



Precious
to us



CONTENTS

Dear readers,

Precious metals play an important role in our society. They are widely used in various industries and have a diverse range of applications. Platinum group metals are used in many chemical processes, while gold and silver are essential to the global electronics industry and key for green energy from photovoltaics. They are also a backbone of the global financial sector, provide people with a sense of financial security and trust in times of uncertainty, and can serve as a symbol of love and appreciation when used in jewelry.

Argor-Heraeus stands for responsibility, which is deeply rooted in our core values and reflected in our guiding principles. We have a responsibility to all things and people precious to us. This does not only include our customers and our own people and operations—our responsibility extends along our entire value chain. We have responsibility for the people in our value chain, as well as for the environment and the communities affected. Our responsibility continues through the infinite recycling cycles that precious metals undergo.

To fulfill this responsibility, Argor-Heraeus has established an effective and far-reaching compliance management system that goes well beyond the strict legal requirements in the countries where we operate. We have engaged in the development of standards, rules and certifications, and have made significant investments in technology to increase transparency and traceability.

As a part of Heraeus Precious Metals, we belong to one of the world's leading and most renowned companies in the precious metals industry. With this strong backing, we are committed to playing an important role in shaping the future of sustainability and responsibility in our industry. That is why we have decided to underline our commitment with the pledge “Precious to us”. We are constantly working to reduce our impact on the climate and the environment, as well as taking our responsibility seriously for the well-being of our employees, the surrounding communities, and the people along our value chain.

In 2022, we expanded our area of influence in the industry by acquiring Erbas, a producer of finished watch and jewelry parts. Erbas' expertise complements our capabilities very well. This acquisition allows us to streamline our supply chain and gives us more direct control over materials, from origin to the end customer.

We consider it crucial to communicate our progress. This year, we are introducing a new format: a sustainability factbook that presents our commitments, measures, and an overview of where we stand on our journey. The factbook works in tandem with Heraeus Precious Metals' new Sustainability Report, where you will find more detailed information about our efforts as a company: www.herae.us/sustainability.

We see our sustainability endeavors as opportunities to expand our business globally while being the most responsible actor in our industry. Consequently, we have set ourselves ambitious targets, some of which go well beyond those of our industry peers. We will be carbon-neutral by 2025 and net zero by 2033! We believe that future business growth must and can only be achieved in a sustainable way.

We are looking forward to an active dialogue with our stakeholder community.

Robin Kolvenbach
Co-CEO
Argor-Heraeus SA

Hans-Jürgen Deutsch
Co-CEO
Argor-Heraeus SA

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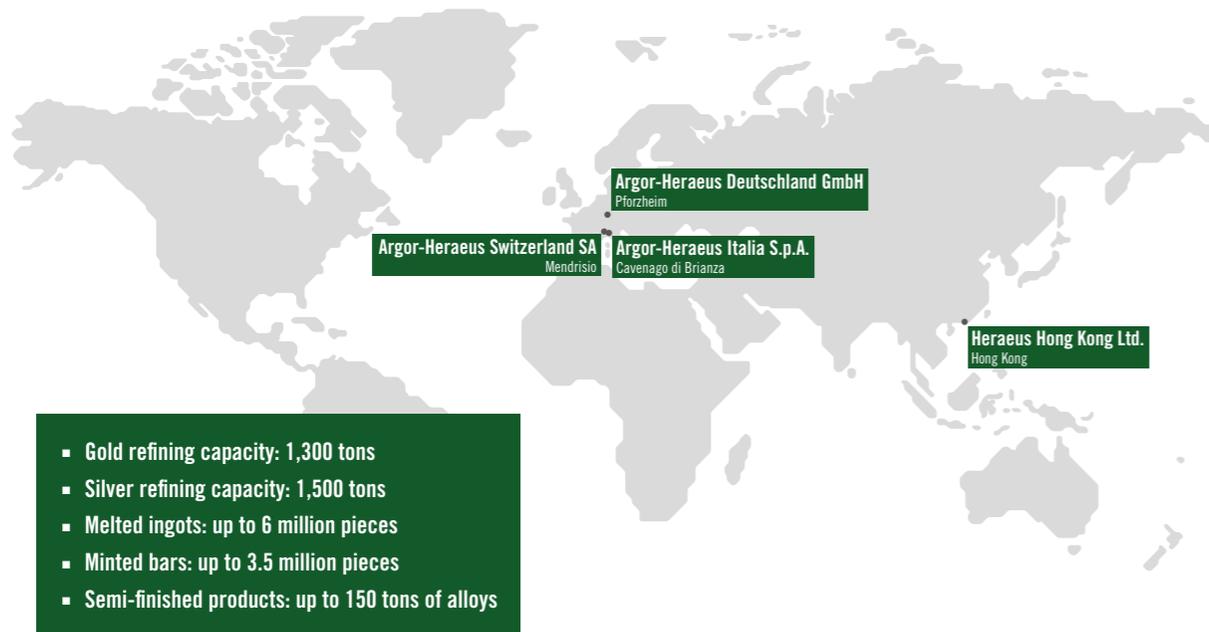
About us

Founded in 1951, Argor-Heraeus is among the first precious metals refineries in Switzerland, historically one of the global centers for the precious metals industry.

Argor-Heraeus

With over 500 employees in Switzerland, Italy, Germany, and Hong Kong, the company refines and transforms precious metals for customers that are located in over 50 countries worldwide. The two production sites in Mendrisio and Hong Kong are supplemented by non-production sites in Pforzheim, Germany, and Cavenago di Brianza, Italy.

Argor-Heraeus provides highly customized solutions in terms of products and services, with particular attention to the quality and responsibility of the metals processed. Our scalable and flexible production capacity allows us to offer our customers products and services based on their individual needs.



Heraeus Precious Metals

Argor-Heraeus is part of Heraeus Precious Metals, a company within the Heraeus Group.

The Heraeus Group is a broadly diversified family-owned technology company headquartered in Hanau, Germany with approximately 17,200 employees and generated revenues of €29.1 billion in 2022.

Heraeus Precious Metals is a global leader in the precious metals industry, covering the value chain from trading to innovative precious metal products, to refining and recycling.

The company's products are essential for various industries, including the automotive, chemicals, semiconductor, pharmaceutical, hydrogen, and jewelry industry.



- Expertise in all platinum group metals as well as gold and silver
- 15 sites worldwide
- Headquarters in Hanau, Germany
- Around 3,000 employees worldwide



Precious to us

Responsibility is at the core of everything we do. Behaving responsibly towards people, the environment, and all our stakeholders is an integral part of our culture. We are convinced that this will also have a decisive influence on our success in the future.

Our pledge to responsibility

Climate, resources, and people are precious to us. We pledge to always act accordingly.

To systematically decarbonize our business. To always look for new ways to conserve resources and promote a circular economy. To prioritize the well-being and interests of the people in our company, in nearby communities and along our value chain.

Just as importantly, we expect the same from our business partners, both upstream and downstream.

Due to their high value and unique properties, precious metals have been mined, processed, and used for thousands of years. As this will remain, it is very important that these activities are carried out as responsibly and with as little harm to the environment and people as possible.

With our services, we at Argor-Heraeus are right in the middle of the precious metals value chain. Beginning with various kinds of raw materials, we refine and transform precious metals into highly precise advanced semi-finished and finished products for the luxury industry, as well as bars and coins.



This puts us in a unique position to act as a bridge between the producers of raw precious metals, collectors or intermediaries, and our clients. We consider it our responsibility to use this position to keep driving the continuous improvement of responsible practices.

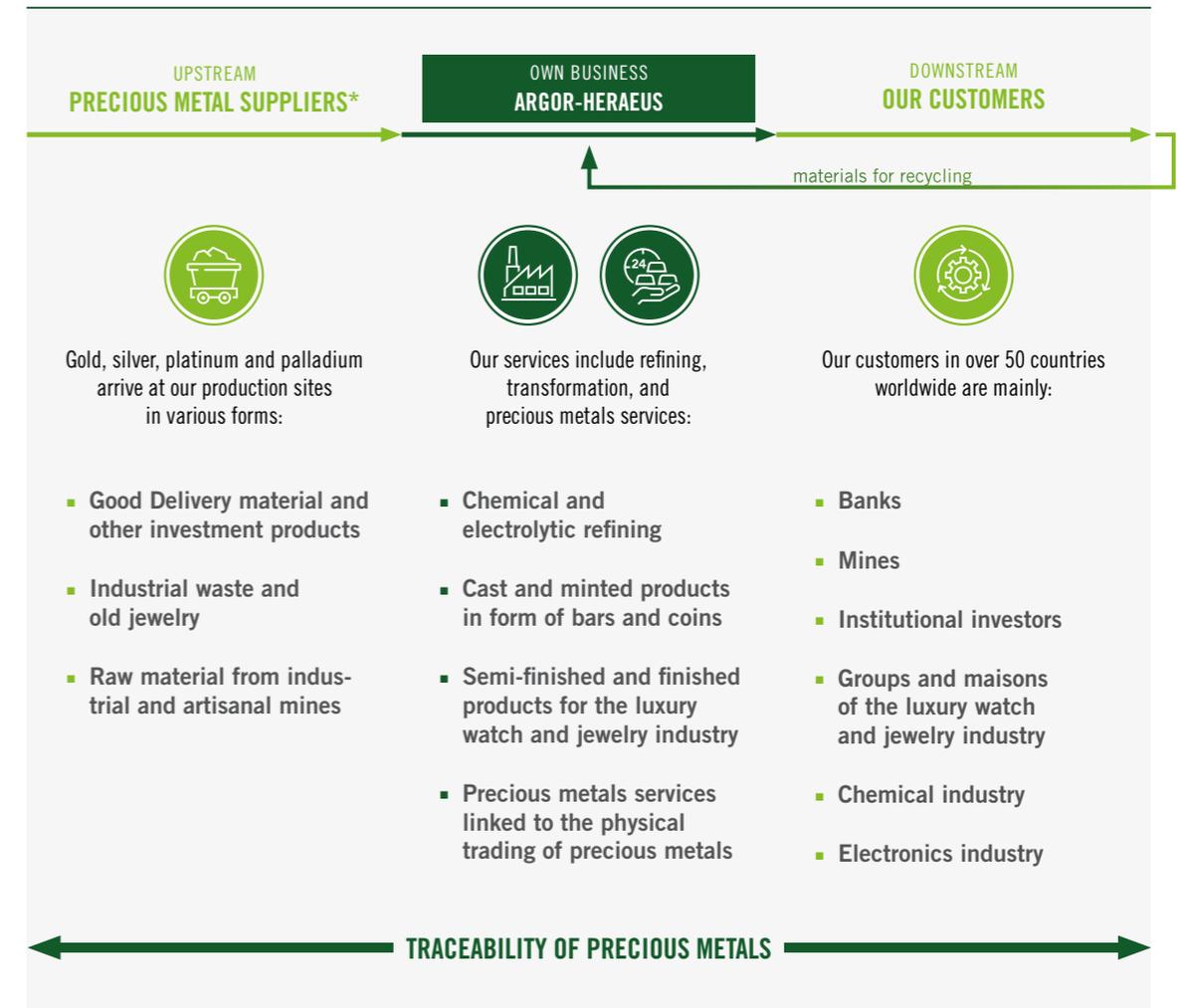
We actively engage with stakeholders adjacent to our value chain, including representatives from our industry, politics, academia and civil society (NGOs). This helps us to continuously improve our own approach and work towards greater sustainability, transparency, and traceability in our industry's supply chain.

