



Sustainability  
Report 2018

valcambi  
suisse



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## Letter to stakeholders

I will never forget my first ever visit to a mine. It really reinforced for me the delicate balance within the mining and metals sector – the desire and the need for these precious metals weighed against the moral obligation to constantly check ourselves as an industry. Whilst we source the materials needed for so many end-products, we must ensure our activities do not leave a negative dent on the communities and the environments in which we work. That first visit taught me that we must look to share best practices to drive sustainability wherever possible and, at Valcambi, we seek to do this all the time.

At the beginning of 2018, an important participant in the cobalt sector approached me, keen to learn about Valcambi's expertise in responsible mineral sourcing that he had heard so much about. We immediately embraced the opportunity to share our approach and, in doing so, to benefit not only the broader minerals sector, but also to make a profound positive impact on the world at large. Why? Because climate change is the biggest challenge of our lifetimes, and perhaps our children's as well. Addressing climate change requires a transition to cleaner energy. The World Bank says this transition will be extremely minerals-intensive. And a lot of the necessary minerals – lithium, cobalt, nickel, manganese – will come from developing countries.

To allow these resource-rich developing countries to benefit from the increasing demand for such minerals, the clean energy transition itself needs to be managed responsibly, pragmatically and sustainably. In the same way, for us in the precious metals sector, a large proportion of the minerals we source and refine comes from developing countries.

The idea of humanely and ethically-run mines, that respect the environment and benefit the communities and the host countries, is not new to Valcambi. We have been at the forefront of promoting responsibly mined and sourced gold for many years, establishing standards that go beyond even those developed by OECD Due Diligence Guidance and the LBMA Responsible Gold Guidance.

The ongoing tragedy in Minas Gerais, Brazil – the unbearable loss of life, the human suffering and the damage to the environment – make us push our efforts to continue driving responsible mining practices even harder, and never to compromise.

Today, our task of driving sustainable development cannot be borne by any one company or any one industry. This is why we need to increase real collaboration across the industry and with new partners.

Technology is a great example. The digital age has fuelled the desire and the means for greater transparency. Customers, suppliers, regulators, investors, NGOs and, not least, end-consumers want to know where the precious metals come from, how the products are made and how the manufacturing process impacts the planet as well as its people and communities. Data and advanced digital technology, like blockchain, allows us to drive traceability. In 2018, we partnered with Emergent Technology on Emergent's blockchain technology to trace the provenance of gold from mines, to the refinery, and through to vaults.

At Valcambi, we collaborate on many fronts – from responsible sourcing, to supporting appropriate standards setting and leveraging digital technology to advance practices – with our clients, business partners, NGOs, governments, civil society, and the private sector, including our competitors.

Today, the flow of information is unprecedented, exposing every institution to the kind of oversight and accountability that was unimaginable even ten years ago. Valcambi sees this as a great opportunity to shine a light on the steps we are taking to alleviate issues where they exist, and to make the case for responsible behaviours and sustainable development in the precious metals sector. I am pleased to share all this in this report.

This report serves also as Communication of Progress for the UN Global Compact.

**Michael Mesaric**  
CEO & Board Member

## OUR VISION

To be the global leader in gold refining and manufacturing recognised for creating sustainable value and a better gold industry for all

## OUR MISSION

Combining our expertise, passion and innovation, we offer unique products and services of the highest quality, going beyond our clients' expectations and driving responsible practices, transparency and sustainability

## OUR VALUES

Conformity, Integrity, Responsibility, Confidentiality & Respect

Valcambi, Swiss-based world-leading precious metals refiner operating since 1961

152 employees

100% owned by  
Global Gold Refinery AG

Location: Balerna, Switzerland

Au, Ag, Pt, Pd refining and manufacturing

Annual combined refining capacity:  
2.000 tons

Product throughput:  
Au 3.8 tons bars and coins per day  
Ag 1.8 tons bars and coins per day

## CLIENTS

Mining companies including  
Large Scale Mining (LSM) and Artisanal  
and Small-Scale Mining (ASM)  
Jewellers

Premium luxury watch manufacturers  
Digital and tech manufacturers  
International, governments and central banks

## SERVICES

Transportation	Manufacturing
Control	Financing
Assaying	Insurance
Refining	Storage

## PRODUCTS

Cast and minted bars	Coins and Medals
CombiBars™	Sbead
Round bars	Armillary coins
Grain	Alloys
Green Gold™	Semi-finished products



**Our approach  
to sustainability**

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We refine a most precious natural resource that stands the test of time. We have a responsibility to nurture the natural world that provides our precious materials, and we value all the people that contribute to making these materials available and transforming them into the products we use.

From the miners who extract the raw materials and our various suppliers, to our employees who refine, manufacture and sell our products and our clients who buy and transform them into goods the world uses every day; smartphones, the jewellery we wear, the medical equipment the world needs, everyone is a vital part of the chain.

We are committed to protecting the natural environment and bringing long-term benefits to all stakeholders.

We have long considered how our business may affect society and the environment, and we have worked hard over the years to integrate environmental and social considerations into our core business practices.

We consider the ways in which we support miners in conducting responsible practices.

We examine the ways in which we source raw materials, how we refine them and how we manufacture the products we sell. We also carefully reflect on how we design and deliver the services we offer.

Responsibility is a fundamental part of who we are as a company, and it is one of our core values.

In addition, we use our sectoral leadership position to advocate and drive responsible and sustainable practices and encourage the industry and supply chains actors to join forces in the various initiatives that aim to create a more sustainable gold industry for all.

This report is structured according to the four pillars of sustainability established by Valcambi and across which we measure and manage progress in sustainability: our people, our supply chains, our environment, and our social and economic contribution.







## OUR VALUES

At all times, we are guided by our values of  
Conformity, Integrity, Responsibility, Confidentiality & Respect

Our values are set out in our global Code of Conduct and expressed through our business principles, policies and standards. They underpin the way we manage the social, environmental and economic effects of our operations, and how we govern our business.

### Governance

Board of Directors	Valcambi's Board of Directors is responsible for setting and overseeing the strategy, the organization structure, and the sustainable agenda of the company. The Board comprises of two members, including Valcambi's CEO.
Management	The CEO and five senior executives are responsible for the execution of the strategy including the sustainability strategy and its implementation.
Personnel Commission	The Personnel Commission consists of five elected workforce members. They represent the interests of both unionized and non-unionized personnel. Periodical meetings are held with the CEO and a Human Resources representative to discuss topics chosen by Commission members.
Legal and Compliance Officer (LCO)	The Legal and Compliance Officer is responsible for overseeing and managing regulatory compliance issues, with particular focus on Business Due Diligence to ensure that management and employees are in compliance with the rules and regulations of regulatory agencies, that company policies and procedures are being followed and that behaviour in the organization meets Valcambi's Code of Conduct.
Accreditation & Management Systems (AMS)	The three-person cross-functional team deals with issues concerning sustainability, quality, environment, health & safety and communications.

We commit to complying with applicable laws and regulations and to upholding high standards of business ethics and transparency. Our policies and management systems support this commitment, guiding how we operate and behave and holding everyone at Valcambi to clear and strong principles related to the workplace, human rights, communities, the environment and integrity.

