



Precious To Us

Summary of 2019 Sustainability Report

The metal we process and the attention we give our stakeholders are precious. Our devotion to being a successful company, which allows us to assume long-term responsibilities, is precious. Above all, the environment and the social and economic context influenced by our actions are precious. Therefore, “Precious to us” expresses our approach to sustainability, confirmed through five commitments.



Visit preciousoustous.com to learn more about our commitment to corporate responsibility.



1.
Involve our stakeholders

Transparency, collaboration and mutual trust to develop long-term relationships. Our stakeholders are essential to our way of thinking and acting. Every day.

2.
Work for a transparent and responsible chain

Making sure that all of our business partners on the precious metals chain act responsibly toward the environment and society is an enormous challenge. We are aware of this, and do our best to honour our commitment.

3.
Contribute to local development

Mendrisio, Hong-Kong, Pforzheim, Cavenago-Brianza or Santiago: at every location, we form positive links with the territory, fully aware of the importance of mutual growth.

4.
Protect the environment

We pay great attention to limiting the environmental impact of our operations, and give preference to partners that do the same.

5.
Grow with our employees

We want our employees to be proud of working for Argor-Heraeus, and we achieve this by offering top working conditions, emphasising the contribution of each employee, and supporting personal growth in the company. We are convinced that the diversity of our employees generates added value, and therefore seek and promote diversity with the motto "Learn from diversity."



The industry's challenges and our commitment to facing them

1. Under what conditions is the precious material extracted?

It is crucial to verify that the metal was extracted with complete respect for the rights and safety of workers and the community, in conformity with national and international laws as well as with regulations concerning biodiversity and the local environment.

2. Through whose hands has the metal passed?

It is essential to know and be able to trace all transfers of the metal in order to ensure the reliability of all parties in the chain and that the precious metal has not used for illegal purposes (money laundering, financing of terrorism, corruption, etc.).

3. Is it produced safely?

The precious metal must be refined and transformed responsibly and in complete safety for workers and protected against theft and damage during all transfers along the chain.

Our commitment

- **National and international regulations:** These provide the framework.
- **Rules and standards:** We are certified by the largest and most authoritative national and international organisations (such as LBMA, RJC) with which we work to define increasingly strict rules and standards.
- **Specific collaborations:** We promote and take part in numerous initiatives to support small-scale and artisanal mines so that they may gain access to the official precious metals market.
- **Company philosophy, policies and rules:** We self-impose rules that are even stricter than legal limits.
- **On-site visits:** For first-hand checks of metal extraction conditions.

- **National and international regulations:** These provide the framework.
- **Rules and standards:** Certification by major industry organisations involves continuous monitoring of chain management system by internal and external experts.
- **Company principles, policies and procedures:** These provide instructions on how to act to make the right choices in every situation, ensuring that we work only with transparent and responsible partners.
- **Innovative solutions:** We recently introduced new technologies for tracing precious metals together with external partners, providing an additional check of the metal's origin.
- **Continuous improvement:** We continuously improve our management system by working with external partners (such as NGOs, industry experts, university departments, etc.) and analysing events and any critical issues that may occur, both externally and internally.

- **National and international regulations:** These provide the framework.
- **Audits and certifications:** We have OHSAS18001, ISO14001 and ISO 9001 certifications for our management of safety, health, the environment, and workplace quality.
- **Collaboration and training:** We conduct regular training and exercise activities with the ambulance service, fire brigade and police in order to test our safety procedures.
- **Values, principles and clear rules:** By means of our principles, personnel rules, and code of conduct, we ensure an environment where duties and rights are shared in a context of complete transparency and respect.
- **Constant monitoring of indicators:** We constantly monitor key indicators regarding our employees.

Argor–Heraeus

For almost 70 years, our mission has been to be the reference point for our customers on the precious metals chain.

Products and services

- Refining of gold, silver, platinum and palladium
- Bars and coins
- Products for the electronics and chemical industries
- Semi-finished products and solutions for the high-end watchmaking and jewellery industry
- Services for the physical trading of precious metals

Customers

We work with customers in over 50 countries:

- Banks
- Mines
- Companies in the high-end watchmaking and jewellery industry

Annual production capacity

- Gold refining: 1,400 T
- Silver refining: 1,300 T
- Cast bars: up to 6 million pieces
- Minted bars: up to 3 million pieces
- Semi-finished products: 120T of alloys

Heraeus Precious Metals

Argor–Heraeus is part of Heraeus Precious Metals, the world's leading provider in the precious metals industry.

