

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

Marin, August 22, 2018

Metalor's Annual Communication on Progress,

Dear Stakeholders,

As Metalor has done since the company embraced the Ten Principles of the United Nations Global Compact in the areas of Humans Rights, Labour, Environment and Anti Corruption, our Company Metalor has continued to make progress in these fields. In this respect, I am pleased to share with you the significant and concrete measures that Metalor has successfully implemented in the past 12 months. The goal is to show Metalor's commitment with the world's strictest industry, legal and anti-corruption requirements as well as to ensure irreproachable business practices at all levels within the company.

1) Human Rights

Metalor has continued to keep the respect of human rights at its forefront of its business activities. This is a pre-condition to become a supplier of Metalor and already included in the Metalor Supply Chain Policy. This is addressed in the due diligence every potential supplier has to pass to be able to do business with Metalor. Special focus and attention has been given to situations where there may be a potential risk of child labour, mainly in some countries in the African and South American continents. Metalor has maintained its decision of not doing business with artisanal mines in some countries precisely to avoid that risk. On the other hand, Metalor has continued to be an active participant in the gold industry's development of responsible supply chains in light of the provisions of the Dodd Frank on conflict minerals. Consistent with that, Metalor does not source any gold from any conflict area and has been fully supporting the development of multi stakeholders' standards for responsible sourcing of minerals.

2) Labour

Metalor has a presence in 17 countries with approximately 1600 employees around the globe. In all Metalor locations labour practices and procedures are fully respected in line -as a minimum- with the applicable labour and employment regulations. The company has implemented a Code of Conduct to set the expectations as to how any Metalor employee has to behave in his/her relationship vis-à-vis other co-workers, management and subordinates, customers, suppliers and stakeholders.

As mentioned in the section Certifications herein below, the RJC audit has been extended as well to the conditions of subcontractors working in Metalor facilities, hence being sure that they enjoy as well fair conditions. As stated in that section, Metalor has been audited again by RJC in 2018 and its certification -covering this very point- has been renewed.

The whistleblowing program that the company has in place world wide has been used in a couple of cases in the last 12 months. In this sense we confirm that it has worked as expected, triggering independent investigations which helped to address the particular issues while protecting the individuals raising the potential red flag. The company is committed to keep the process.

3) Environment & Safety

Metalor facilities do comply with applicable environmental regulations in line with the country standards where they are stationed. Additionally and in terms of its supply chain, the respect of environmental rules is one of the requirements of the on-boarding process of Metalor suppliers. In this context Metalor has kept its decision of not doing business or accepting precious metals from regions where this is not guaranteed, as it may happen in some of the areas in South America such as the Madre de Dios region in Peru. Likewise, Metalor continues to require that any material be mercury free to be accepted in any of its refineries around the globe.

In terms of safety, the strong Health and Safety (H&S) culture has continued to be developed through targeted internal actions. Special initiatives have been implemented across the facilities of the company, particularly in terms of safety training and observations programs. The focus has been not only on accidents but also on incidents and near missed situations to increase preventive awareness. Severity of accidents continues to be very low. Yet Zero Accident remains a priority objective for Metalor.

4) AML, Anticorruption & Compliance

In terms of compliance the rolling out of the improvements made to the due diligence process in March 2017 continues to be developed in all jurisdictions. Beyond that, further changes have been implemented as a result of some judgements in the USA where compliance obligations have been clarified by the DOJ. Furthermore, a new project was launched to tackle the challenge of the coming into force of the EU General Data Protection Regulation in May 2018. Despite the fact of being a European Union regulation it does however have an impact beyond the EU as far as there is a

processing of personal data of EU residents in other countries, which is the case of the Metalor Group.

5) External Certifications

RJC.- In terms of certification of Metalor practices and procedures, Metalor successfully achieved in October 2016 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 (www.responsiblejewellery.com). The RJC's 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.

FAIRMINED.- Likewise, in March 2018, Metalor has got the re-certification from Fairmined as an approved precious metals refiner being able to offer certified Fairmined Gold. This allows Metalor to provide traceable Fairmined Gold throughout the entire supply chain from the mines up to the retail jewelers, via the Fairmined Labeled sourcing model. With this re-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.

FINMA.- In March 2018, Metalor has successfully passed the Anti-Money Laundering (AML) audit instructed on a yearly basis by the Swiss Supervisory Authority of the Financial Market (FINMA www.finma.ch), with neither suggestions nor comments, which does recognize the strength of Metalor processes and transactions as far as the risk of corruption and money laundering is concerned.

LBMA.- Also in March 2018, Metalor, as an active member of the London Bullion Market Association (LBMA) (www.lbma.org.uk) was audited by an independent audit firm to get the LBMA re-certification of being compliant with the LBMA Responsible Gold & Silver Guidance. The fact that Metalor has successfully passed all those audits does confirm its commitment with best practices in the gold industry.

We hope that all the above elements will meet your expectations and will reflect the progress made by our company in this important matter for Metalor.

Yours Sincerely


Philippe Royer
CEO