We are convinced that our industry can make a successful transition towards more sustainability, but we can only achieve this by working together: from miners to refiners, processors, and users of precious metals.

Our aim is to lead by example and to propel positive change in our industry. We set rigorous standards for our own business and actively encourage the adoption of similar standards along the entire value chain.

Our value chain & stakeholders

We are aware that we cannot achieve the transition toward a responsible precious metals industry single-handedly. That is why we cultivate long-term relationships based on respect, transparency, dialogue, and mutual trust with all our stakeholders.



*Precious metal suppliers are all those who deliver precious metals for a refining service, regardless of whether we purchase the precious metal or not.

Our aim is to lead by example, demonstrating to our stakeholders the importance of responsibility in the way we do business. We share our vision

and encourage them to apply the same principles. One way we do this is by regularly discussing topics of interest, as detailed below.

Associations and working groups

- Collaboration on topics of shared interest
- Economic performance
- Ethics and integrity

Civil society representatives (NGOs)

- Accreditations and certifications
- Employment
- Ethics and integrity
- Relationship with institutions

Competitors

- Ethics and integrity
- Joint actions for improvements within the value chain
- Partnerships on topics related to the sector

Customers and suppliers

- Compliance
- Environmental protection and responsible use of resources
- Ethics and integrity
- Quality of products and services

Employees

- Diverse and inclusive workplaces
- Environmental protection and responsible sourcing and use of resources
- Fair working conditions and wages
- Safe and healthy work environment

General population

- Community activities
- Environmental impact
- Ethics and integrity
- Financial contribution to well-being
- Relationship with institutions
- Working and living conditions

Institutions and public services

- Compliance with standards
- Employee health and safety
- Employment and security
- Environmental impact
- Ethics and integrity
- Sustainable mobility
- Tax payment

Workers and communities in our value chain

- Community activities
- Environmental impact
- Ethics and integrity
- Relationship with institutions
- Working and living conditions

Stakeholders

- Topics of interest



The melting point of silver is 962 °C. Due to its conductive properties, it is commonly used in the electronics industry, for example as conductor in photovoltaic cells. It is also in high demand for jewelry and as an investment product.

Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals developed by the United Nations as part of the 2030 Agenda are a universal call to action. The aim is to preserve the planet and improve lives of all people.

At Argor-Heraeus, we have implemented concrete measures to actively promote and apply the SDGs in our daily operations and business decisions.





At the headquarter in Mendrisio, Switzerland, all roof tops are equipped with photovoltaic modules.

Climate is precious to us

Climate protection is one of humankind's biggest challenges. Rising sea levels, forest fires, severe weather events, and loss of biodiversity are just a few of the adverse impacts of climate change.

Our business activities result in carbon emissions at our company and along our value chain. We pledge to our responsibility by eliminating our carbon footprint completely.

Targets and KPIs

Carbon-neutral



0.0

CARBON EMISSIONS
BY 2025, SCOPE 1+2

We will be carbon-neutral for our own operations by 2025. This commitment includes reducing our energy consumption by 20%* and transitioning to 100% green electricity. Only the remaining emissions are offset.

Net-zero



0.0

FOSSIL FUELS
BY 2033, SCOPE 1+2

We aim to reach net zero in our own operations by electrifying our processes and by developing technologies that are based on green hydrogen instead of fossil fuels.



-50%

INDIRECT CARBON
EMISSIONS BY 2033,
SCOPE 3**

We will reduce carbon emissions along our value chain by engaging with mining partners to actively support their decarbonization journeys and by increasing the proportion of recycled metals in our products.

*Savings compared to our emissions in the 2019 baseline year.
**Savings compared to our emissions in the 2020 baseline year.

Emissions

The Greenhouse Gas Protocol has defined three “scopes” of emissions:

SCOPE 1

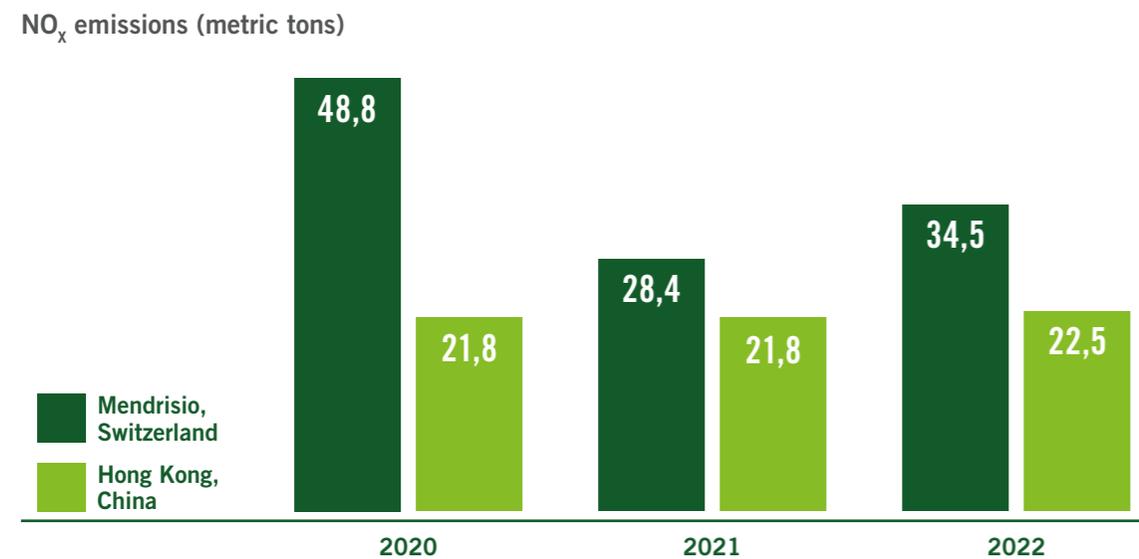
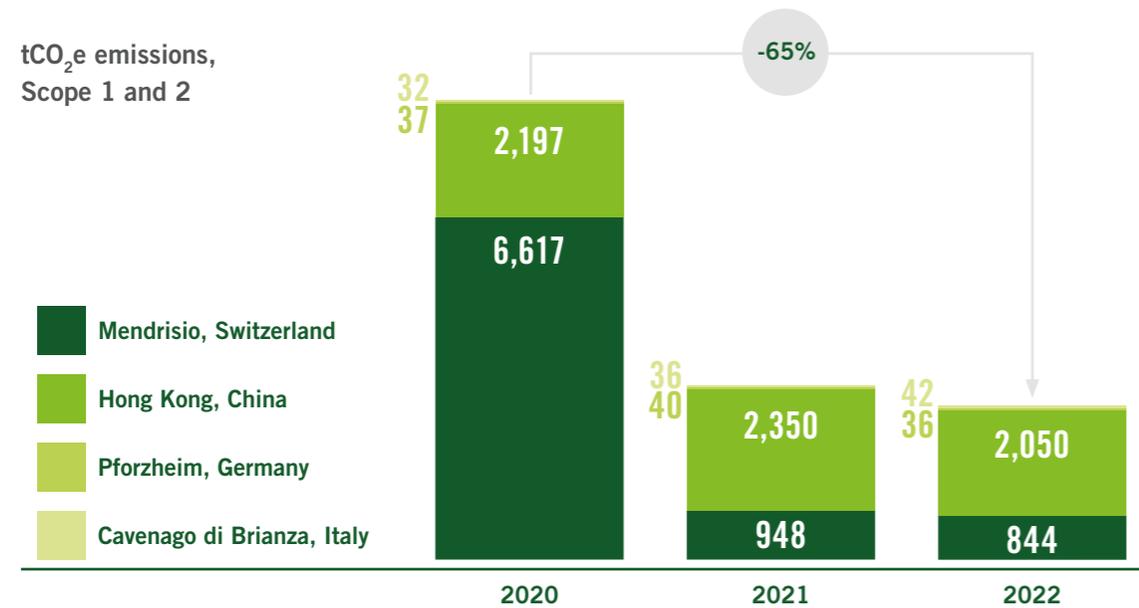
Emissions generated directly by industrial activities and by heating buildings.

SCOPE 2

Emissions generated by the use of energy sources, for example electricity.

SCOPE 3

Emissions occurring in the entire value chain.



Where we stand

The reduction of direct and indirect CO₂ emissions is one of our key commitments. We have made significant progress on this commitment in recent years. In 2022, we reduced our Scope 1 and 2 emissions by 12%, and in the last three years we have even achieved a reduction of more than 65% through an increased use of renewable energy.

In 2022, we achieved an 11% decrease in our direct CO₂ emissions (Scope 1) at our headquarters in **Mendrisio** by optimizing production processes. We have also taken significant steps towards reducing our indirect emissions (Scope 2) by purchasing electricity generated from 100% renewable sources and by producing our own electricity with our photovoltaic system. This initiative enabled us to entirely eliminate CO₂ emissions deriving from the purchase of electricity (Scope 2) by 2021.