Founded in 1851, Heraeus is a family-owned multinational portfolio company whose origins date back to a pharmacy that the family opened in 1660. Heraeus now operates in many sectors, including environment, energy, electronics, health, mobility, and industrial applications. In 2019, Heraeus generated revenues of 22.4 billion euros, with about 15,000 employees (including temporary workers) in 40 countries.

Argor-Heraeus is part of the Heraeus Precious Metals (HPM) Global Business Unit of the Heraeus Group. HPM is the world's leading provider of precious metals products and services.

HPM products are used in various industries, including chemical, pharmaceutical, electronics and automotive: high-quality solutions and products based on many years of experience and technical expertise.

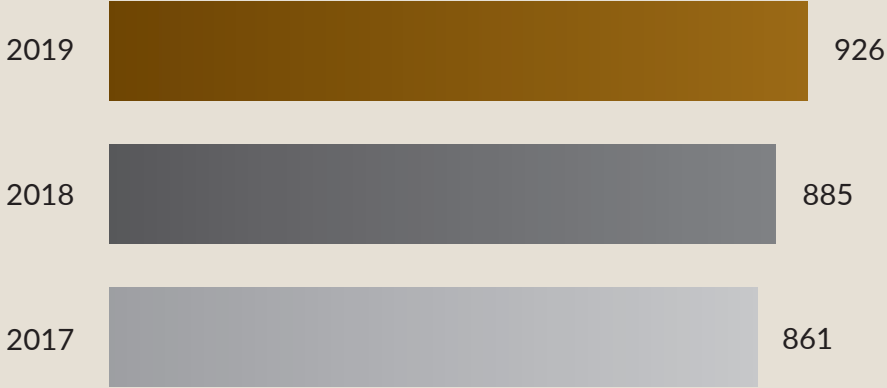
With eleven production sites and four business offices covering all of the time zones, HPM provides a global logistics and production network. Trust and reliability, absolute respect of standards, transparency, and financial stability have been the foundation of our business for over 160 years.

2019 at a glance

Water consumption (m³)



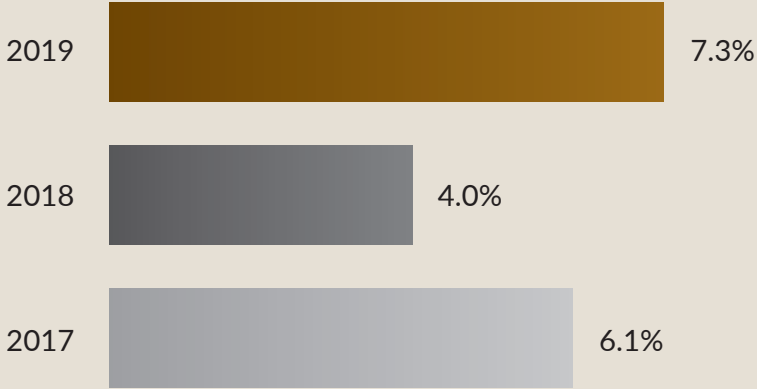
CO₂ emissions (T)



Consumption of chemical products (T)



Turnover rate (%)