Our policies & Code of Conduct:

- Precious Metals Supply Chain Policy
- Grievances Whistleblowing Policy
- Code of Conduct

Corruption and bribery are considered potential risks in the precious metal supply chain. Valcambi's ethical standards, as described in our Code of Conduct and our Precious Metals Supply Chain Policy, request behaviours that do not tolerate any form of corruption or bribery.

We expect our employees, and those with whom we do business, to comply with our standards. For this, we actively promote awareness of our standards and implement systems and controls to monitor and ensure compliance.

Any information regarding incidents related to any form of corruption or bribery as well as misconduct, dishonest or illegal activities occurring at Valcambi have to be reported. All the members of the Board of Directors, the Management Committee, the Responsible Sourcing Committee, the Sales Department and the Logistic Department have received relevant communications and have followed training with regards to the business practices, including anti-corruption policies. In the reporting period, we have delivered such information and training to 21 persons (100% of our impacted employees and operations).



### DUE DILIGENCE

To assess our corruption risk we conduct due diligence on all potential and existing counterparties (individuals and companies), the locations of their operations, and the countries of origins of the precious metals.

In 2018, following our risk analysis we identified 16 cases that required countermeasures to mitigate potential risks. These measures included on-site visits at the counterparty's premises such as trading offices and mining sites. These visits revealed no non-conformity to our standards.

## Stakeholder engagement

We are continuously seeking sustainable, mutually beneficial outcomes for our business and the people with whom we engage and work, with the ultimate goal of creating a fairer and more sustainable gold industry for all.

**Working in partnership with our stakeholders, we look for solutions to the challenges facing the gold industry, and for improvements that can benefit our sector and the world at large. In striving to achieve this, building strong and sustainable relationships based on trust and respect is of the utmost importance.**

We regularly engage with a number of stakeholder groups. These efforts include personal face-to-face contact with employees, customers, suppliers and business partners, as well as written communications, sometimes on a daily basis. We also interact regularly and in various ways with other stakeholder groups including local communities, industry organisations, non-governmental organisations (NGOs) and the media, as described in the stakeholders table.

When engaging with these stakeholders, we focus on specific areas of interest reflected in our material topics, as described in the section Materiality.



## Stakeholder engagement

Shareholder	Type of engagement	Actions
Shareholders	Periodical meetings	Periodical reports
Board	Periodical meetings Monthly reporting on business progress Monthly conference calls	Compliance with laws Adoption of sector best practices
Management	Periodical meetings	Objectives & strategies sharing KPI definition
Employees	Quarterly report (newsletter) Important communications updated on notice-boards Meetings with union representatives Code of Conduct Coordination meetings Corporate website Company events Work climate survey Sustainability Report	Professional training Compensations and bonuses
Customers	Periodical Customer Satisfaction Surveys On-going communication Interactions through industry associations Client on-boarding process (Due Diligence) KYC (Know Your Client process) Website Sustainability Report	Satisfaction of their requests and expectations Corporate visits Refinery visits
Suppliers	Client on-boarding process (Due Diligence) KYC (Know Your Client process) KYP (Know Your Product process) Website, e-mail, telephone Suppliers Evaluation process Code of Conduct	Clear and detailed contracts Updated and precise information
Competitors	Meetings organized by industry associations Website / Meetings	Joining mutual projects
Local & National Institutions, Authorities	Monthly communication Information meetings	Compliance with laws and regulations On-going dialogue
Local communities	Website / Sustainability Report	Sponsorship
Public services	Regular communication / Website	Security training exercises
Trade & Industry Associations	Periodical meetings	Partnering on various industry programs Joining proactive monitoring programs Joining fairs and events
NGOs national & international	Meetings / Website / Sustainability Report	Communication activities
Media	Meetings / Website (news section) Sustainability Report	Press release Media relation



# Materiality

We initially conducted a materiality assessment in 2015 to prioritize our sustainability activities.

We reviewed this assessment throughout 2017 and 2018, incorporating the evolving interests and concerns of our key stakeholders, identified through our engagement with them, and the various impacts of our business.

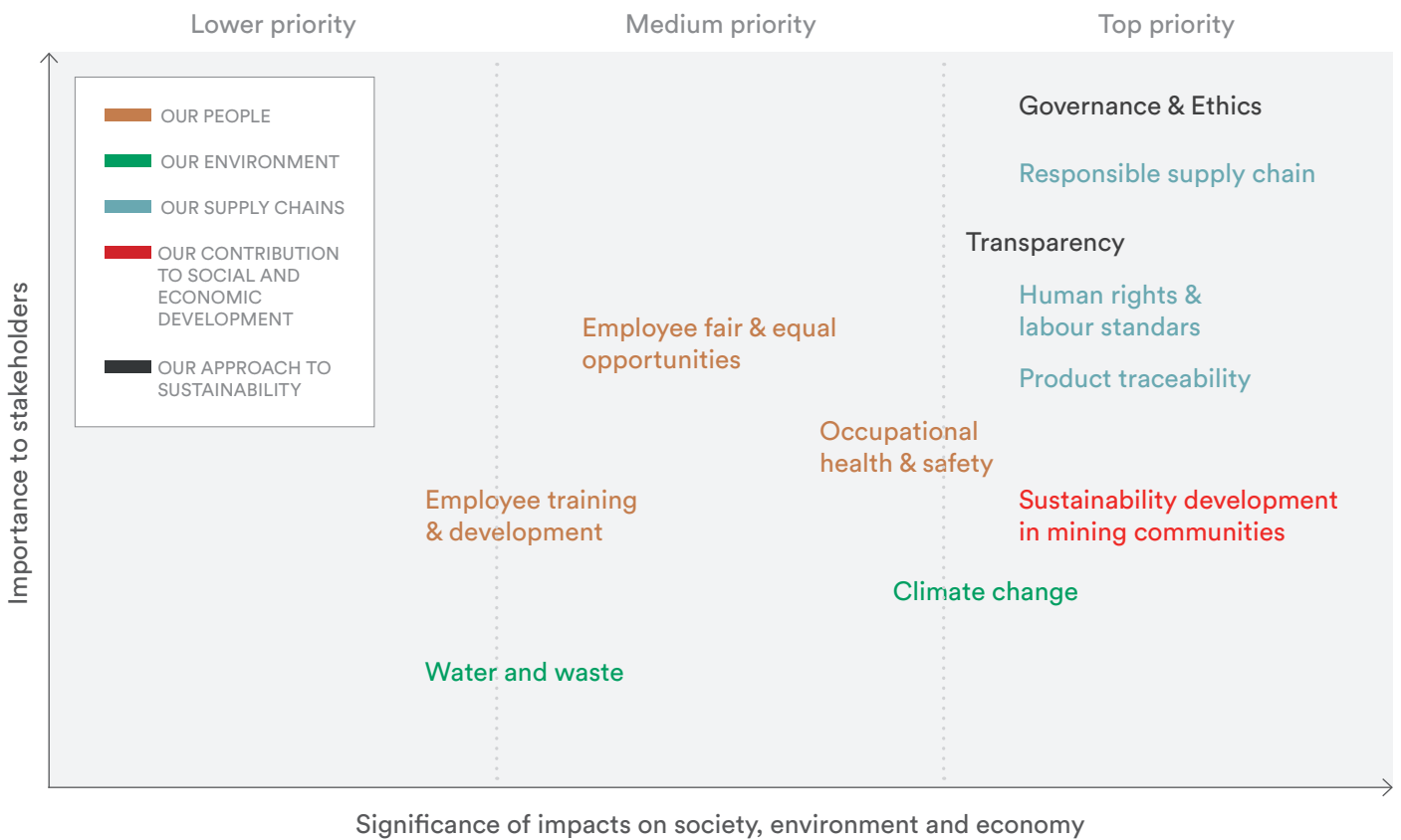
In doing our 2018 review, we decided to re-name a number of the material topics to make them more explicit and to better facilitate our reporting. For example, we found that “Our

people” was too broad a topic, and this is now covered under “Workforce composition”, “Fair and equal opportunities”, “Health and safety” and “Training and development”.