Our non-production facilities in Pforzheim, Germany and Cavenago di Brianza, Italy maintain minimal CO₂ emissions compared to our Mendrisio and Hong-Kong sites. In Cavenago di Brianza we cover 100% of our energy consumption with renewable energy.

We have also taken proactive measures to reduce our Scope 1 and 2 emissions in **Hong Kong**. By minimizing overuse and planning production more efficiently, we have successfully reduced these emissions by 13% compared to 2021. A key step towards meeting 100% of our electricity needs with renewable energy includes the installation of solar panels on our own rooftops. These panels began to generate electricity in 2023.

Regarding NO_x emissions, we achieved a significant reduction in **Mendrisio** compared to 2020. However, in 2022 we saw a slight increase due to the changing requirements of our business. In **Hong Kong**, the overall level of NO_x emissions remained stable. We continue to maintain relatively low levels of NO_x emissions at both our sites.



Precious metal contents are determined in laboratory sampling.

Energy consumption

We rely on three main sources of energy for our production processes and to heat our buildings:

ELECTRICITY

Electricity accounts for the majority of our energy consumption. In addition to purchasing electricity, we operate solar panels on our production buildings.

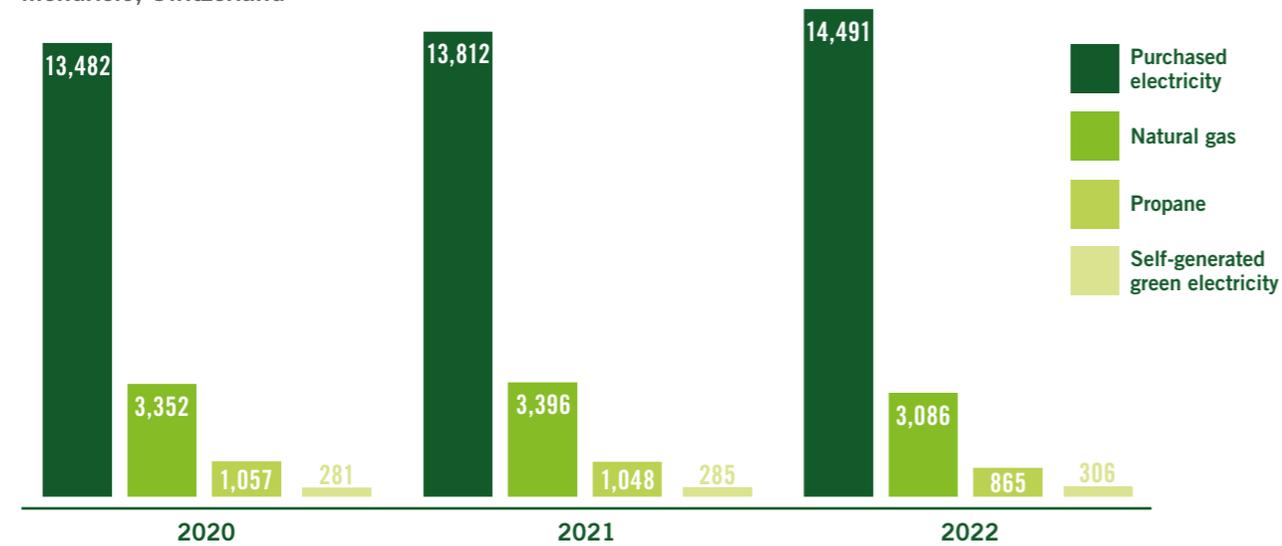
NATURAL GAS

Natural gas (e.g. methane) is mainly used for heating buildings and for production processes. Consumption is therefore partially linked to weather conditions.

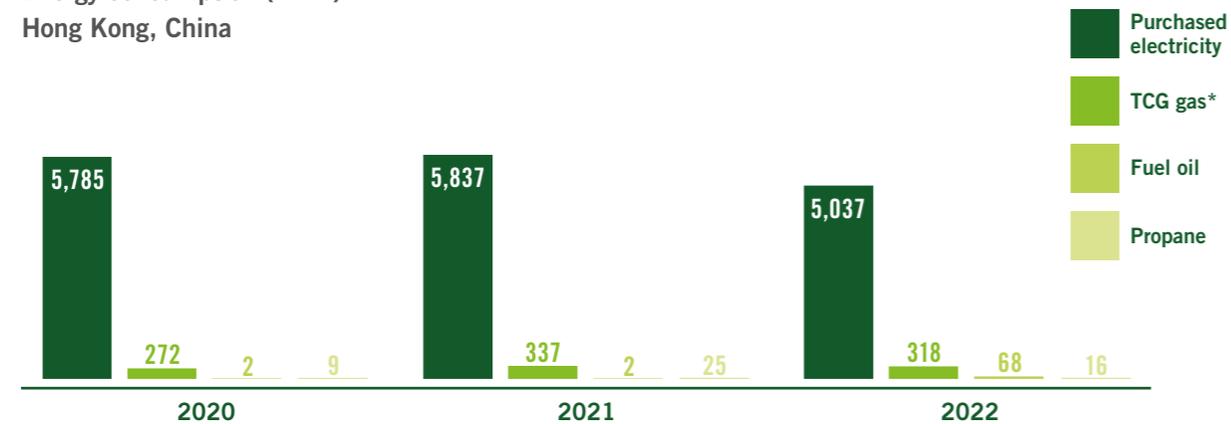
PROPANE

In the foundries we use propane to create the protective atmosphere necessary for the gold and silver casting processes. Consumption is highly correlated to the quantities of gold and silver bars produced.

Energy consumption (MWh)
Mendrisio, Switzerland



Energy consumption (MWh)
Hong Kong, China



Where we stand

We are committed to active energy conservation and to continuously exploring ways to reduce energy consumption. In 2022, we made significant progress in this direction at all of our sites. In **Mendrisio**, we achieved a 9% reduction in the use of natural gas due to optimized heating systems. This improvement was also helped by changing climatic conditions. Electricity consumption increased slightly by 5%, due to increased business activities.

An optimization of specific production processes allowed us to reduce propane gas usage by 17%.

In **Hong Kong**, we implemented efficiency measures in both production and non-production areas that led to a 14% reduction in electricity consumption in 2022. Effective measures included active shutdown management of all electrical appliances and smart scheduling to optimize production.

Our non-production facilities in Pforzheim, Germany and in Cavenago di Brianza, Italy consume minimal energy in the form of purchased electricity compared to our Mendrisio and Hong-Kong sites. These facilities account for only 0.6% of our total energy consumption.

*In Hong Kong, the fuel mix for TCG gas (Town Gas Production) includes natural gas, naphtha and landfill gas.

Projects and initiatives

Battle against CO₂ emissions

Switching to 100% green electricity is a major building block in achieving our CO₂ reduction targets. In 2021, we completely eliminated Scope 2 emissions at our Mendrisio site. In 2023 we add-

100% GREEN ELECTRICITY
AT OUR SITE
IN MENDRISIO

ed rooftop photovoltaic panels at our Hong Kong site and will source 100% green electricity from renewable energy suppliers by 2025. In total, we operate over 1,000 solar panels to generate part of the energy used in our processes.

Reduction in the use of propane

Propane is used to protect metals from oxidizing during the melting and casting processes. However, as these processes generate CO₂ emissions, we are substituting propane with the more environmentally friendly option, nitrogen.

Consequently, in 2022 we were able to reduce the use of propane and the resulting emissions by 17% in Mendrisio, and by 36% in Hong Kong. Our aim is to completely eliminate the use of pro-

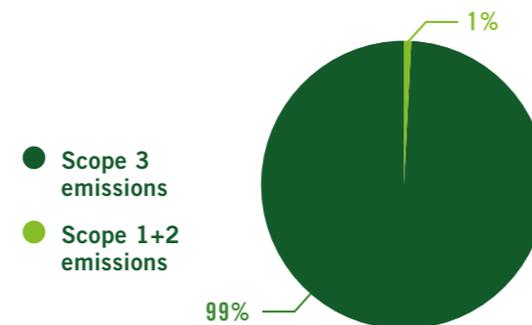
pane, as part of our plan to move away from fossil fuels by 2033 at the latest.

Addressing the challenges behind Scope 3 emissions

We actively strive for good stewardship of our environment by monitoring and reducing emissions throughout our entire value chain (Scope 3). This is done in collaboration with our partners along our supply chain.

The precious metals we receive from our suppliers* account for 99% of our Scope 3 emissions. We are aware that we can only succeed in the sustainable transformation by working together with our mining partners to reduce these emissions.

Share of Scope 1, 2, and 3 emissions



*Precious metal suppliers are all those who deliver precious metals for a refining service, regardless of whether we purchase the precious metal or not.



The processing of precious metals is very energy-intensive. We work to electrify our processes and develop technologies that are not based on fossil fuels.



Resources are precious to us

According to UNICEF, 3.3 earths would be needed to keep up with consumption levels of the OECD and EU countries. This rate of resource use is clearly unsustainable. Moreover, the extraction, processing, and disposal of natural resources can have significant environmental impacts.

Our business activities rely on precious resources. We live up to our responsibility by improving our processes and products so that they require fewer and fewer resources and by adopting circular approaches wherever possible. This includes responsible waste management and disposal, and an environmentally conscious use of chemicals and water. Our commitment to conserving resources is reinforced by our recycling efforts, which help to keep precious metals within the cycle of use.

Targets and KPIs

23%

SHARE OF RECYCLED GOLD AND SILVER IN OUR PLANTS IN 2022

23% of gold and silver volume processed in our plants are secondary material. We aim to double the proportion of recycled precious metals in our products by 2027.

-98%*

CARBON FOOTPRINT OF RECYCLED VS PRIMARY PRECIOUS METALS

Many of our precious metal products are returned to us at the end of their lifetime. By making new products out of recycled fine metal, we are continuously keeping recovered precious metals in the loop.

*Based on: International Platinum Group Metals Association and GaBi database 2022

Recycling of precious metals

As part of our commitment to sustainable practices, we continue to promote a circular approach among our clients. Gold is as a prime example of the potential for circularity and an advocate for further efforts and innovation to increase recovery. We can currently recover over 99.8% of gold sent to us for refining.

