

Communication on Progress
Transparency and Disclosure Team
United Nations Global Compact
Two United Nations Plaza
New York, NY 10017
USA

14/02/2014

Metalor's Annual Communication on Progress

Dear Stakeholders,

I am pleased to confirm that the Group Metalor Technologies International reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of anti-corruption, environmental protection, labor and human rights.

In this Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Presentation of Metalor

Metalor is the leading precious metals company worldwide.

The Group's core competencies are the refining, the management and the transformation of precious metals.

Metalor's primary objective is to create exceptional value for its customers, stakeholders and shareholders, within a culture of performance, innovation, trust, respect and ethics.

Through its three business units (Refining, Advanced Coatings and Electrotechnics) Metalor serves customers on all continents in a variety of industry sectors, from Swiss watch manufacturers to Mexican electrical equipment suppliers.

With subsidiaries all over the world, and more than 1,700 employees, the Metalor Group is present in Europe, the United-States, South-America and Asia and generated net sales of CHF 336.7 million in 2013.

Corporate values

The Metalor Group's unique know-how, high-quality products and strong company culture based on its founding values of ethical standards, trust, respect, performance and innovation are responsible for its 162 years of success, longevity and exceptional international development.

Ethical standards have been the Company's key value since its creation in 1852, and the Metalor Group has played a pioneering role in the development and implementation of strict control processes and effective tools, with the aim of ensuring that commercial practices are always beyond reproach at every link of the supply chain.

We are pleased to share with you in this document the significant and concrete measures that Metalor has successfully implemented to meet the world's strictest industry, legal and anti-corruption requirements and ensure irreproachable business practices as well as a sustainable strong corporate ethic at all levels of the Company.

Metalor's sector standards and initiatives to combat corruption, preserve human rights and protect the environment

Metalor is recognized by renowned international industry organizations for its best business practices:

1/ Metalor is a member of the prestigious Responsible Jewellery Council (RJC)

The RJC is a standards-setting organization that has been established to reinforce consumer confidence in the jewellery industry by promoting responsible ethical, human rights, social and environmental practices throughout the jewellery supply chain.

The RJC has developed a common platform of standards for the jewellery supply chain and credible mechanisms for verifying responsible business practices through third party auditing.

Metalor commits to operating its business according to the RJC Principles and Code of Practices. In line with this policy, Metalor's commitment is to permanently integrate ethical, human rights, social and environmental considerations into our day-to-day operations, business planning activities and decision making processes.

In 2010 Metalor became the first gold refiner worldwide to be audited and certified by the Corporate Social Responsibility Standard of the RJC at all of the Group's refineries.

In 2011, Metalor became one of the only four certified members of the RJC having successfully passed an audit which provides evidence of responsible business practices in compliance with the RJC's Code of Practices.

In 2012 Metalor became the first gold refiner worldwide to be audited and certified by the RJC Chain of Custody Standard, which includes conflict-related due diligence throughout the gold supply chain.

Again, in January 2014, Metalor successfully achieved re-certification for its global Refining Group by meeting the highest ethical, social and environmental standards established by the RJC's Code of Practices (COP) Certification System.

At the same time, Metalor also obtained certification against the RJC Chain of Custody (CoC) Certification Standard for its newly created subsidiary in Singapore. The CoC Standard supports responsible, conflict-sensitive sourcing in supply chains via a chain-of-custody through certified entities.

These accomplishments represent a further proof of Metalor's commitments to socially responsible business practices.

2/ Metalor is an active member of the London Bullion Market Association (LBMA)

The LBMA is the international trade association that represents the market for gold and silver bullion, which is centered in London but has a global client base, including the majority of the central banks that hold gold, private sector investors, mining companies, producers, refiners and fabricators.

Since 2003 Metalor has been a LBMA "Good Delivery Company". The London Good Delivery List of Acceptable Refiners of gold and silver is maintained by the LBMA and lists those refineries whose gold and silver bars have been found, when originally tested, to meet the strict standard for acceptability in the London bullion market.

Metalor is also one of the five worldwide referees for the LBMA and has been promoted to Ordinary Member, which represents the highest level of membership. Metalor is now able to vote on various issues deliberated upon at the Association's Annual General Meetings, nominate candidates for LBMA Committees and sponsor applications from other companies applying to become Members or Associates.

Also, Metalor complies with the Responsible Gold Standard of the LBMA: Further to an independent third-party audit of our supply chain due diligence, Metalor successfully passed its Responsible Gold Audit Program for our refineries in Marin (Switzerland), North Attleboro (USA) and Hong Kong, and received the corresponding Responsible Gold Certificate from the LBMA for each of these three sites. Metalor's newly founded refinery in Singapore is also due to go through this strict process very soon.