As a result of our review, our materiality matrix and respective material topics reflect the issues deemed most current and relevant to our business and our stakeholders.

This report provides information devoted to each material topic covered in the four sections of the document.

## Materiality topics



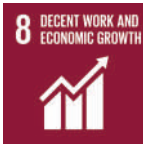
# Our commitment to the UN Sustainable Development Goals

## SUSTAINABLE DEVELOPMENT GOALS

We have aligned our approach to sustainability with the UN Sustainable Development Goals (SDGs), which were adopted by UN Members States to eliminate poverty, reduce inequality, and protect our planet.



**Supporting ASM:** artisanal and small-scale gold mining (ASM) sector plays a crucial role in offering a way out of poverty for millions of miners and their families around the world. Through the work we are doing with the ASM sector, we support miners improve their practices so they can access global market and have better working conditions and livelihood.



**At local level:** we seek to create conditions that allow people to access quality jobs that stimulate the economy. The majority of our employees are Swiss, Italian or local residents, contributing to regional economic growth.



**Occupational health and safety:** protecting and promoting the health and safety of our employees is our number one priority. Through training and our continuous improvement program monitored by clear KPIs, we work towards our 'zero incident rate' target.

**Protecting and promoting miners' health and safety:** a large part of our support to ASMs includes protecting the health and safety of the ASM miners - but also of the community surrounding the mines. We do this through funding or promoting the use of personal protection equipment and supporting the miners in having a responsible approach to the way they use/handle chemicals and hazardous substances, including mercury.



**Saving water:** our Water Saving Project, resulted in a 75.6 per cent reduction in water consumption in 2018 vs 2016.

**Responsible environmental practices in gold mining:** informal ASM often creates environmental damage. Part of our support to the ASM sector focuses on supporting miners in adopting responsible environmental practices.



**Management of mercury:** we joined the UN Global Mercury Partnership to fully support the ratification and effective implementation of the Minamata Convention on Mercury\*.




Over the last two years, we have increased the proportion of renewable energies in our energy mix, we have reduced our energy consumption and we have decreased CO2 emissions from our operations.



Driving a sustainable and responsible gold sector that benefits all requires strong partnerships. Over the years we have been working in close collaboration with mines, NGOs, civil societies, governments and the private sector to improve and monitor standards within the gold mining sector.

\*The Minamata Convention on Mercury is an international treaty designed to protect human health and the environment from anthropogenic emissions and releases of mercury.

A close-up photograph of a gold bar resting on a circular metal platform, likely a scale. The gold bar is rectangular with a diamond-shaped logo on its top surface. The background is dark and out of focus, showing parts of a machine or industrial setting. The lighting is dramatic, highlighting the gold's texture and the metallic surface it sits on.

## Our products and services

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We place great pride in the products and services we offer to our clients, and seek to exceed their expectations with an unshakable commitment to take responsibility for sustainability across the entire product life cycle.

For this, we continuously invest in our laboratory and production capabilities, technical capacity and know-how.

This allows us to offer traditional products and services of the highest quality including cast and minted bars, grains, medals and coins, and truly innovative products that give broad options to our clients.

All our products leave our factory with clear labelling, either stamped or, when this is not possible as in the case of gold and silver grain or certain semi-finished products, accompanied by a certificate. The stamp or certificate includes data on weight, metal description, fineness, Hallmark (CHI Essayeur Fondateur) and, where appropriate, a serial number.

Along with our products, we offer innovative and tailored services to meet each of our clients' needs. Whether it is transportation, financing or storage, we will work to offer the best solutions to each individual client under Valcambi's one-stop-shop model.



## INNOVATIVE PRODUCT CREATIONS



**Valcambi CombiBar™** is an innovative style of a 50g gold investment bar, comprising 50 detachable 1g bars. It offers the possibility of breaking the bar into groups of 1g gold bars or into 50 separate 1g pieces.



**Valcambi Armillary coins (A'coins)** are unique to Valcambi. The round, 999.9 one-ounce piece of fine gold, an investment product with a hole in the middle, is made of four ¼-ounce 999.9 legal tender gold coins issued by the Cook Islands. Attached to each other in concentric circles, they can be twisted into a piece of art resembling an armillary sphere, or separated into four single ¼-ounce gold coins. The entire piece, as well as each individual coin, can be worn as a piece of jewellery. The multifunctional character of each of the four A'coins maintains the purpose of a CombiBar™ but includes a level of possible functions previously not obtained by any coin.



**Valcambi GreenGold™**, a product unique to Valcambi since 2008, is a fully traceable gold from mine to client. Its origin is fully documented and independently validated.

## Customer satisfaction

Assessing how satisfied our customers are with our products and services is essential to ensure the success of our client's business and our own.

Regular customer surveys, the latest conducted in 2018, and the following instruments and indicators allow us to measure how we are doing on all aspects of our activities and to drive continuous improvement:

- Visits report (to measure overall satisfaction).
- Customers' complaints (where we also monitor the resolution time with the objective of keeping it short).

- Customer turnover and sales statistics.
- Feedback from customers (emails / phone calls).

We are proud to report that, based on their feedback throughout 2018 and in previous years, our clients were very satisfied with our products and services.







## Our people

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## Workforce composition

Our people are the most important asset of our business. We need a safe, healthy and engaged workforce to drive our operations, to accelerate innovation and technology, and to contribute positively to our partnerships with stakeholders. We want to be an employer of choice and a company that continues to attract, develop and retain talented and engaged employees. To achieve this, we nurture our employees by creating an environment that honours individual abilities and that offers meaningful opportunities to contribute to the company's success. This is supported by competitive remuneration and benefits linked to performance. We encourage a collaborative culture that enables us to achieve the highest consistency and quality in our products and services.