Moreover, we are constantly improving our processes to maximize the retention of precious metals content. In cases where we are unable to proceed with certain materials, we send them to audited third parties for recovery. This ensures that no precious metals are wasted and promotes sustainability and resource-efficiency.



Water withdrawal

Water plays a central role in our production processes: for example, it is needed in the chemical and electrolytic reactions during precious metal refining and is indispensable for cooling the processing machinery.

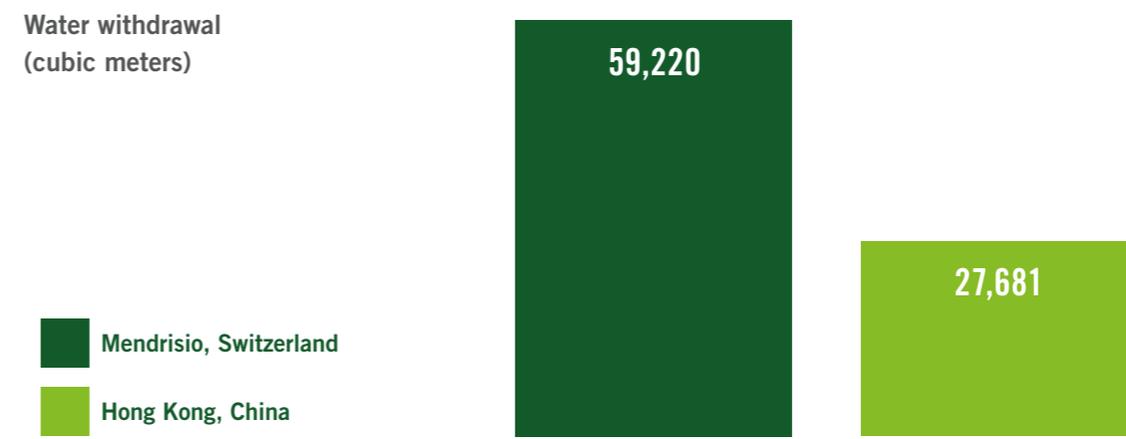
Where we stand

We are committed to fostering sustainable practices across all operational areas, including water conservation. As we continue to analyze our water usage data in more detail, we aim to set concrete, measurable targets for further reductions in the coming years.

In 2022, our **Mendrisio** site registered a slight 2% increase in water withdrawal compared to 2021 as a result of increased business activities and raw material intake. In 2022 we began to closely analyze our water usage in order to identify possible projects for reducing water usage and recycling.

At our site in **Hong Kong**, we decreased our water withdrawal by 16% in 2022 compared to the previous year. This was achieved through various measures including a reduction in the amount of water used in the traditional refining process, an optimization of equipment efficiency and mindful water usage by employees.

Our non-production facilities in Italy and Germany maintain modest water consumption rates, reflecting their non-industrial functions.



Chemicals usage

Chemicals are essential for processing precious metals. Their consumption is closely linked to production quantities and the matrix complexity of the incoming raw precious metals.

Where we stand

Argor-Heraeus is committed to the effective management and responsible use of the chemicals that we require for our processes. We ensure the safe and responsible disposal of chemicals after use. We recognize the complexity of refining precious metals, such as gold, silver, platinum, and palladium. By prioritizing the use of efficient and environmentally friendly chemicals, we ensure high-quality results while maintaining a conscious approach to chemical usage.

Chemical products play a crucial role in the extraction and purification of precious metals to guarantee the highest standards of purity and quality. We refine gold, silver, platinum and palladium. Our main refining process for gold and silver relies on the use of hydrochloric and nitric acids. To neutralize the acid processing solutions we use caustic soda, which is an essential substance in our refining operations. Caustic soda acts as a vital agent in reducing harmful contaminants.

In 2022, we observed a significant 7% increase in chemical product use at our **Mendrisio** site. This is mainly due to a significant increase in precious metal refining and the resulting higher demand for nitric acid. Moreover, the nitric acid available on the market was less concentrated than that which is usually used, requiring a larger quantity for the same efficiency.

Our **Hong Kong** site experienced a 14% decrease in the consumption of chemical products as a result of reduced intake of primary and secondary materials.

Waste management

At Argor-Heraeus, we acknowledge the importance of responsible waste management. Once materials have served their purpose, we adhere to strict standards and procedures for their disposal. Our waste management practices comply with rigorous legal requirements, ensuring safe and responsible waste disposal, including wastewater.

Where we stand

We recognize the importance of proper waste management to protect the environment. Therefore, we have implemented stringent procedures to ensure the responsible disposal of various categories of waste.

We produce two main types of waste materials: special waste and generic waste. Our special waste encompasses various materials, including exhausted chemical solutions, wastewater (which may or may not contain residual precious metals) and oils. It therefore requires special disposal procedures. Our generic waste primarily originates from day-to-day operations and the packaging materials that accompany our goods, and includes materials such as PET, wood, ferrous waste, and regular waste.

We strive to minimize our impact on the environment by implementing effective waste management practices and ensuring that waste is sorted, recycled or disposed of in accordance with local regulations. We opt for waste management companies that can recycle as many materials as possible to further reduce our environmental impact.

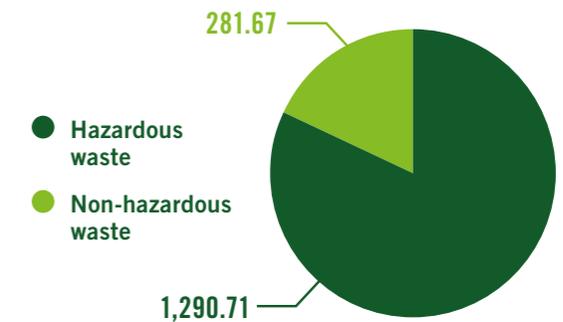
In **Switzerland**, we adhere to the regulations set forth by the Federal Department of the Environment, Transport, Energy, and Communications (DETEC). We have implemented specific measures to handle and appropriately dispose of waste products. By installing water dispensers in our

buildings, we significantly reduced our PET waste by more than 50%.

In **Hong Kong**, our disposal processes align with the guidelines provided by the Environmental Protection Department (EPD). These regulatory bodies play a crucial role in ensuring that special waste is handled and disposed of safely and in compliance with the highest environmental standards.

Our employees worldwide are trained regularly and adhere to strict safety protocols and guidelines to minimize risks and protect both the environment and human health. We strive to implement measures for all of our production and administrative activities to further limit waste materials.

Waste (metric tons), Mendrisio, Switzerland* and Hong Kong, China



*Erbas figures not included

Projects and initiatives

From waste material to reusable resource

We are working towards reducing the nitrate content in wastewater by 85% by 2024. In 2022 we installed state-of-the-art equipment at our Mendrisio plant to transform wastewater from our processes into a valuable product: sodium nitrate.

This transformation not only significantly reduces our waste, but also makes the sodium nitrate reusable as a valuable raw material for the cement and glass industry.

Water dispensers throughout the company

To reduce the disposal of single-use PET bottles at our site in Mendrisio, we installed water dispensers directly connected to the water distribution system. We also distributed reusable water bottles to our employees.

By promoting the use of reusable water bottles and providing convenient access to drinking water, we have achieved a 50% reduction in the disposal of PET within our company. This initiative not only reduces our environmental footprint but also ensures the well-being of our employees. It also

acts as a signal, encouraging us to think about how we can further reduce packaging waste.

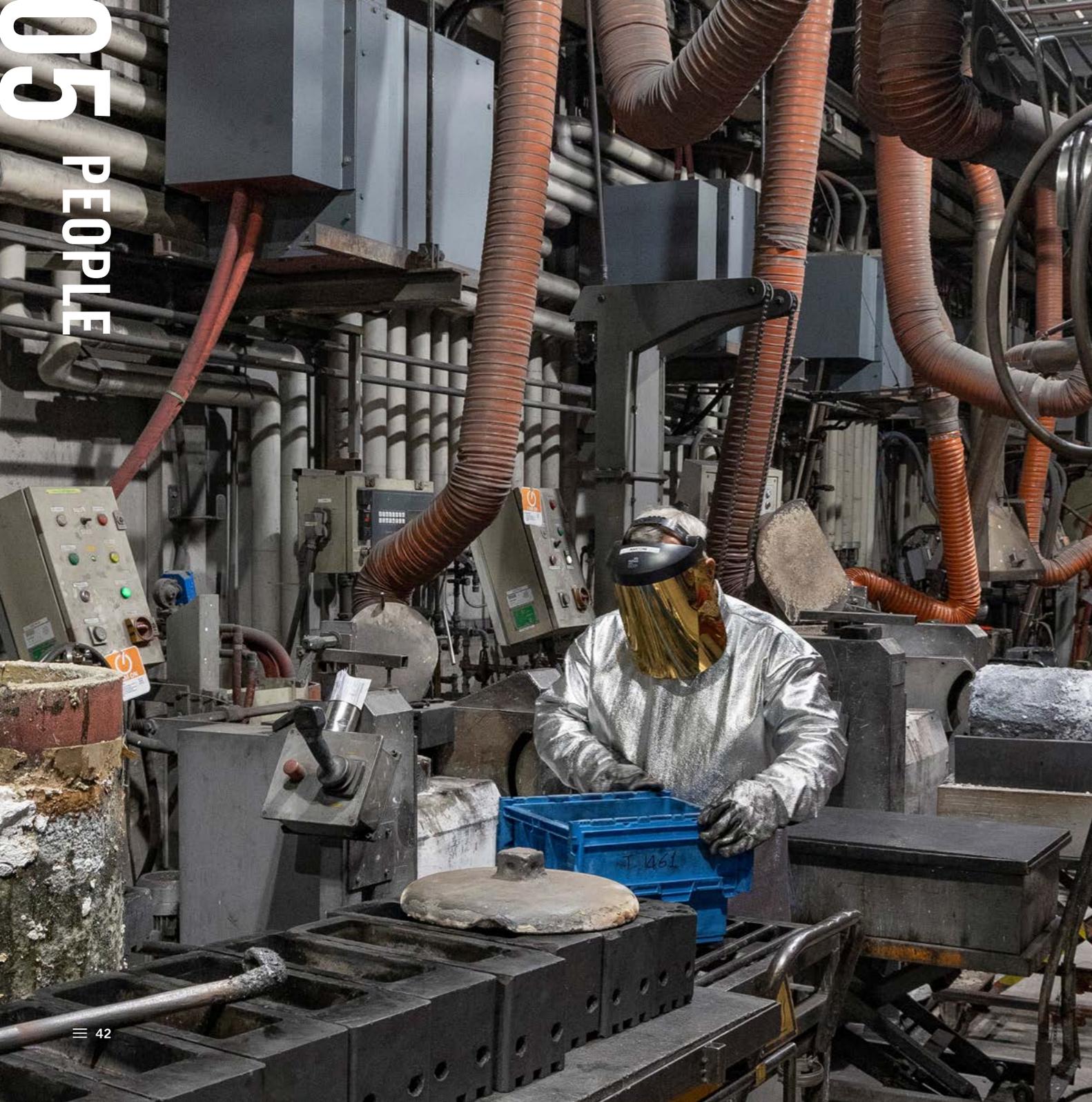
Promoting mercury-free mining

We are actively involved in projects around the world to promote mercury-free mining. Mercury is used in artisanal and small-scale gold mining (ASM) as part of the chemical process that separates gold from rock and ore. During this process, mercury is released into the atmosphere as methylmercury, which not only is a serious health hazard to ASM workers, but also poses a significant threat to the food chain, people, and the environment.

