

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

Marin, August 17, 2016

Metalor's Annual Communication on Progress,

Dear Stakeholders,

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

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

I am pleased to share with you in this communication the significant and concrete measure that Metalor has successfully implemented in the past 12 months in order to continuously meet the world's strictest industry, legal and anti-corruption requirements and ensure irreproachable business practices as well and sustainable strong corporate ethic at all level of the Company:

1) The Responsible Jewellery Council (RJC)

The Responsible Jewellery Council (www.responsiblejewellery.com) is an international not-for-profit standards and certification organization. It has more than 500 Member companies that span the jewelry supply chain from mine to retail. RJC Members commit to and are independently audited against the RJC Code of Practices – an international standard on responsible business practices for



diamonds, gold and platinum group metals. The Code of Practices addresses human rights, labor rights, environmental impact, mining practices, product disclosure and many more important topics in the jewelry supply chain. RJC also works with multi-stakeholder initiatives on responsible sourcing and supply chain due diligence.

In that regards, Metalor successfully achieved in March 2015, the re-certification for its global Refining Group by meeting the highest ethical, social and environmental standards established by the RJC's code of Practice (COP) Certification System.

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

Metalor has been a LBMA « Good Delivery Company » since 2003 (www.lbma.org.uk). Metalor is also one of the five worldwide referees for the LBMA and was promoted as Ordinary member in 2012, which represent the highest level of membership.

Metalor complies with the LBMA Responsible Gold Guidance consolidates and formalizes already existing high standards of refiners' due diligence. The Guidance is based on the OECD Due Diligence Guidance as well as Swiss and US KYC, Anti-Money Laundering and Combating Terrorist Financing regulations. The structure of the Guidance combines and expands leading refiners existing AML, KYC and security policies, management systems and audit processes to include risk-based due diligence in order to avoid contribution to conflict.

As part of the LBMA Certification program, Metalor is being regularly audited by international & independent audit firms that validate that the members of the LBMA actually meet all requirements of the organization. Metalor has successfully passed all those audits, confirming its commitment with best practices in the gold industry.

3) Fairmined

Since May 2014, when Metalor became the first LBMA approved precious metals refiner in the world to offer certified Fairmined Gold, Metalor has continued to work hard to keep that valuable label for its operations.

This achievement is another demonstration of Metalor's increasing commitment to ethical practices. This allows Metalor to offer refining services in Fairmined Gold upon request and to provide fully traceable Fairmined Gold, throughout the entire supply chain from the mines up to the retail jewelers, via the Fairmined Labeled sourcing model. With this certification, Metalor continues to strengthen its actions in transforming mining into an active force for good. For more information please click on www.fairmined.org.

4) Fairtrade

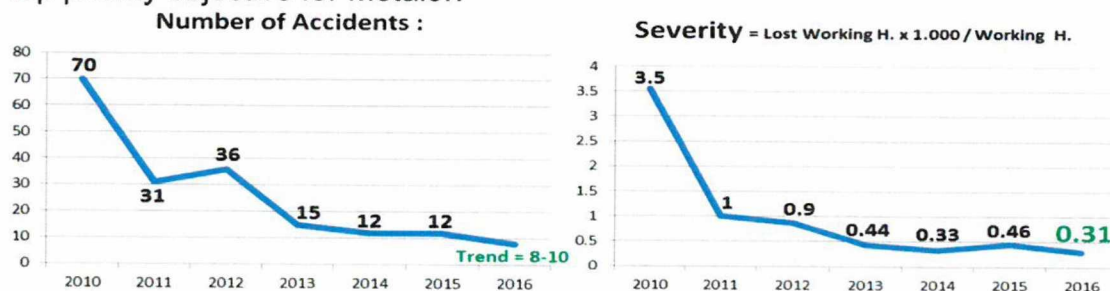
As from April 2015 Metalor is Fairtrade in the category of Trader for gold, precious metal in general and for the exploitation of Artisanal and Small Scale Mines. This is an important recognition since provides additional assurances in terms of transparency, integrity and respect of labour and environmental laws wherever the company operates. For additional information please click on <http://www.fairtrade.net/>

5) Swiss Better Gold Initiative

Metalor is a founder member of the SBGA (www.swissbettergold.ch) that was created with the support of the Swiss Government in 2013. Swiss Better Gold Association (SBGA) is a non-for-profit association created by Swiss players of the gold supply chain, from refiners to retailers. It is an open initiative for interested and committed members. SBGA's aim is to create a simple market driven mechanism that enables formalized gold mining entities to adopt more socially inclusive and better environmental practices. After the success of the first phase, mainly focused in Peru, it is expanding to other countries in South America. The goal is improving transparency in the gold supply chain, enabling traceability and compliance, providing access to market and in summary helping to create a sustainable business model in those countries.

6) Labor

Thanks to the strong Health and Safety (H&S) culture that has been developed through targeted internal communication actions and tools and regular exercises designed to strengthen team spirit around H&S, Metalor has continued to make progress on its continuous improvement strategy around this matter as it can be seen in the graphs below. Metalor has achieved its lowest severity rate in the last 6 years has managed to keep 12 of its 16 plants with no accidents. Zero accident remains a top priority objective for Metalor.



7) AML & Compliance

Metalor has deployed as from January 2016 an enhanced due diligence process in line with the new requirements of the Swiss law, that now do demand the

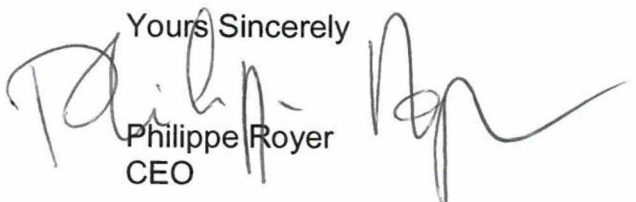
identification of the ultimate natural person that is controlling the companies with whom Metalor does business. This process is applicable to all suppliers of the Metalor refining facilities, setting the same standard wherever they operate. Metalor Compliance process has been audited on a yearly basis by the Swiss Financial Market Supervisory Authority **FINMA** (www.finma.ch), that verifies through an independent audit firm the full compliance with the Anti Money Laundering regulations as well as the implementation of a management system to tackle and prevent money laundering risk across the company. Last audit has been successfully passed on June 2016.

8) Human Rights

Metalor is a highly active participant in the gold industry's development of responsible supply chains in light of the provisions of the Dodd Frank on conflict minerals. Respect of Human Rights and in particular the rejection of child labour is part of the Metalor Supply Chain Policy. Accordingly, Metalor does not source any gold from any conflict area and has been fully supporting the development of multi stakeholders' standards from the responsible sourcing of minerals in this regard.

We hope that these elements will meet your expectations but otherwise please do not hesitate to contact us directly. We thank you for your cooperation..

Yours Sincerely


Philippe Royer
CEO