In 2018, Valcambi employed a total of 166 people,

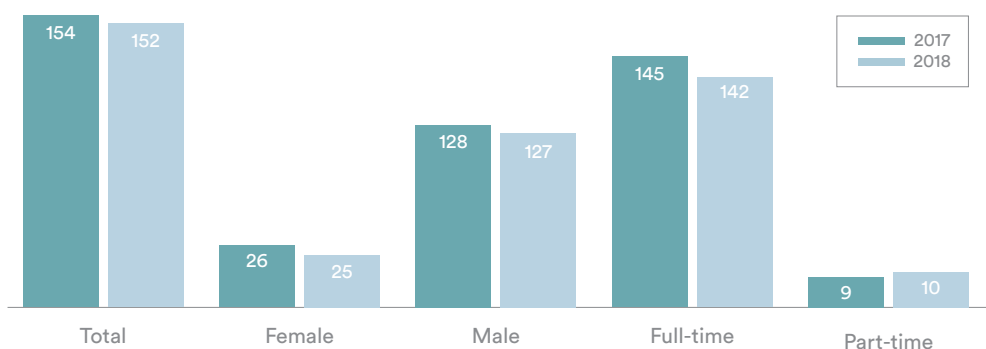
of which 152 were permanent employees and 14 temporary employees.

The 1.3 per cent reduction in the number of employees compared to 2017 is owed to changed markets and to natural staff turnover. Increased mechanization and job rotation in our processing departments allow for more flexibility and staffing restructure.

In 2018, we saw a turnover of 2.6 per cent.

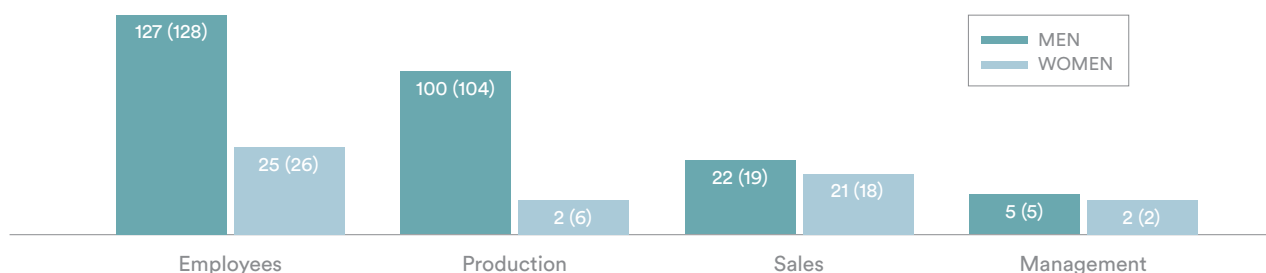
Thirty per cent of Valcambi's employees are Swiss or local residents, 70 per cent are cross-border commuters, mainly Italians; all four members of our top management are local residents.

Only 3.9 per cent female employees, 1.3 per cent male employees of our workforce have a part-time contract.



Number of employees per gender, full-time and part-time

The precious metal sector has traditionally been a male-dominated industry, especially in the production areas. Despite this, Valcambi increased the proportion of women in the administration area, where they hold either management positions or highly specialized roles (accounting, compliance, health & safety, human resources, sales).



Gender diversity per work type 2018 (2017)



## Fair and equal opportunities

Valcambi supports:

- Equal opportunity and remuneration for women and men and no discrimination regarding sex, age, nationality, religion and sexual orientation.
- Guaranteed minimum wage; in 2018, 96.8% of our workforce earned more than the minimum wage.

All employment contracts are aligned with the 2018 mandatory Swissmem collective employment agreement of the mechanical and electrical engineering industries that Valcambi joined in 2003.

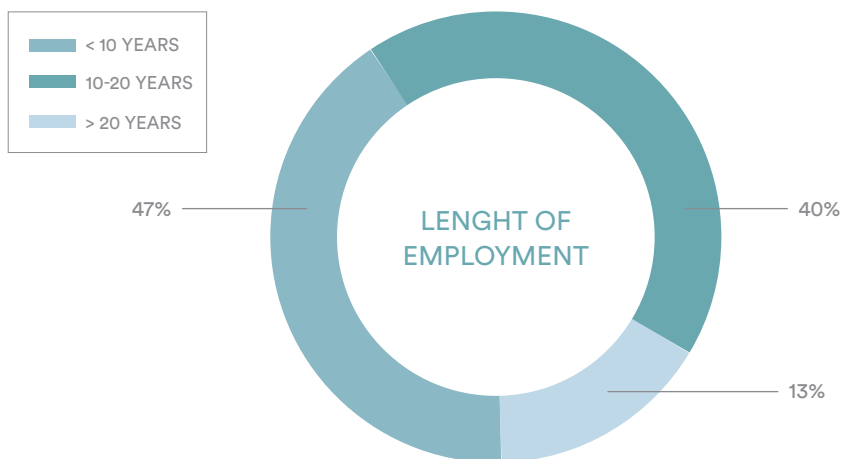
We pride ourselves on our lengthy retention record, which reflects the rewarding working environment we offer (more details in the “Economic value generated” section).



### EMPLOYEE RETENTION

In 2018, 82% of all employees had worked at Valcambi for more than five years, and 8% of them for more than 25 years

The average stay of an employee of Valcambi is 13 years



## Health and safety

Precious metals refining can present health and safety risks. It involves the handling of large volumes of materials, environments of extreme temperatures, and use of chemicals among other things. For Valcambi, protecting and promoting the health and safety of our employees is a number one priority at every level, within the plant and in the administrative offices.

Health and safety is supervised by Valcambi Health and Safety Manager, in collaboration with the Human Resources (HR) department.

Our safety target remains to achieve a “Zero Incidents rate”. For this, our employees receive training on an ongoing basis.

	Permanent employees		Temporary workers	
	Male	Female	Male	Female
Nr of Occupational Accidents	6	0	0	na
Nr of Non-Occupational Accidents	10	3	1	na
Fatalities	0	0	0	na
Occupational diseases	0	0	0	na
IR*100'000	2.78	0	0	na
LDR*100'000	24.12	0	0	na
AR (%)	5.23	2.59	6.04	na

**Injury Rate (IR):** frequency of injuries, relative to the total time worked by all workers during the reporting period. IR (included minor injuries).

**Lost Day Rate (LDR):** impact of occupational diseases and accidents as reflected in time off work by the affected workers.

Note: The lost day rate is expressed by comparing the total lost days to the total number of hours scheduled to be worked by workers in the reporting period.

**Absentee Rate (AR):** measure of actual absentee days lost, expressed as a percentage of total days scheduled to be worked by workers for the same period.

**Absentee:** worker absent from work because of incapacity of any kind, not just as the result of work-related injury or disease.

Note: Absentee excludes permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave.

Note : We consider 220 work days/ year;  
 Total number of days scheduled to be worked by workers =FTE\*220\*;  
 Total number of hours scheduled to be worked by workers =FTE\*220\*8;  
 The events with less than 8 hours absence are not considered.

All data are collected by the HR department as worked hours lost. For each occupational injury, Valcambi Health and Safety Manager performs an investigation and prepares a report with a description of what happened and the causes, and corrective actions taken to prevent recurrence of incidents.

In 2018, we registered a limited number of injury events of small relevance – two open wounds, one in the category of sprains and strains, two of concussion and internal injuries type and one chemical burn - that

happened to male permanent employees. Our 2018 injury rate is slightly higher than those in the two previous years. While the gravity of these injury events has decreased, we will continue working towards reducing events happening year-on-year through reinforcing training and KPIs.

The absentee rate slightly increased in 2018 versus 2017 due to non-occupational injuries and non-occupational diseases.

# Employee training and development

We offer a diversified programme made of mandatory and optional training and development sessions.