A prominent example is our collaboration with the Fairtrade Max Havelaar Foundation, a Swiss-based non-governmental organization (NGO), and the mining cooperatives of Central de Cooperativas Mineras de San Antonio de Poto de Ananea (CECOMSAP) in Peru. This cooperation has resulted in the reduction of mercury use by investing part of the premiums from the sale of Fairtrade gold into the optimization and improvement of processing technologies at the mine sites.



By using water dispensers, we achieved a 50% reduction in PET waste. This initiative also ensures the well-being of our employees.



People are precious to us

People are at the heart of everything. We are convinced that the human element is what creates impact, drives innovation, and fosters strong partnerships. These are essential for growth and sustainable transformation.

We prioritize the well-being and interests of the people in our company, in nearby communities, and along our value chain. This especially includes ensuring respect for human rights, fair working conditions, a safe and healthy work environment, living wages, and diverse and inclusive workplaces.

Targets and KPIs



40% WOMEN

IN GLOBAL MANAGEMENT TEAM
BY 2025

Diversity begins at the top. By 2025, the Global Management Team of Heraeus Precious Metals, including Argor-Heraeus, will consist of at least 40% women.



REDUCE WORK-RELATED
INCIDENTS TO

ZERO

Our ultimate objective is zero work-related incidents. To achieve this target, we have numerous measures in place.



100%

OF OUR MINING PARTNERS WITH
TARGETS, MEASURES, AND PROGRESS

We are expanding our activities from the workers in our value chain to include surrounding communities and environment. Our aim is to ensure that all our mining partners define concrete targets and measures and make progress.

Diversity, equity, and inclusion (DE&I)

DE&I is essential to our identity and culture. We actively encourage different perspectives, put together diverse teams, provide equal opportunity, and insist on real cultural change toward a truly inclusive work environment. We believe that diversity makes us better—better at understanding our markets and customers, at generating business opportunities, and at being innovative. Consequently, we have made DE&I a top strategic issue.

Where we stand

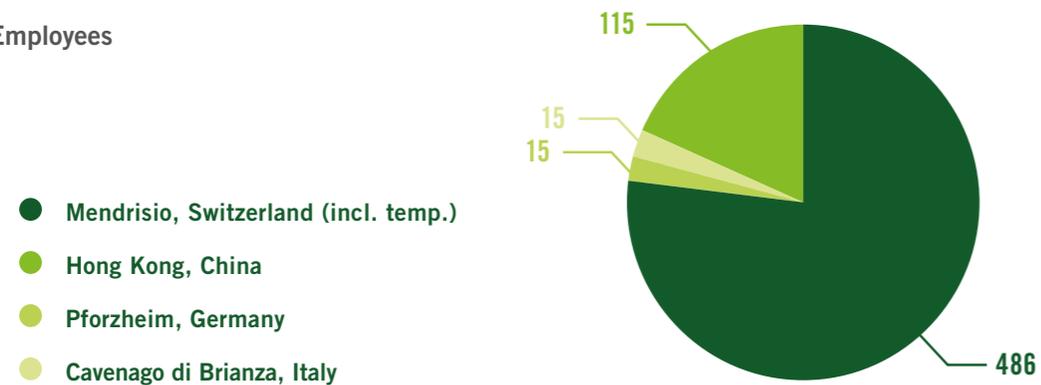
Our workforce is spread across multiple locations. Our **Mendrisio** Headquarters, where the majority of production takes place, employs a total of 486 people including 63 temporary workers who support us during peak production periods. Our other locations employ 115 people in **Hong Kong**, China, 15 in **Pforzheim**, Germany, and 15 in **Cavenago di Brianza**, Italy, bringing our total workforce to 631 people worldwide.

We recognize the importance of diversity and gender equality in our industry and place particular emphasis on achieving a better gender balance.

Globally, 29% of our employees are women. Although our sector is traditionally male-dominated, we actively promote female careers and ensure equal pay for all our employees.

This approach is in line with Heraeus Precious Metals' target of 40% women in the Global Management Team by the end of 2025. The initial target for women in leadership positions was 35%. After exceeding this target in 2021, it was increased to 40% by the end of 2025. At the end of 2022, women accounted for 37% of Heraeus Precious Metals' Global Management Team.

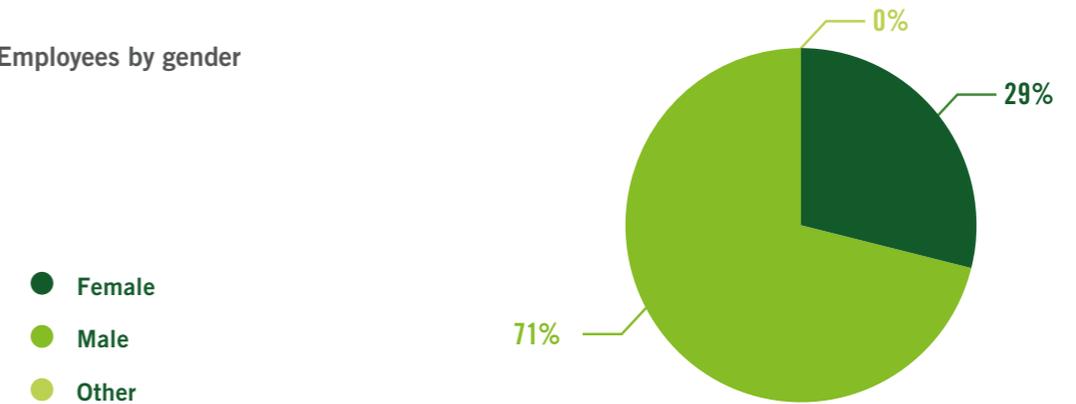
Employees



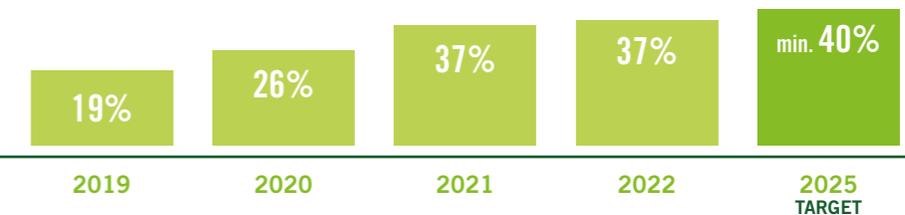
Diversity also has a qualitative aspect that cannot be measured by KPIs—atmosphere and culture. We therefore address the topic from several angles.

We promote individual initiative, communication, respect, and diversity – because we are convinced that they represent added value for the success of our company.

Employees by gender



Share of women within Global Management Team



Working conditions

Our employees worldwide are our most important asset. Their skills, knowledge, and dedication—as well as their diverse experience and personalities—shape our company and its success. We strive to offer attractive salaries as well as opportunities for development and are committed to providing a modern work environment in which all employees feel appreciated and can realize their full potential.

Where we stand

Establishing a shared culture and values within our company is strongly reflected and influenced by the tenure of our employees. We closely monitor two key indicators: tenure and turnover rate—the proportion of employees leaving our organization compared to the total workforce.

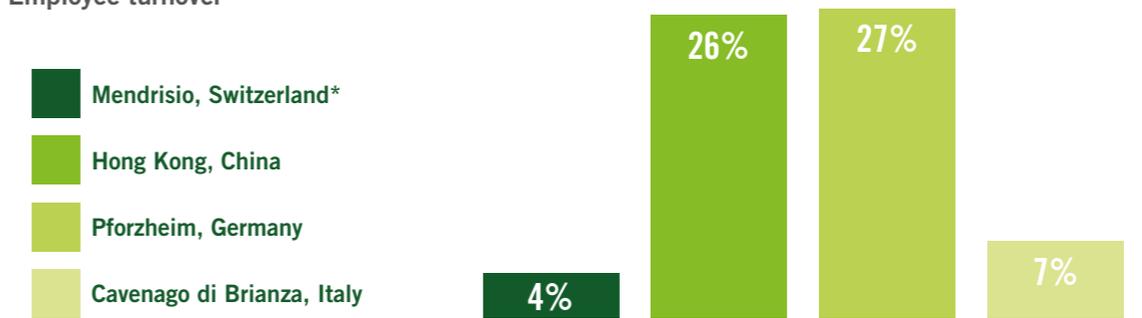
Overall, we have a reasonable turnover rate of 10%. However, we are aware that this rate varies widely from site to site. We are thoroughly investigating the reasons for high turnover rates to identify possible measures to reduce them.

We are committed to offering professional development opportunities to all employees throughout their careers. We invest in our future workforce by offering apprenticeship programs and work-study schemes, by accommodating individual needs and by jointly identifying development measures throughout each employee's journey.

These initiatives are complemented by our long-standing talent programs, designed to enable talented employees to take on more responsibility and to fill key positions internally.