This certificate can be obtained only by companies listed on the LBMA's "London Good Delivery List of Acceptable Refiners", which is the case for Metalor. It confirms that Metalor's business practices comply with the "LBMA Responsible Gold Guidance", which formalizes and extends the already existing due diligence in the refining industry by incorporating a risk-based approach to avoid sourcing gold from areas subject to conflict. It is based on the Due Diligence Guidance of the OECD (Organization for Economic Cooperation and Development) – in which Metalor took a leading role – as well as on existing practices of Good Delivery refiners aimed at combating money laundering and terrorism-based financing.

3/ RJC-LBMA-EICC[®]-GeSI cross recognition for Metalor

The Group Metalor also has the recognition of the Conflict-Free Smelter (CFS) Program developed jointly by the Electronic Industry Citizenship Coalition[®] and the Global e-Sustainability Initiative. Together with the RJC and the LBMA, these worldwide industry organizations have successfully agreed to cross recognition of their programs, audits and certifications.

Metalor is now listed on the CFS Program compliant refiner list. This means a triple-approval-listing for all Metalor CoC Certified refineries (in Switzerland, Hong Kong, Singapore and the USA).

All of these associations conform their standards to the OECD Guidance and Gold Supplement, which have been recently endorsed by the United States Government.

4/ Metalor is part of the OECD's drafting committee

Metalor, alone among gold refiners, has taken a leading role in the OECD Gold Supplement drafting committee to create a worldwide due diligence guidance to avoid finance of conflict through gold transactions.

In these efforts Metalor works with governments, leading NGOs and industry associations to create guidance that is strong and effective, and that has been widely endorsed.

5/ Metalor is a founding member of the Swiss Better Gold Initiative

The OECD has recognized in its Gold Supplement the particular problems and concerns associated with artisanal gold mining, where many millions of very poor persons work, and strongly urged in its Gold Supplement that all participants work toward formalization and improvement of that sector.

This initiative combines the efforts of the governments of Peru and Switzerland, the Responsible Jewellery Council and NGO Fairtrade/Fairmined, Metalor, and consumers of gold in Switzerland. Its goal is to formalize a large group of artisanal miners in Peru, with guidance and standards for improved environmental and social working conditions and operations, and to bring that gold into the formal gold industry to concerned consumers in a sustainable way.

Launched in 2013 by the Swiss Better Gold Association (SBGA) and SECO (the State Secretariat for Economic Affairs), the Better Gold Initiative (BGI) is an economic development partnership that creates a transparent, traceable and socially responsible value chain for certified gold from small-scale or artisanal mines to the market, whilst improving the living conditions of miners around the world.

As a founding member of the Association, Metalor was the first refiner worldwide to respond to that request through the Swiss Better Gold Initiative.

During a joint press conference in Bern, the Swiss Better Gold Association (SBGA) and SECO announced in October 2013 that certified gold was delivered to Switzerland for the first time thanks to the Better Gold Initiative.

This project is considered by the government of Switzerland to be a part of its humanitarian efforts in developing countries.

6/ Metalor's refineries directly satisfy the SEC (US Securities and Exchange Commission) rules

The U.S. Securities and Exchange Commission (SEC) confirmed that manufacturers can meet US conflict gold requirements by sourcing gold through refiners who have been certified by OECD-consistent industry groups' conflict-free designation programs, such as the RJC, LBMA and CFS program. Metalor's gold refineries directly satisfy the SEC rule.

Above and beyond these formal approvals, Metalor is reputed to be the leading gold refiner worldwide for its constant efforts on conflict gold and improvement of artisanal mining.

Metalor actively prevents and combats corruption

1/ Metalor has implemented strict anti-corruption policies and practices

The RJC certification audit includes a review of the group's existing anti-corruption policies and practices. Also, Metalor Group has implemented a program to regularly communicate, train and update its staff on this topic.

In its internal communications initiatives, Metalor continuously focusses on the Metalor brand being founded upon the Company's ethics and integrity.

Metalor has undertaken considerable efforts to provide a common internal framework in order to ensure employees' complete adhesion to Metalor's "Policy about Bribery, Corruption and Business Gifts", as well as a responsible and exemplary attitude of each stakeholder within the Metalor Group.

2/ Metalor is subject to supervision by FINMA (the Swiss Financial Market Supervisory Authority)

Metalor is subject to the Swiss Precious Metal Control Act and Money Laundering Acts of FINMA and applies the same principles, throughout the world, wherever Metalor operates and does business, and this compliance is regularly audited by independent third parties in accordance with local legislation.

As part of this process, Metalor seeks assurances from its suppliers that they have responsible business practices.

3/ Metalor's supply chain due diligence policy

Metalor participates in, cooperates with, and enhances worldwide efforts to ensure that precious metals come from legitimate, ethical sources, and that they have not been associated with crime, armed conflict or human rights abuse. It is our policy to do business only with legitimate, law-abiding customers, and to deny our products and services to all others.