The training topics touched multiple aspects including

health and safety, IT, languages, lean manufacturing, finance, fire service, quality management, compliance, sworn assayer, precision measuring instruments and taxation.



## TRAINING AND DEVELOPMENT

1 339 hours dedicated to training in 2018

108 employees received training for an average of 12.40 hours each









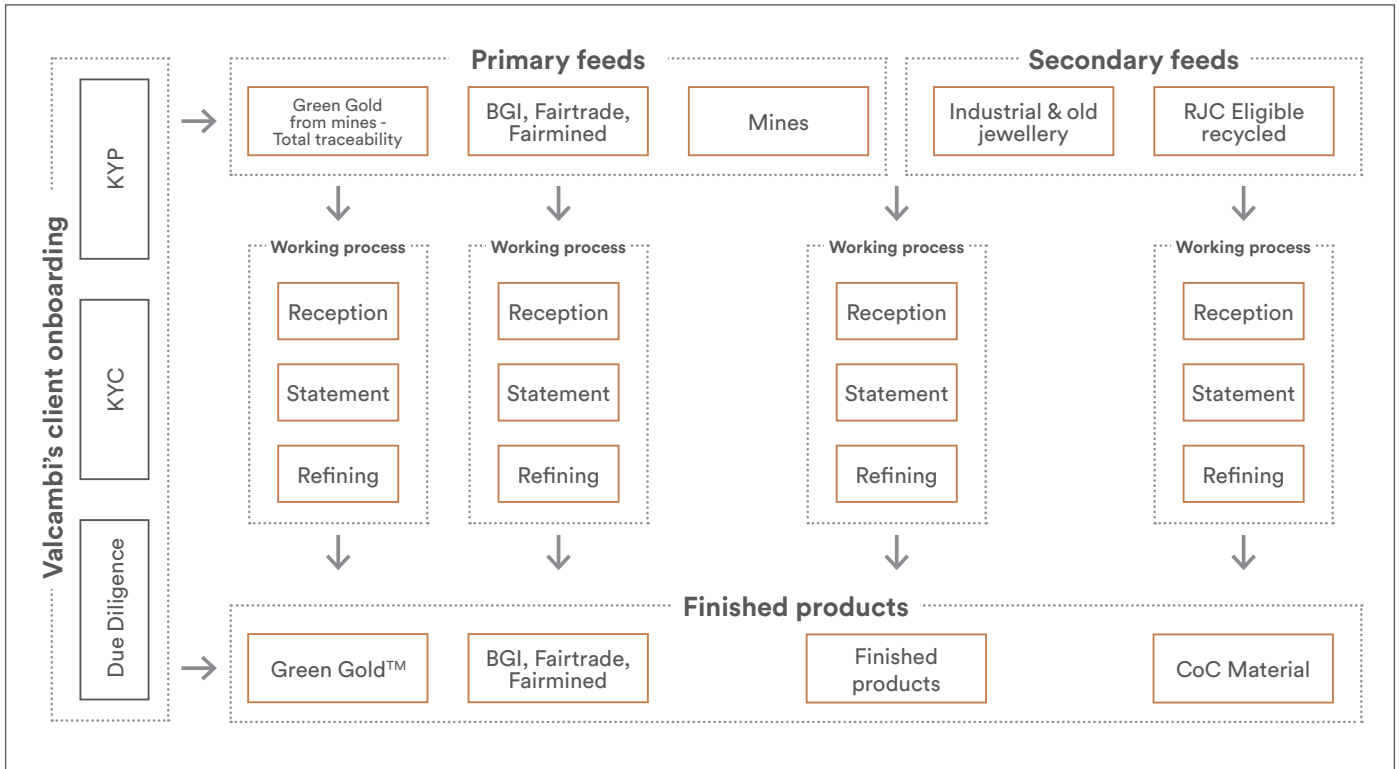
Our supply chain

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Precious metals refiners are a focal point of the value chain and act on two sides: as a service provider for

incoming material and as a semi-finished or finished product provider to the global precious metals market.



# Responsible supply chain

Operating responsible supply chains is vital to the sustainable success of our business and of our sector, and to the sustainable development of the countries from which the raw materials originate.

We are aware of the risks of inadvertent involvement in, or contribution to, negative activities that may be associated with the extraction, processing, trading, handling and exporting of precious metals from any

## Our approach to conflict minerals

We have long recognised that, in some places, mining can be associated with violence, human rights abuses and environmental degradation. However, when managed responsibly, mining can be a source of social and economic development. This is why, for Valcambi, avoiding sourcing from countries considered as high risk is not a solution; we believe this would adversely impact the mining communities and businesses operating responsibly in the region.

Our approach is two-fold:

1. Make sure that our sourcing is not directly or indirectly associated with, or contributing to, negative impact. For this, we have developed our own internal sourcing processes and due diligence to evaluate and manage our risks, and select our sources. These are aligned and go beyond internationally accepted standards and responsible business practices, including

area but, more specifically, from conflict-affected and high-risk areas\*.

Our approach to responsible supply chains aims not only to protect our business, but also to drive best practices in our sector.

\*OECD definition of conflict-affected and high-risk areas: Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people.

the OECD Due Diligence Guidance, LBMA Responsible Gold Guidance, the RJC Chain-of-Custody, World Gold Council “Conflict-Free Gold Standard” and Dodd-Frank Act Section 1502.

2. Promote responsible mining as described in the next section.



By supporting the development of rigorous standards and appropriate regulatory frameworks, and accompanying miners in adopting responsible practices, we can help improve global mining conditions over the long term.

### Responsible mining and sourcing

We believe that a sustainable future for precious metals ultimately depends on the responsible development of the three sources of our gold, silver, platinum and palladium raw materials: large-scale mines (LSM), artisanal and small-scale mines (ASM) and recycled sources.

Our sustainability journey begins with the way we source our precious metals materials.

We continuously seek to minimise the impact precious metals mining, particularly ASM, has on the environment, while making a positive contribution to the communities from which we source. We develop close relationships with artisanal and small-scale miners and assess the approach they take in relation to human rights, labour practices and the environment. We facilitate this using our own set of due diligence processes and tools. When we identify gaps in their practices, we will look to support the mining operation in improving those practices.

We seek to positively influence practices beyond our business by collaborating with the mining sector and downstream users -

### Working with responsible counterparties

Operating a responsible supply chain requires assessing and managing our risk with all counterparties including our sourcing suppliers and those buying our products. For this we use our own due diligence processes aligned with the most stringent industry standards.

To ensure those standards are respected and upheld, we apply KYC (Know Your Client) and KYP (Know Your Product) Due Diligence practices in order to identify our upstream and downstream counterparties.

including the jewellery and electronic sectors - as well as with civil society and governments. By working together, we can contribute to the setting of robust standards and legal frameworks for responsible mining and sourcing that we believe protects the interests of, and provides benefits to, all.

In 2016, Valcambi initiated the development of a grievance platform which received the support of actors including Apple. The online cross-industry platform aims at screening and addressing grievances linked to smelters and refiners present in global supply chains. It is now in its final stage of development under the lead of the Responsible Minerals Initiative (RMI).