Environmentally friendly transportation is also a priority for us. We actively encourage our employees to choose greener modes of transport such as public transportation, slow mobility, and carpooling. We remained committed to supporting these alternatives, despite challenges posed by the pandemic. In 2022, we registered 43 carpooling groups and subsidized 62 public transport passes in **Mendrisio**, contributing not only to the well-being of our employees but also that of the wider local community. In **Hong Kong**, we subsidize public transport usage and offer corporate shuttle buses, resulting in less than 5% of employees relying on individual transport solutions with CO₂ emissions.

Employee turnover



*Erbas figures not included

Health & Safety (H&S)

The health and safety of our employees are our top priority. We strive to ensure that everyone starts their workday in good health and finishes it without any harm or negative impact. Our certified health and safety (H&S) management systems and comprehensive policies give our organization a strong safety culture. Nevertheless, we continually work to make our operating facilities and offices even safer.

Where we stand

Our target leaves no room for interpretation: zero work-related incidents. Clear targets and rules, training and collaboration provide the foundation on which we continue to build with targeted actions.

All H&S incidents, including injuries, illnesses, process safety incidents, unsafe situations, and near misses are reported, analyzed, and addressed with corrective measures to prevent similar occurrences. We recognize that even one accident is one too many, and we strive to create a culture where safety is embedded in every aspect of our operations.

We continuously monitor key health and safety indicators. Our dedicated health and safety managers and working groups are responsible for implementing strategies to create a safe and healthy work environment. We make sure that our EHS team is always up-to-date by providing them with the latest training and qualifications. As a member of various associations, we regularly engage with our industry peers and share best practices.

We are certified according to ISO 45001, ISO 14001 and ISO 9001. These certifications reflect our commitment to effective management of safety, health, environment and quality in the workplace. We conduct regular audits to ensure that our business operations align with these standards. Among the safety-related key performance indicators that we monitor, we pay particular attention to the LTIR

(lost time incident rate), which measures the number of injuries per 1,000,000 hours worked.

While we acknowledge a negative trend in LTIR performance in recent years, this can be attributed to the influx of new employees and the challenges posed by the COVID pandemic. In 2022 we resumed our training activities after the pandemic-related interruption, focusing on essential aspects such as first aid, firefighting, emergency management and workplace responsibility. To ensure that we stay up to date with the most relevant topics, we also actively collaborate with external bodies and institutions such as the fire department, ambulance services and the police.

In **Mendrisio** we initiated a campaign which aimed to improve our mindset around safety culture. The focus topic in 2022 was hand protection. To emphasize its importance, we organized workshops and training sessions for all employees. We established this training format in collaboration with relevant authorities to ensure that safety measures are implemented effectively. We intend to continue this format with alternating topics in future years.

Lost time incident rate (LTIR) 2022*

Mendrisio, Switzerland	14.8
Hong Kong, China	4.5

*Including temporary workers

People in our value chain

Respect for human rights, protection of the environment, ethical practices, and transparency have been and will always be non-negotiable core values of our company. We are aware of the significant impact our business has on people along our value chain and recognize our responsibility for their welfare. We systematically assess our precious metal suppliers' social and environmental performance, particularly with regard to the protection of human rights.

Due Diligence

Human rights due diligence is an integral part of our general due diligence process. By fostering meaningful collaborations and taking concrete action, we strive to make a positive and lasting impact on the lives of individuals within our value chain.

Our commitment to safeguarding human rights encompasses a range of measures:



We conduct thorough due diligence processes to ensure compliance with human rights standards throughout our operations and value chain.



By collaborating closely with our mining partners, we strive to enhance the living conditions and well-being of workers and communities along the entire supply chain.



Monitoring the adherence to human rights principles is crucial to us. We actively monitor and assess human rights practices along our value chain to ensure that ethical standards are upheld at all stages of it.



We provide accessible channels for workers within our value chain to raise concerns, encouraging transparency and ensuring their voices are heard and addressed.



Through meaningful engagement with stakeholders in the industry, we actively contribute to creating a sustainable work environment, particularly in artisanal and small-scale mining. As founding member of the Swiss Better Gold Association and in collaboration with Fairtrade and Fairmined, we actively promote responsible practices and fair working conditions.

Our efforts to protect human rights along our value chain are underpinned by internationally recognized industry standards such as the Responsible Gold Guidance of the LBMA. We supplement these with our own stringent guidelines.

Collaborating with our mining partners

At Argor-Heraeus, we recognize that meaningful engagement with our stakeholders holds the key to improving the well-being of workers in our value chain and minimizing our impact on the environment and local communities. We firmly believe that collaboration is essential to creating a positive and lasting impact. With this in mind, we have developed a roadmap that sets clear milestones for transparency, improvement, and the evaluation of progress for our mining partnerships.

We aim to achieve full transparency on sustainability targets for all of our mining partners by 2024. By 2026 we strive to ensure that 80% of our mining partners have their own sustainability targets in place. Ultimately, we aim to have 100% of our mining partners establish sustainability targets, implement measures and track progress.

Timeline



Initiatives in favor of artisanal and small-scale mines

We actively engage with the most vulnerable part of the precious metals supply chain—artisanal small and medium-sized mines (ASM).

ASM in the gold sector remains largely informal, making its workers particularly vulnerable. They often do not have access to guidance or resources for proper chemicals management, safety procedures, environmental management, labor rights and social protection.

ASM accounts for approximately 20% of the annual gold extracted worldwide and employs approximately 40 million miners. In total, it is estimated that the income and lives of around 100 million people depend on ASM*.

Gold from ASM mines will end up in the supply chain in any case. This is why ensuring responsible practices is crucial for secure and sustainable social development in the respective mining communities.

We acknowledge the complexities involved in formalizing ASM. However, we recognize that these efforts are necessary in order to enable these miners to access the official precious metals market and good market conditions. By enabling this access, we contribute to improving the living and working conditions of the many individuals who directly or indirectly depend on these mines.

Engaging with the ASM sector is an integral part in our pledge to become the most responsible precious metal refinery in the world. As a founding member of the Swiss Better Gold Association, we are committed to supporting the ASM Sector. As part of this commitment we offer Swiss Better Gold, Fairmined Gold and Fairtrade Gold to our customers, hence advocating for more sourcing from responsible ASM suppliers. In addition, we actively engage with these initiatives to help mines to phase out the use of mercury and improve working and living conditions by paying a premium.

*The International Institute for Sustainable Development, 2017

People in our communities

We are committed to cultivating relationships within our communities, fostering a positive reputation and supporting economic growth. Our contribution is a conscious choice to support local businesses and initiatives in various forms.

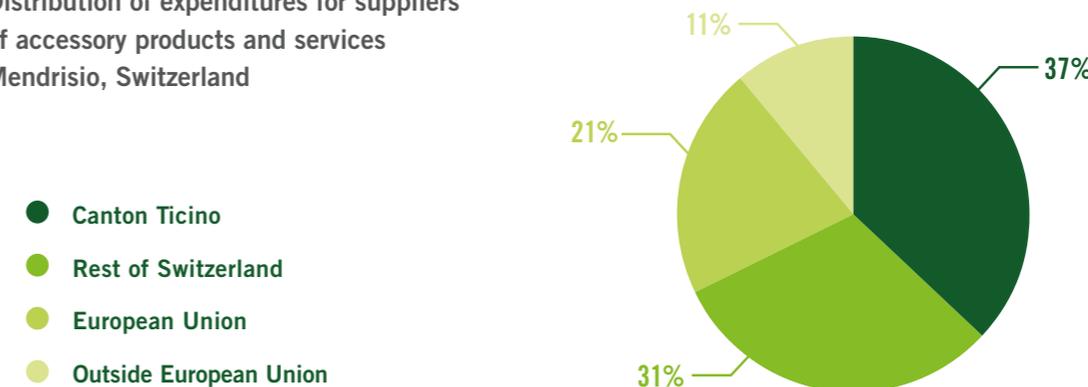
Our contribution to the community

We actively prioritize local suppliers, giving preference to competitive businesses in the regions where we operate. Our philosophy is to prioritize local business partners, starting the search from the respective site and expanding outwards, respecting environment and sustainability considerations. This approach allows us to support local development and to build long-term relationships with partners, covering a range of services such as catering, chemicals, packaging tools, printing supplies as well as tools and equipment.

For instance, at our **Mendrisio** headquarters, over two-thirds of our expenditure on ancillary products and services in 2022 went to Swiss suppliers.

We support local groups and organizations through contributions, sponsorships, donations or ad hoc collaborations. This value cannot be expressed in monetary terms, as it often involves the investment of time and sharing knowledge. It is therefore not included in the figures.

Distribution of expenditures for suppliers of accessory products and services Mendrisio, Switzerland



Training and education

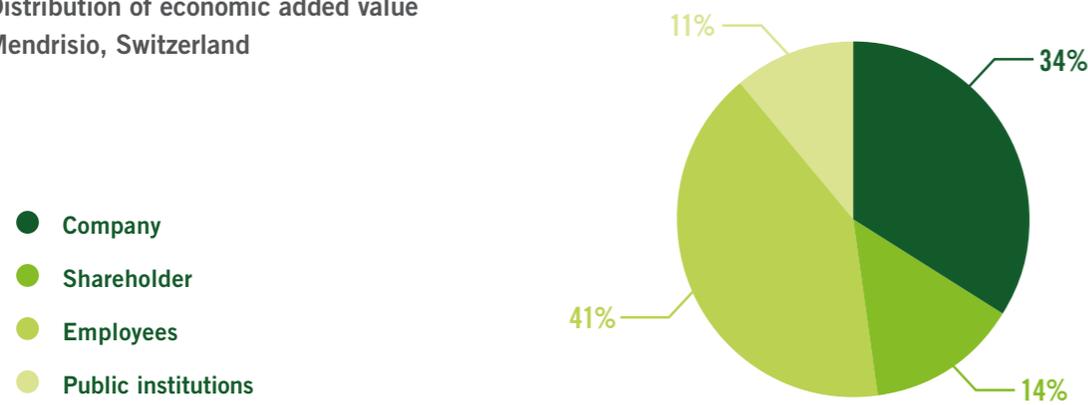
We are committed to offering professional development opportunities to all employees throughout their career. As a training company since 1978, we actively contribute to shaping the careers of young people pursuing opportunities in the industry. We collaborate with SUPSI, the University of Applied Sciences and Arts of Southern Switzerland, to support educational pathways and provide valuable mentorship. As a testament to our commitment, we annually award a prize of 3,000 Swiss francs to the student who produces the best thesis in sustainable engineering.