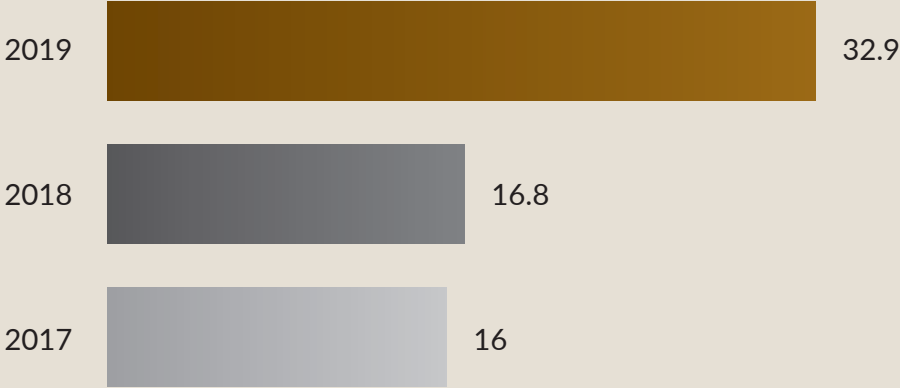


Turnover rate: Employees who left compared to the total in a given time period

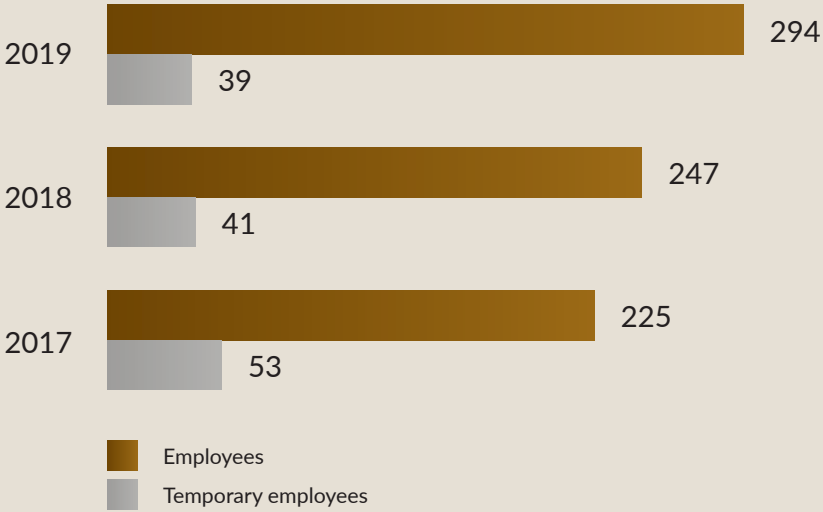
Energy consumption (Gj)



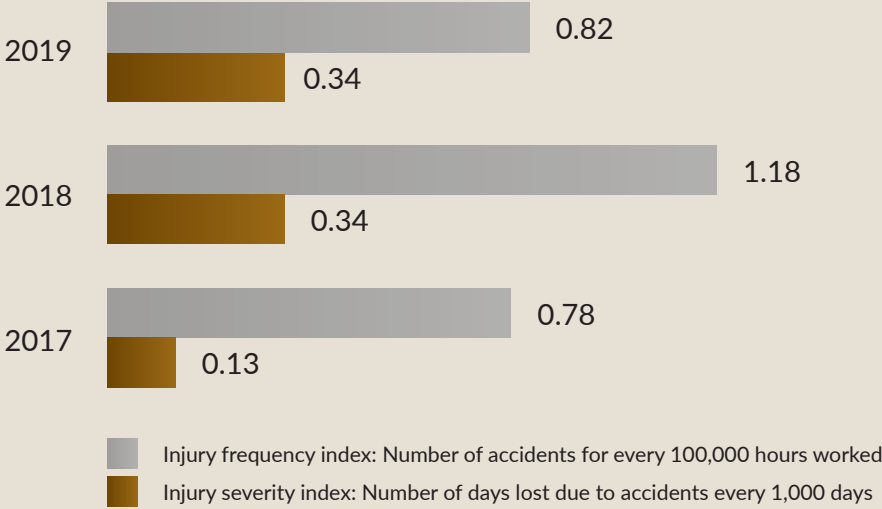
NO_x emissions (T)



Number of collaborators



Severity and frequency index



Argor-Heraeus Switzerland Data



The number of employees at our Mendrisio headquarters has grown by 50% since 2010, the year of our first sustainability report.

In 2019, we had 39 car-pooling groups and subsidised 46 company passes for public transportation.

During the year, we implemented a plan to completely revise our processes for management of safety at the workplace.

We have reduced water consumption by 23% in the last 10 years, despite increases in our production area and in the amounts of precious metals processed.

In 2019, after years of very low consumption, we completely eliminated our use of diesel fuel as an energy source.

In 2019, we implemented techniques for tracing precious metals that provide an additional check of the origin of the metal. With a sort of private «blockchain», we can positively certify the source of the material, whose origin is known and verified.

We continue working with our «Sounding board»: a team of sustainability experts from industries and universities who provide feedback on how we're working.

We continued our many initiatives to support the artisanal and small-scale mine (ASM) sector. For example:

- We collaborate with UN agencies (UNIDO, UNEP and GEF) to formalise the sector, helping them reduce and gradually eliminate the use of mercury in extraction processes.
- We work with Biodiversity International and ICTA (International Center for Tropical Agriculture) on projects to help artisanal and small-scale mines protect biodiversity in mining communities.

We launched a process to significantly reduce plastic and PET waste by means of targeted measures, such as (for example) replacing PET water bottles with dispensers that use reusable bottles, and replacing plastic cups for hot drinks.

We presented the 9th award (CHF 3,000) to the student at SUPSI who presented the best Master in Engineering thesis based on criteria of innovation and sustainability.

There's much more!



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