In the absence of meaningful regulations, voluntary standards and collaboration across sectors are the best means to advance change and improve practices in the long term. We also use our brand as a platform to raise awareness of and drive responsible mining and sourcing practices and the protection of human rights.

Please read Valcambi's ASM business case (page 25) that provides examples of works we are involved in.

Importantly, our due diligence practices may go beyond the first counterparty delivering the material where needed. These counterparties may include transit zones for transportation and traders among others.

We review on an ongoing basis our counterparties' assessment as part of our continuous improvement processes.

For all of our products, a documentary-based traceability system is in place and third parties perform audits on our practices on a regular basis.



## Valcambi's ASM business case

Valcambi sources and refines mined products from large-scale mines (LSMs) and artisanal and small-scale mines (ASMs). While sourcing responsibly from LSMs is fairly straightforward, sourcing from ASMs is considerably more complicated.

Despite the complexity, Valcambi is committed to sourcing from ASMs helping to ensure their access to global markets so they can grow, prosper and support the local communities they are part of.

Why do we make this commitment? The answer is simple.

An estimated 15 million people rely directly on Artisanal and Small-scale Gold Mining (ASGM) for their livelihoods, and the sector indirectly touches the lives of an estimated 25 million more people. While ASMs produce 20% of the world's gold output, a staggering 90% of employment in the gold mining industry is in the artisanal and small-scale sector. This means the impact of the sector on livelihoods and communities

is enormous. We must ensure those impacts are all positive.

Valcambi wants to make humane, well-run and flourishing ASMs a key part of its value chain, and to play a significant role in ensuring the highest standards for ASMs within the precious metals industry.

Valcambi has been at the forefront of promoting responsibly ASM-mined and sourced gold for many years, establishing standards that go beyond those developed by OECD Guidelines and the LBMA Responsible Gold Guidance.

Through conducting extensive due diligence, we ensure that we are not associated with, and do not contribute to, activities that have harmed people or the environment.





But Valcambi's ultimate objective is to promote the best practices of ASM by supporting miners in their efforts to redress any environmental, labour or accounting violations in their procedures.

We strive for this through broad collaboration with various groups, partnerships and associations, including the European Partnership for Responsible Minerals (EPRM), the Swiss Better Gold Association (SBGA), the Better Gold Initiative (BGI), Fairtrade and Fairmined.

Throughout 2017 and 2018, Valcambi chaired the Standard Committee on the development of CRAFT ("The Code of Risk-mitigation for ASM engaging in Formal Trade") developed by the Alliance for Responsible Mining (ARM) and RESOLVE. CRAFT aims to serve as a tool for all actors in the gold supply chain to collaborate on the mitigation of mining-associated risks and promotion of the continuous improvement of environmental, social and economic practices in the ASM sector.

Valcambi is a member of the SBGA, whose aim is to support the more socially inclusive and better environmental practices of ASMs and to facilitate their access to global markets. We are also very active as part of the Technical and External Affairs committees of the SBGA.

Valcambi is a founding member and strategic partner in the EPRM, whose aim is to increase the percentage of reliably produced precious metals from conflict-affected and high-risk areas. The EPRM supports the conscientious extraction of minerals in a way that contributes to local development and moves the ethical minerals agenda forward globally. This Partnership has attracted the interest of technical and digital giants – among them Intel, Apple, Samsung, Intel and Philips – who have become actively involved in its program for the promotion of responsible artisanal mining.

Valcambi furthered its commitment to supporting responsible mining at the International Conference of the Great Lakes Region (ICGLR) in Kenya in September 2018. There, we outlined our approach to due diligence and underscored the strict criteria that we follow in sourcing from ASM. This in turn contributed to the development of the due diligence ASM gold strategy for the 12 member states of the ICGLR.

Through this work and support, ASMs can gradually attain the level of standards that enable them to access global markets and prosper.

"Formalization was not an easy job", comments Melquiades Ala Ccahua, General Manager of Cambio, an artisanal mine in the Arequipa region of Peru. "But once you are formalized, everything is easier. We want to develop Cambio in a structured way and are on the way to Fairtrade certification, with the support of the Fairtrade team." Valcambi and Cambio have just signed a long-term supply contract.



For those reaching certification such as Fairtrade, Fairmined or the BGI criteria, they can also benefit from the premiums available to them. The miners use these premiums to reinvest in their mining operations or to benefit their community.

"Last year with the Fairmined premium, we invested in an ambulance and health and safety equipment, and we built a new kitchen for the workers and a soccer field for the community to use." Comments Herberth Chirinos Olivera, General Manager of Macdesa, a mine situated in the Arequipa region of Peru. "It's really helped improve our working conditions."



“Buyers of responsible gold help transform our communities”, comments Nicolas Santo president of the board at Cambio.



“Consumers buying Limata gold have made it possible for my kids to receive education and prepare for the future.” Says Javier Mamani Condori, father of two and Supervisor of Operations at Limata, a mine located at 4600m above sea-level in the Department of Puno, South Peru.



Since Valcambi first began engaging with ASMs, we have signed a number of long-term supply agreements with ASM operations and more are in the pipeline.



ASM as a sector is in the midst of a great transformation and, as is inevitable when a seismic shift occurs, paradoxes abound. Gold sourced by Valcambi from ASM is not commercially viable given the limited volumes available, and when we factor in the transport, refining, segregation and traceability costs. At the same time, demand for artisan metals has never been greater and is growing at an astonishing rate, especially in the jewellery sector.

The path to sustainability is never without obstacles, and that is true for any sector. While the mining sector has taken great strides, much remains to be done. Corruption, a lack of expertise, the inability to access financing and inadequate governmental oversight do not vanish overnight.

It is imperative we work together in cooperation with the ASMs themselves, with NGOs, civil societies, governments and the private sector to improve and monitor practices and standards within the ASM sector. At the same time, we must be realistic about the magnitude of the challenges we face as we continue to search for holistic, permanent and far-reaching solutions to the problems confronting ASMs.

Valcambi will continue to embrace the challenges and the opportunities presented by ASMs and continue to advocate and be a catalyst for constructive change in the ASM sector.





# Human rights and labour standards

## Respect of human rights

Valcambi frames its commitment to human rights in line with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High Risk Areas. We comply with the GRI Sustainability Reporting Standards and uphold the framework set by the 2030 Agenda for Sustainable Development, and with relevant sector standards such as the LBMA Gold Guidance and the Responsible Jewellery Council Code of Practice and Chain of Custody Standard.

Valcambi Legal and Compliance Officer is responsible for overseeing and managing all aspects related to human rights. He/she ensures that management and employees act in compliance with the rules and regulations of regulatory agencies and are aware of any potential risks of dealing with potential and current business partners.

For the part of our supply chain related to sourcing of ASM products, as outlined in the 'Responsible supply chains' section, we conduct the most extensive due diligence scrutinising every aspect of the mining operation's practices. The first aspects relate to the respect of human rights, with a special focus on child labour and

exposure of young workers to hazardous work and forced or compulsory labour. We systematically conduct on-site visits to ensure the respect of human rights. In doing so, we not only comply but go beyond the OECD Due Diligence Guidance, Fairtrade and Fairmined standards for gold and associated precious metals from artisanal mining.

We ask all our counterparties to confirm their commitment to not tolerate any form of child labour and we actively cooperate with international organizations to support projects that aim to respect and support human rights.