Another noteworthy example of our well-established collaboration with SUPSI is our participation as guest lecturers to the CAS (Certificate of Advanced Studies) in Corporate Social Responsibility, a program designed for executives working in the field.

Distribution of economic added value

Economic success plays an important role in allowing us to invest in social responsibility initiatives, drive innovation and attract likeminded stakeholders. This is why we also report on the distribution of our economic success in the form of added value.*

Distribution of economic added value Mendrisio, Switzerland



*Added Value: value generated by a company's operations, i.e., the difference between value of goods and services and the value of goods and services purchased for use in production processes.

Projects and initiatives

Erbas becomes part of Argor-Heraeus

In May 2022, Argor-Heraeus achieved a significant milestone by acquiring the renowned Swiss company Erbas. This strategic acquisition has not only propelled our company's growth but also played a crucial role in securing numerous high-quality jobs in the Ticino region.

With the addition of Erbas, we gain new expertise allowing us to expand our product portfolio and to better meet the needs of our customers. Most importantly, this collaboration enhances the traceability of our final products along the value chain, ensuring transparency and delivering substantial benefits to our customers.



Erbas (now Argor-Heraeus) produces watch cases for the luxury industry, among other.



Guided by integrity

Our compliance and transparency standards are the foundation on which the trust of our employees and customers as well as other stakeholders is built. Earning and maintaining this trust is the basis for our success. It requires an unwavering commitment to integrity and good business practices.

We value long-term relationships over short-term profits and have always ensured that processes are transparent and auditable. Our approach to compliance has three aspects: prevent, detect, and respond. Our highest priority by far is prevention.

Our approach

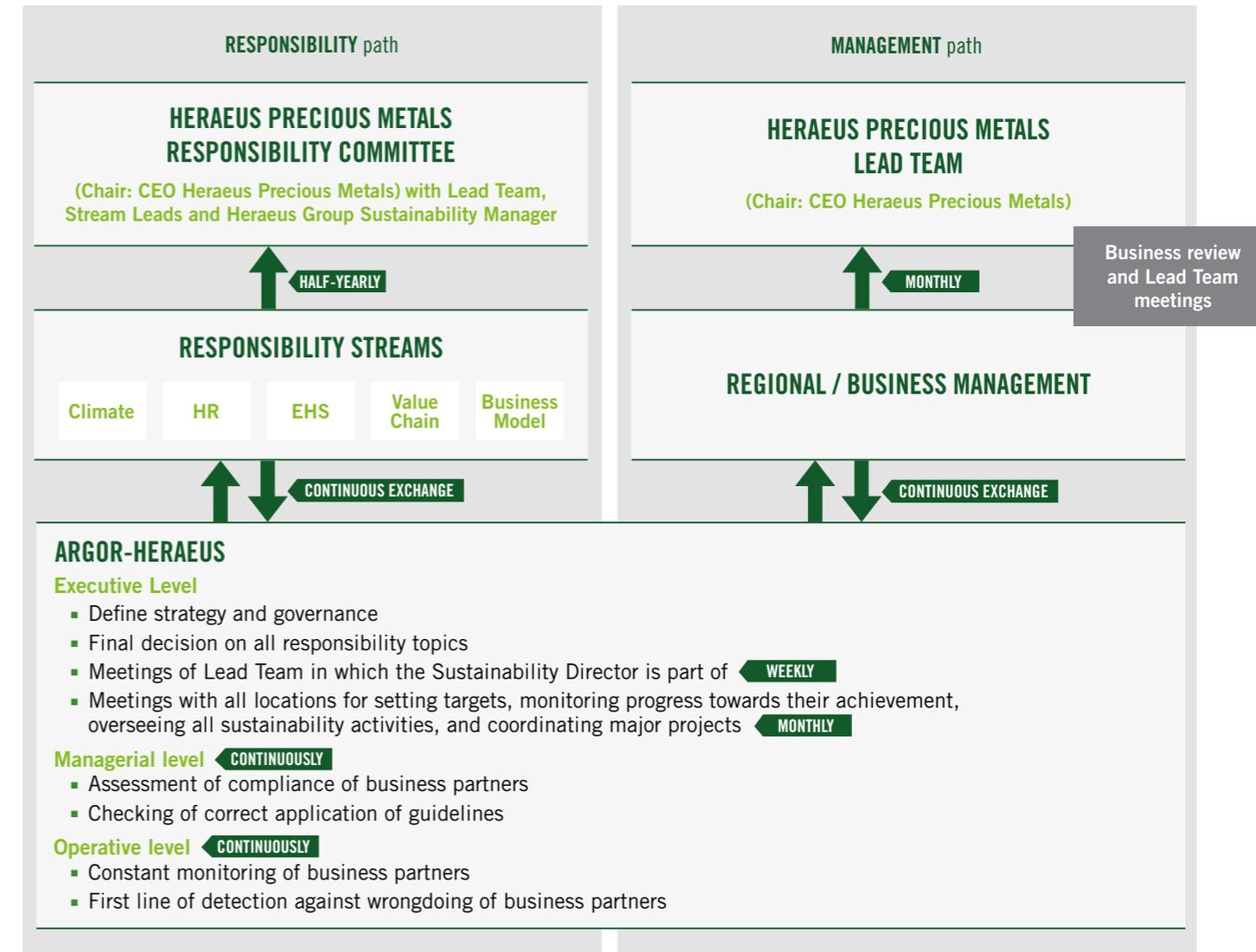
At Argor-Heraeus, we believe in the power of strong and accountable governance to drive our company forward. Our governance framework, policies, and guidelines far surpass the requirements of the law. Our corporate policies and procedures serve as clear guidelines for our employees. With a strong focus on transparency and responsibility, these policies ensure that we collaborate solely with partners who share our commitment to responsible business conduct.

It is essential for us to maintain a high standard of operation which is why we hold certifications from prominent national and international organizations. Our supply chain management system undergoes rigorous internal and external audits conducted by expert professionals to ensure compliance with rules and standards.



Governance

The Argor-Heraeus governance system, incorporated and aligned with that of the Heraeus Group and Heraeus Precious Metals, aims to ensure compliance with all laws, regulations, standards as well as internal policies and guidelines.



Our Guiding Principles

Our guiding principles are the cornerstone of our culture. They serve as a general orientation and guide as to how we conduct our business.

These principles define behaviors and mindsets that are essential for successful cooperation with our partners, customers, and within our company.

We expect all employees worldwide to bring our core values to life and therefore work continuously to ensure their implementation and ongoing development.

CUSTOMER FOCUS

We concentrate on our customers' needs.

CLEAR LANGUAGE AND RESPECT

We communicate clearly and respect each other.

DIVERSITY

We foster different perspectives and diverse teams.

CONTINUOUS IMPROVEMENT

We continuously want to get better.

ACCOUNTABILITY

We are responsible for our success and failures.

RESPONSIBILITY

We care about people and our planet.

Company policies and rules

Our corporate policies and rules play a key role in facilitating the daily decision-making of all employees. We regularly update these documents and ensure that our employees receive all necessary training on them.

Code of Conduct

- Respect for human rights
- Environmental protection
- Ensure fair competition
- Fight against corruption
- Fight against money laundering and terrorist financing
- No activity or infringement against the prescriptions of national, international or supranational organizations
- Avoid conflicts of interest
- Creating and maintaining safe and fair working conditions
- Compliance with data protection laws

Complaint Management Policy

- How to present complaints
- Anonymous reporting and whistleblower protection

Guidelines for the Prevention of Corruption

- Prohibition of cash gifts
- Alignment of performance with applicable law and clients' internal rules
- Approval required for gifts that exceed a certain value

Guidelines for Concluding Consultancy and Distribution Agreements

- Risk assessment
- Obtain a self-declaration from the consultant in case of high or medium risk
- Approval requirements for high- or medium-risk consulting or distribution contracts
- Insist on a written agreement
- Prohibition of payment of remuneration to third parties/to an account located in a third country
- Repeat risk assessment after 1-5 years depending on risk class

Guidelines for the Prevention of Money Laundering

- Prohibition of accepting and making payments in cash
- Approval process for third party payments and payments from or to countries where the business partner is not registered
- Process of due identification of business partners
- Communication of suspicions in compliance with the law
- Classification and monitoring of business partners and transactions in compliance with applicable legislation and standards

Guidelines for the Prevention of Antitrust Violations

- Prohibition of price agreements, price reductions or target prices
- Prohibition of market sharing and customer sharing
- No sharing of strategic information with competitors
- No resale price fixing
- Prohibition of abuse of a dominant position on the market

Guidelines on the Protection of Personal Data of Heraeus Employees

- Obligation of employees to treat personal data confidentially
- Measures to ensure the confidentiality, availability and integrity of personal data

Human Rights Policy

- Prohibition of child labor
- Prohibition of forced labor
- Non-discrimination
- Freedom of association and collective bargaining
- Job security
- Human rights in the supply chain
- Human rights due diligence obligations

Supply Chain Due Diligence Policy

- No relationship with entities related to human rights violations
- No relationship with partners who may in turn be linked to entities that violate human rights, including child labor
- No relations with armed non-state groups
- No relationship with partners who may themselves be linked to armed non-state groups
- No tolerance for bribery, lack of transparency to obtain benefits of any kind
- Active effort to prevent or expose money laundering or terrorist financing in our industry-related activities
- Compliance with applicable regulations and sanctions lists
- Attention to environmental aspects and ESG factors in general

Sustainable Procurement Guidelines

- No gift with a price exceeding 50 euros
- No coverage of travel or accommodation expenses by business partners

Instrument

- Main disciplined areas

Accreditations and certifications

Accreditations and certifications are an external and impartial testimony of the quality of the work we carry out every day, and of our responsible business conduct. We are certified by the major schemes in the sector for work and product quality, processes, and specific topics such as management of the value chain, environment, and safety.

