope 1) GHG emissions	36	
305-5	Reduction of GHG emissions	36	
305-7	Nitrogen oxides (No _x) sulfur oxides (Sox), and other significant air emissions	36	

EFFLUENTS AND WASTE

103	Management approach	30,31,35	
306-1	Water discharge by quality and destination	34	
306-2	Waste by type and disposal method	35	
306-3	Significant spills		None

ENVIRONMENTAL COMPLIANCE

103	Management approach	30,31	
307-1	Non-compliance with environmental laws environmental criteria		None

SUPPLIER ENVIRONMENTAL ASSESSMENT

103	Management approach	22,23,28	
308-1	New suppliers that were screened using environmental criteria	28	

SOCIAL TOPICS

EMPLOYMENT

103	Management approach	38,39,40,41	
401-1	New employee hires and employee turnover	40,41	

OCCUPATIONAL HEALTH AND SAFETY

103	Management approach	38,39,42	
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	42	

TRAINING AND EDUCATION

103	Management approach	38,39,43	
404-1	Average hours of training per year per employee	43	
404-2	Programs for updating employee skills and transition assistance programs	43	

DIVERSITY AND EQUAL OPPORTUNITY

103	Management approach	38,39,40,41	
405-1	Diversity of governance bodies and employees	40,41	

CHILD LABOR

103	Management approach	22,23
408-1	Operations and suppliers at significant risk for incidents of child labor	26,27,28,29

SECURITY PRACTICES

103	Management approach	38,39,43
410-1	Security personnel trained in human rights policies or procedures	43

FORCED OR COMPULSORY LABOR

103	Management approach	22,23
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	26,27,28,29

HUMAN RIGHTS

103	Management approach	38,39,43
412-2	Employee training on human rights policies or procedures	43

LOCAL COMMUNITIES

103	Management approach	44
413-1	Operations with local community engagement, impact assessments and development programs	16,17,36,44

SUPPLIER SOCIAL ASSESSMENT

103	Management approach	22,23,28
414-1	New suppliers that were screened using social criteria	28
414-2	Negative social impacts within the supply chain and actions taken	None

SOCIOECONOMIC COMPLIANCE

103	Management approach	22,23
419-1	Non-compliance with laws and regulations in the social and economic area	None

For more information on this Sustainability Report:

PAMP SA
6874 Castel San Pietro, Switzerland
T +41 91 695 04 50
F +41 91 695 04 51

Giovanni Calabria,
giovanni.calabria@pamp.com
www.pamp.com



PAMP SA

6874 Castel San Pietro | Switzerland

T +41 91 695 04 50 | F +41 91 695 04 51
info@pamp.com | www.pamp.com



An MKS PAMP GROUP Company