Our approach to human rights has informed the development of a number of projects and initiatives including a UN International Labour Organisation (ILO) project in the Philippines, a World Bank project on gold mining in Sierra Leone, and a USAID initiative on responsible gold value chains in the DRC.

## Labour standards

We ensure that our operation is a place where employees and contractors are treated with respect and are free from discrimination or abusive labour practices.

Valcambi confirms social responsibility standards by collaborating with suppliers to ensure that they follow international standards on freedom of association and collective bargaining, forced labour, child labour, harassment or abuse, disciplinary practices and discrimination, among other practices.

We confirm that we have screened 100 per cent of our new business partners involved in the precious metals supply chains, and that we have identified actual or potential negative social impacts in none of the cases.

# Products traceability

Product traceability has been at the forefront of Valcambi's practices since the company's outset.

With the increasing public awareness of the potential risks associated with the mining, processing and trading of precious metals, traceability has now become a prerequisite in our industry.

Precious metals origin can be divided into two groups:

1. Mined precious metal coming directly from mines.
2. Recycled precious metals.

The latter have already undergone at least one refining cycle. Investment products (such as coins, cast bars or minted ingots), jewellery and industrial recoveries from other sectors fall in this category.

Mined gold refined at Valcambi is traceable from the mine up to the statement process (weighing, melting and assaying).

After the statement process, the materials are in the most cases co-mingled and refined in a continuous process.

Track and trace products are accompanied by a document to attest to their supply chain.



## ENHANCED TRACEABILITY

Valcambi processes the following products with enhanced traceability standards:



**Products realised according to the RJC Chain of Custody standard**, originating from recycled or grandfathered sources. Thanks to our traceability procedures and related records, we are able to trace back from the finished products up to the incoming material used. RJC CoC products are accompanied by the RJC CoC Transfer.



**Valcambi GreenGold™**, a product unique to Valcambi since 2008, is fully traceable gold from mine to the end customers. Traceability is maintained through the entire process, from the mine through refining and final delivery, and origin is guaranteed through full segregation and documentation, and independent validation by third-party supervisory and auditing processes. Valcambi GreenGold™ is sourced from mines that operate in accordance with some of the highest social and environmental standards and regulations.



**ASM gold** – Fairtrade, Fairmined, SBGA/BGI, and non-certified - is kept separated throughout the entire refining and manufacturing process. Fairtrade and Fairmined products are identified according to the standards and the supply chain information is uploaded in the Fairtrade or Fairmined traceability tools.







# Our environment



Precious metals refining and manufacturing require a significant amount of water and energy and inevitably generate GHG emissions and waste.

Monitoring, minimising and managing our impacts on the environment is high on Valcambi's agenda. We work hard to continuously improve our energy efficiency, reduce the use of chemical products, monitor and reduce our emissions, our water consumption and waste disposal. Along with implementing our own systems, we keep abreast of new technology development that we could adopt to support our efforts.

We are periodically monitored by local authorities to which we regularly report our results, and we carry out internal controls on a regular basis.

Our commitment to protecting the environ-

ment does not stop at our own operations. We expect our suppliers to actively contribute to reducing the environmental impact their activities have and we only work with counterparties which can demonstrate that they seek for optimal solutions in the areas of shipping, transportation and processing. For this reason, all new suppliers are being screened using environmental criteria.

On the upstream side, we have long recognized the potential negative impacts gold mining can have on the environment and are actively involved in supporting various programs and projects that aim at driving environmentally responsible practices. In 2016, Valcambi joined the Global Mercury Partnership, the UNEP's initiative on mercury established to support the Minamata Convention's objective of reducing mercury use in gold mining for the protection of human health and the environment.

According to the environmental impact analysis operated to achieve ISO14001 and OPIR certification, the environmental risks related to Valcambi's production are considered moderate to low.



## Emissions

Valcambi operates in a very industrialized area with a high traffic density. We believe that air quality is a crucial issue, which is why we monitor our emissions regularly, working with the best abatement systems, always kept in the best conditions.

According to the Greenhouse Gas Protocol (GGP), direct and indirect emissions can be categorized as follows:

- Scope 1: greenhouse gas emissions from sources owned or controlled by the organization.
- Scope 2: indirect emissions of greenhouse gases deriving from the generation of electricity purchased by the organization.
- Scope 3: other indirect greenhouse gas emissions that are a consequence of an organization's operations, but are not directly owned or controlled by the organization such as commuting employees, business trips, production of purchased goods, emissions from use of products sold.

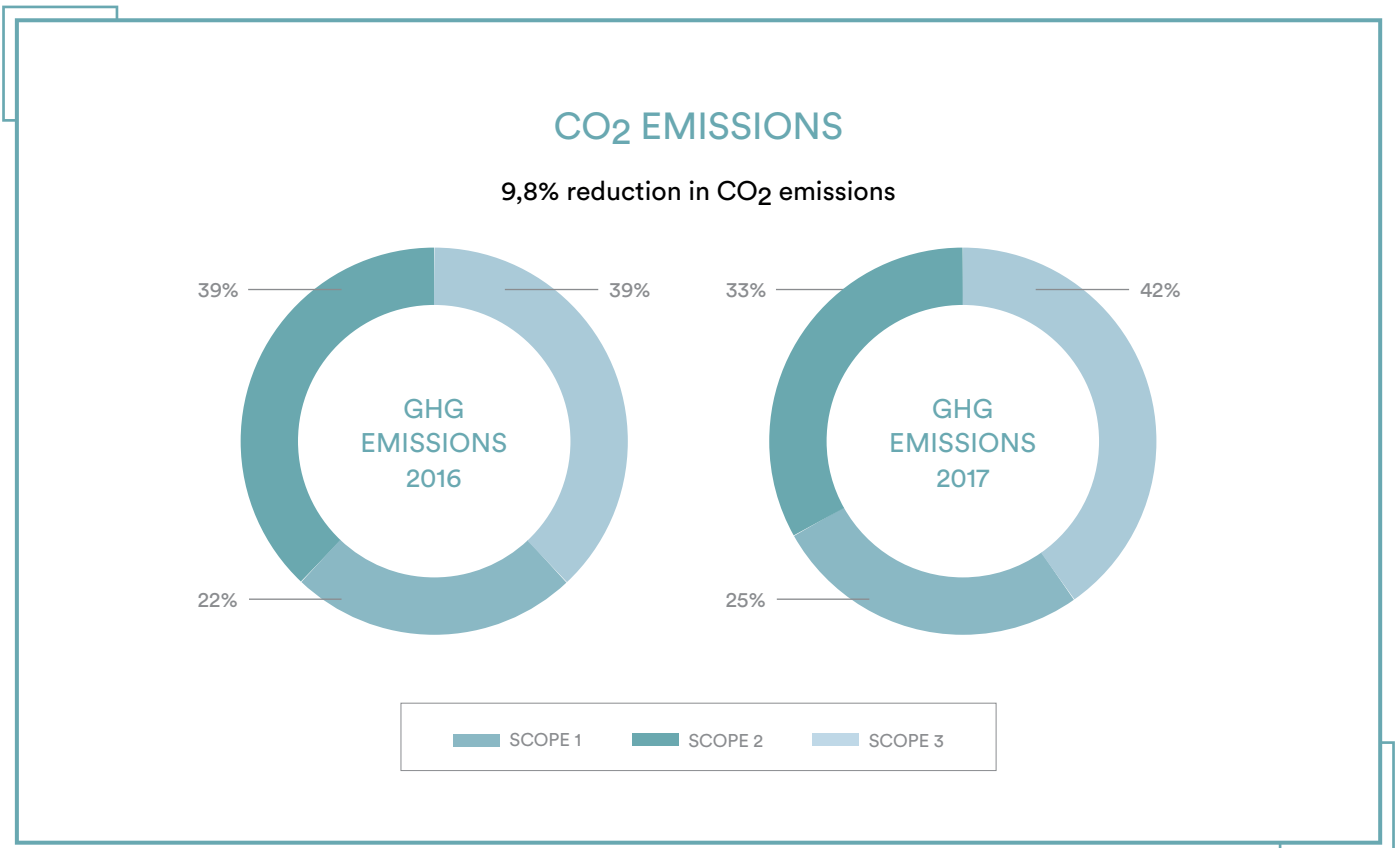
In 2018, we commissioned a specialized company to