Among others, we:

- are a founding member of the **SWISS BETTER GOLD INITIATIVE**, to continuously support the artisanal and small-scale mining;
- support the **FAIRMINED** and **FAIRTRADE** initiatives, which enhance certification;
- are a member of the **LONDON BULLION MARKET ASSOCIATION**, with a seat in the refiners' committee, participating in the definition of the Responsible Gold Guidance;
- are a member of the **RESPONSIBLE JEWELLERY COUNCIL**, with a seat in the standards committee;
- have held a Melter & Assayer license already since 1952 to guarantee the authenticity, purity and origin of precious metal bars. The assayers report directly to the Swiss Precious Metals Control Office to ensure their independence.

We hold accreditations and certifications from the following bodies and are active members of several industry associations:

- European Precious Metal Federation (EPMF)
- Fairmined
- Fairtrade
- International Platinum Group Metals Association (IPA)
- International Precious Metals Institute (IPMI)
- ISO (45001, 19001, 14001, 17025)
- London Bullion Market Association (LBMA)
- London Platinum and Palladium Market (LPPM)
- Precious Metals Control Office (PMCO)
- Responsible Jewellery Council (RJC)
- Responsible Minerals Initiative (RMI)
- Swiss Association of Manufacturers and Traders in Precious Metals
- Swiss Better Gold Association
- Watch and Jewellery Initiative 2030

Verification of business partners

We thoroughly investigate each and every potential partner before entering into a business relationship.

Our company prioritizes the rigorous protocols known as “know your...” (customer, customer’s customer, business, bank, carrier, etc.) which apply to all potential partners and clients. These protocols include a comprehensive evaluation of economic, environmental, and social criteria to ensure the highest standards of integrity and responsibility. Factors we evaluate include the absence of corruption, respect for human rights, no tolerance for child or forced labor, a commitment to the well-being of local communities and indigenous populations, and social and environmental practices.

To uphold our stringent standards, we have numerous measures in place. These include:

- Conducting regular on-site visits and performing mine audits, complemented by third-party verifications.
- Screening all information for irregularities, for example regarding ownership, general plausibility of the business model and origin of metals.

- Determination and assessment of the delivered precious metals.
- Screening for sanctions and monitoring adverse media publications to verify partners’ compliance with human rights laws.
- Engaging with legislators, NGOs, industry associations, unions, communities, and local governments.

If upstream precious metal suppliers do not meet our standards, we refuse to enter a business relationship with them. We terminate existing relationships if violations are detected that cannot be resolved or corrected. These stringent controls and evaluations are applied universally across all our global offices and operations.

By consistently adhering to these demanding protocols, we ensure that our partnerships align with our values of transparency, ethics, and sustainability. Through our robust evaluation processes, we actively cultivate responsible business relationships that have a positive impact on our stakeholders and the communities we serve.

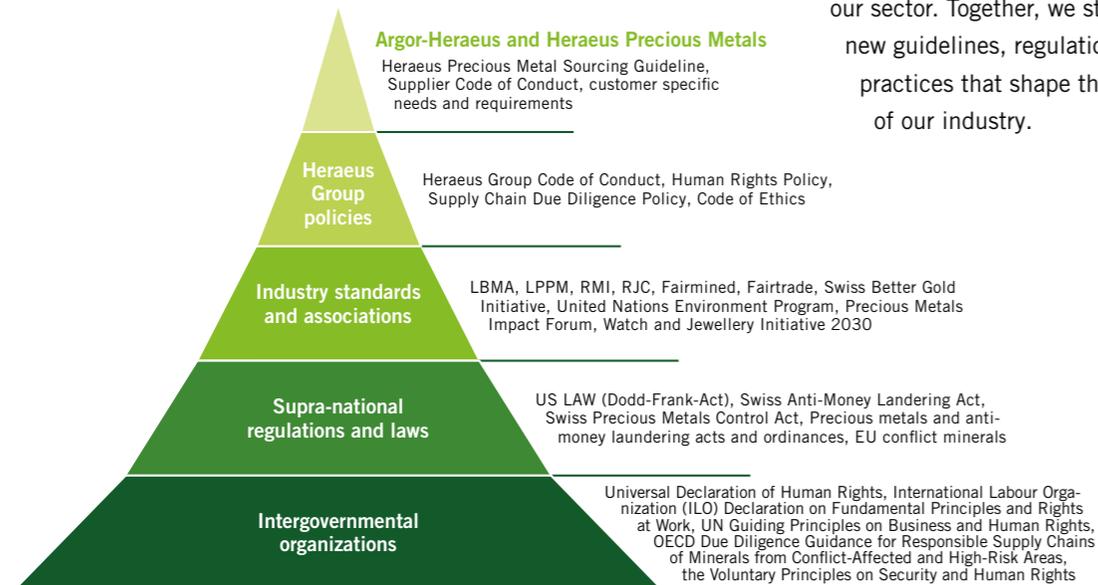
Responsible precious metals sourcing

At Argor-Heraeus responsible sourcing of precious metals is a top priority. We are proud to hold certifications from the leading frameworks in responsible precious metals sourcing including RMI, RJC, LBMA, and LPPM. These certifications demonstrate our commitment to adhering to the highest industry standards.

But our dedication to responsible sourcing goes beyond mere compliance. We have developed our own policies and processes that surpass regulatory requirements and industry frameworks. By setting stricter standards, we aim to promote their widespread adoption throughout our supply chain and the entire industry.

By collaborating closely with our mining partners, we strive to have a positive impact on the people, environment, and communities in the countries of origin. We actively work to mitigate any potential negative effects, ensuring that the precious metals we receive for refining not only meet responsible business principles but also contribute positively to the well-being of all involved.

By partnering with supranational bodies, governments, and sector associations, we actively contribute to finding solutions to the challenges we face. We participate in working groups, committees, associations and task forces dedicated to enhancing the solidity and transparency of our sector. Together, we strive to define new guidelines, regulations, and best practices that shape the future of our industry.



Grievances

The NGO Human Rights Watch approached Argor-Heraeus with a case from previous years regarding the mining company Midroc in Ethiopia. We stopped our business relationship with Midroc in 2018, on the day our monitoring systems first detected negative public reporting. At all times we have fully complied with the applicable due diligence requirements of the OECD, the Independent Precious Metals Authority LBMA, and the Responsible Jewellery Council (RJC). The studies quoted by Human Rights Watch were produced only after the situation became known and we had already ended our relationship with Midroc. Over the past years, several organizational and process changes were implemented to respond more directly to risks in our value chain.

Since being contacted by Human Rights Watch, we have maintained regular contact through 2023 to evaluate and implement potential improvements. The report by Human Rights Watch on Midroc was published in 2023, resulting before and after the publishing date in clarifications processes with LBMA, RJC, the Watch & Jewellery Initiative 2030, but also several of our clients.

Reporting a concern

Argor-Heraeus takes suspected violations of human rights, criminal law, environmental law, and other laws and regulations very seriously. We have a grievance and whistleblowing policy in place and we encourage whistleblowers and stakeholders to report suspected violations and concerns anytime via our compliance hotline or external ombudsman. Reports can be made anonymously.

Report a concern: argor-heraeus.com/grievances

Projects and initiatives

Tracing, tracing, tracing

In the world of precious metals, the significance of the phrase “gold is gold” has undergone a momentous shift. Today, traceability has become a key issue in the industry, and we dedicate significant resources to address this critical matter.

One such initiative involves collaborating closely with our partners to develop traceable products sourced solely from carefully selected mines or secondary sources. Our production lines operate with complete independence, ensuring that the precious metal of our clients undergoes processing on a segregated production line, never coming into contact with other precious metals.

This process assures our customers of the origin and quality of their precious metals and also sets a new standard for responsible sourcing in the precious metals industry.

Technologies for traceability

Argor-Heraeus has worked for many years to make gold easier to trace. We have used DNA labeling technology since 2019, ensuring traceability of raw materials between the mine and our refinery.

In 2022 we entered into partnership with Alitheon, a U.S.-based company that specializes in using artificial intelligence (AI) to authenticate physical products. Its AI optical software generates a digital twin of gold bars based on more than 1,000 of their unique surface details. The result is a digital fingerprint that makes gold bars authenticatable, identifiable, and traceable even if their stamps or serial numbers are effaced, or records of the numbers are lost. Buyers or investors can identify bars by photo and can receive additional information stored during authentication, such as the gold’s place of origin or sustainability data such as its carbon footprint.

The challenges of the sector must be faced together

In our sector, we recognize that addressing the significant challenges we face requires collaborative efforts between various stakeholders. Private companies, industry associations, governments, institutions, and NGOs must come together to drive meaningful change and make a lasting impact.

We have established a “Sounding Board” made up of representatives from the corporate, academic and NGO sectors. Together, we discuss topics concerning responsibility with the goal of refining

our practices, so that we can ensure we are continuously striving for excellence in our business conduct.

We also actively seek out collaboration with NGOs that have a strong interest in our industry. By engaging with these organizations, we tap into their expertise and perspectives, leveraging their insight to identify areas for improvement. This collaborative approach strengthens our commitment to responsibility and facilitates the development of innovative solutions that benefit both our industry and the wider community.





About this factbook

The data included in this factbook is based on the Heraeus Precious Metals 2022 Sustainability Report. This report was prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) under the “In reference to” option.

The main sustainability report of Heraeus Precious Metals can be found here: www.herae.us/sustainability

Reporting perimeter

This factbook includes information about Argor-Heraeus and its subsidiaries:

- Argor-Heraeus SA, Switzerland
- Argor-Heraeus Deutschland GmbH
- Argor-Heraeus Italia S.p.A.
- Heraeus Limited, Hong Kong
- Erbas SA¹

Partially owned subsidiaries of Argor-Heraeus are not included in this document:

- Argor-Aljba SA (50% shareholding)
- Argor-Heraeus Latin America SpA (10% shareholding)

Reference period

The data reported in this document covers the period from 1 January to 31 December 2022.

Previous reports can be found on our website:

www.argor-heraeus.com/csr-report

External audit

The majority of information in this factbook was verified during the internal and external audits required for Argor-Heraeus certifications. Likewise, the measurement standards adopted for the reporting of data are the strictest and most widely adopted.

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