This policy, and the program and due diligence procedures that implement it, are founded upon our general standards of business conduct, a commitment to:

- Conduct our business in a culture of honesty and opposition to fraud and corruption;
- Maintain high moral, ethical and social standards in our business and activities; and
- Maintain proper business relationships with all individuals, including government officials and employees.

4/ Metalor has developed strict internal customer management processes

To ensure that irreproachable standards of behavior are applied and controlled in practice, Metalor has, as part of the policies, procedures and work instructions that govern every aspect of the business including legal, environmental, health and safety, financial and reputational risk management, a detailed set of processes specifically governing the establishment of new and management of existing customer relationships anywhere in the world, like for example:

- A regular detailed analysis and verification of the bona fides of each customer,
- a detailed due diligence review,

- onsite inspections,
- permanent control of the supply chain by Metalor's Compliance Committee (which includes the Chairman of the Board, the CEO and the Group General Counsel),
- anti-terrorist and Anti-Money-Laundering requirements included in our KYC ("Know Your Customer") processes under the supervision of the FINMA (the Swiss Financial Market Supervisory Authority).

Finally, should any doubt, suspicion or information arise in the course of any customer relationship and monitoring, Metalor will investigate such issues and draw necessary conclusions, take necessary and appropriate actions in cooperation with regulatory offices, which could lead and fall under foreseen AML communication rules and reporting duties, suspension and termination of relationships being a possible consequence.

5/ Metalor favors BASC-certified business partners

In higher-risk countries, Metalor works and cooperates primarily with BASC-certified companies.

BASC (Business Alliance for Secure Commerce) is an international business alliance, created to promote secure international trade in cooperation with governments and international organizations.

The BASC was created to address the problem of concealing contraband in commercial trade. The BASC program examines the entire process of manufacturing and shipping of merchandise from foreign countries to the United States, emphasizing the creation of a more security-conscious environment throughout the supply chain.

Human rights

1/ Metalor's ethical sourcing

Metalor has been highly active participant in the gold industry's development of responsible supply chains in the light of the provisions of Dodd Frank on conflict minerals.

Metalor does not knowingly source any gold from any conflict or higher risk area, but has been fully supporting the development of multi stakeholder standards for the responsible sourcing of minerals from conflict or higher risk areas.

Metalor Group ensures that gold is sourced from legitimate sources and remains committed to responsible and ethical sourcing.

2/ Metalor is a major partner of the Unicef

As part of our Corporate Social Responsibility program, Metalor has decided to engage with Unicef as a long-term sponsor as from 2014.

As a major sponsor of Unicef, Metalor will make an important contribution to improving the living conditions and saving the lives of thousands of children all over the world.

Also, in line with our corporate culture, Metalor employees at all levels are encouraged to donate and help to collect funds in the event of a natural disaster (as was the case for typhoon Haiyan in the Philippines in November 2013).

Metalor employees will also join forces to actively support Unicef in 2014 by participating in the Geneva Marathon, in the Unicef Star Week as well as in a special event with Unicef for the 25 years of the UN Convention on the Rights of the Child (CRC).

Labor

1/ Staff recruitment and management

Metalor employs its staff primarily in developed economies with well-established labor regimes and practices. All locations have handbooks that regulate the employment policies and practices, in line as a minimum with local labor laws. Metalor staff comprises mainly experienced and skilled labor and cannot retain such staff if practices are not at least in line with the market standards.

The Group monitors staff turnover in each of its locations and exit interviews are conducted by managers independent of the departing employees' line management. Any unusual elevation in turnover is a reason for investigation.

2/ Health and Safety

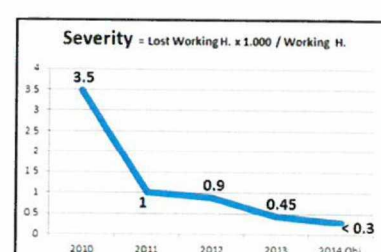
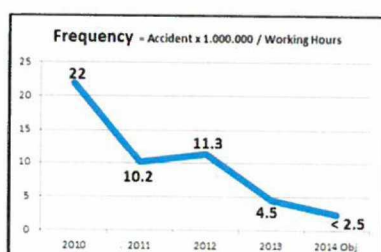
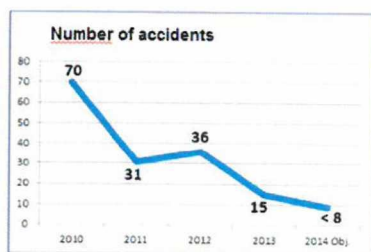
Health and Safety at work is a strategic priority for Metalor.

The Group has designed and implemented a full and effective Health and Safety policy, involving both significant investment and a training program for all staff on Metalor sites around the world, with the key aim of continuous improvement to reach the zero-accident objective.

Metalor's Health and Safety policy includes compliance with the regulations of each country (and not just that of the Group).

Metalor has successfully developed a strong Health and Safety culture through targeted internal communication actions and tools, and regular exercises designed to strengthen team spirit around Health and Safety.

The combination of the two strategies (training and capital expenditures to improve equipment), constant and comprehensive communication on lessons learned and specific continuous improvement actions have yielded an improvement of the safety records, as the accident severity rate has been divided by 7 compared to 2010, the accident frequency rate has been divided by 5 within the past 3 years and the number of work-related accidents has been halved in 2013.



Metalor's safety awareness program called "Safetyfirst" has been deployed worldwide at every level of the Group.

Environmental protection

In addition to maintaining our ISO14001 certifications as well as the integration and certification within the RJC framework, in the period under review Metalor undertook several initiatives which directly or indirectly contributed to Metalor's further enhancement of environmental practices. Also, all Metalor sites in the world use state of the art production technologies and processes in full compliance with the highest environmental standards.

1/ Metalor protects the environment

Metalor's Board of Directors and Executive Committee meet regularly in order to review, anticipate and mitigate any potential environmental risks associated with the Group's activities.

Through specific actions across all of its sites, such as the installation of the latest equipment and the training and involvement of staff, Metalor continually works hard to optimize its use of natural resources, like air and water, and avoid pollution throughout its industrial processes.

For example, on the Marin site in Switzerland alone, Metalor has invested nearly 3 million CHF in recent months in order to limit the impact of its activities on the environment by replacing and installing the following equipment:

1/ Improve the air environment conditions at the smelting plant

This new equipment has enabled us to reduce our environmental impact by trapping smaller particles using more efficient membranes. Energy recovery techniques will also help to reduce our energy footprint.

2/ Improve the handling of emergency situations (in the event of gas leaks or other incidents)

To ensure the safety of our production facilities, which are essentially used for our chemical activities, a network of safety controllers (similar to an electronic brain) has been put in place, coordinated by a main safety controller which has the same function as a control tower in an airport.

In the event of an unexpected occurrence, whether gas is detected or another incident, this control tower receives information and ensures that the other controllers secure all the activities in progress on the production lines (valves closed, ventilation shut down, etc.). This enables us to evacuate everyone in the workshops in a proactive, efficient manner.

3/ Replacement of cold-water cooling towers

The cold-water cooling towers in the production facilities have been replaced, which has led to a substantial optimization of energy consumption.

4/ Production process monitoring

A SCADA system (Supervisory Control and Data Acquisition) has been installed.

This system enables real-time remote monitoring and operation of all technical equipment (production facilities, infrastructure and safety).

The system acquires data points and specific values for the equipment (temperatures, levels, pressure, valve positions, alarms, etc.), enabling continuous data logging.

This technology is a standard in several industries, especially the chemical industry, as it enables companies to meet the process monitoring requirements set by several inspection bodies (government and standardization bodies) and to anticipate risks.

Moreover, Metalor uses 100% recycled Cyclus paper, as recommended by the WWF, for large-scale print runs, and encourages its staff to reduce printing at work.

In addition, Metalor has just replaced all its printers in Switzerland with environmentally-friendly models.

Having employees to use their badge to print prevents printed documents being forgotten about, and double-sided printing in black and white is mandatory, with outgoing faxes being sent directly from computers via the network, while incoming faxes are always received in digital format. These changes have led to a 25% reduction in paper and toner consumption.

2/ Launch of Metalor Green Gold Program

Metalor is very committed to social and environmental responsibility and has built its corporate culture on these values.

Over the last couple of years, Metalor has been proactively involved in not only becoming the largest multisite gold refinery in the world, but also in becoming known and considered as the most committed green refinery in the world.

This has been a transnational internal effort, achieved by employees in all the areas of the Company, with the common objective of maintaining our global leadership role in ethical, human rights, social and environmental standards.

This justified and required the creation of a specific logo and slogan, and the efforts made by the Company to demonstrate its social responsibility to the world, have been received enthusiastically by all customers around the world.

Behind this logo there is the weight of all Metalor's certifications and involvement in several prestigious organizations that care about being responsible toward the world we live in. Currently Metalor is being considered as a reliable source of "Green Gold" by its business partners.

This logo and slogan highlight the Group's corporate values and position Metalor as a responsible refining company.



Metalor's Green Gold and Green Silver logo



Metalor Responsible Refining™ label



Green gold packaging

Since its creation 162 years ago, Metalor's corporate culture has been founded upon honesty, integrity and respect of human dignity at all levels of the Company, and we are determined to continue to be relentless in our efforts to develop these values internally and externally.

We hope that these elements will meet your expectations.

We thank you for your cooperation and remind you that you may contact us at any time for any question or additional information.

Yours sincerely,



Hubert Angleys
CEO