measure and analyze our 2017 GHG emissions, which are reported in this report (our 2018 GHG emissions were not available at the time of production of this report and will be reported in 2019). Our direct and indirect GHG emissions were as follows:

- Scope 1: 1,178.3 tCO<sub>2</sub> eq.
- Scope 2: 1,519.0 tCO<sub>2</sub> eq.
- Scope 3: 1,932.5 tCO<sub>2</sub> eq.

Our total amount of CO<sub>2</sub> emissions has been reduced by 9.8 per cent between 2016 and 2017. The most important reduction in CO<sub>2</sub> emissions is related to electricity. While the amount of electricity we consumed between 2016 and 2017 was very close, CO<sub>2</sub> emissions fell from 2,039.1 to 1,519.0 tons of CO<sub>2</sub> equivalent. This is due to the fact that Valcambi's electricity supplier increased the proportion of renewable energies in its energy mix, thus significantly reducing the emission factor (tCO<sub>2</sub>/kWh).

Valcambi does not emit ozone-depleting substances into the atmosphere.





## Energy use

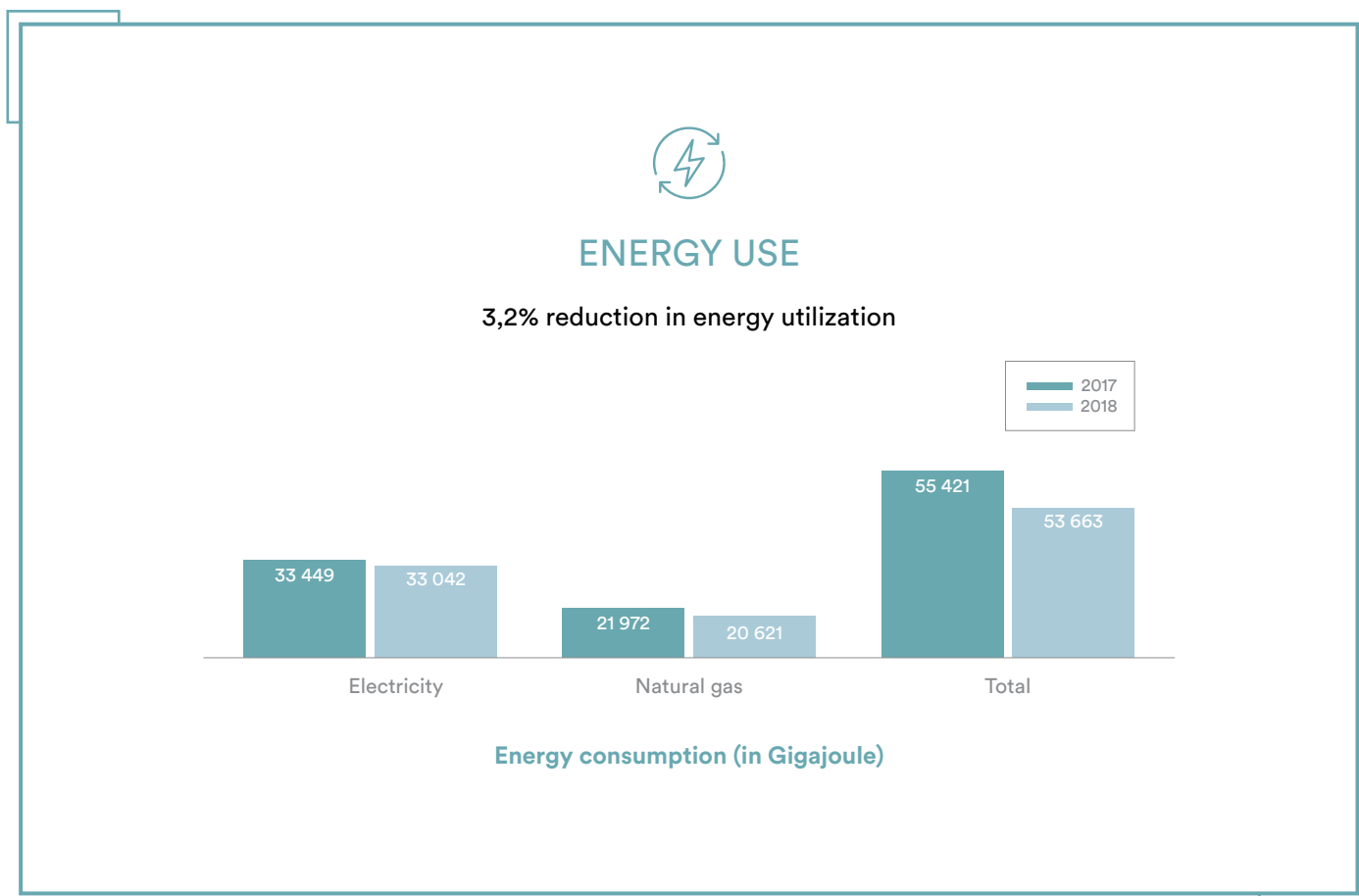
The small decrease in our energy consumption in 2018 compared to 2017 is owed in part to a decrease in production volumes and in part to better regulation of the temperatures in the work areas introduced in October 2018. We expect the effect of temperature regulation to be more visible in 2019.

We purchase electricity from the local distributor AGE which consisted of the following mix for 2017 (2018 data not yet available):

- 21.75% Hydroelectric

- 11.10% Photovoltaics
- 1.81% Wind
- 0.14% Biomass
- 65.24% Other non-verifiable sources

We are aware of the impact that the production of electricity from non-renewable sources has on the environment, and we continuously look to optimize our consumption by finding the right balance of costs and benefits.



## Materials

We continuously look to reduce the quantities of chemical products we use. We do this by taking advantage of technical developments and by seeking better solutions for production such as using less environmentally-impactful reagents and sourcing precious metals from secondary feeds.

During 2018 we consumed 1,144 tons of materials (chemicals and consumables, excluding precious metals) compared to 1,164 tons in 2017. More than 50 per cent of total consumption of materials utilized comprised the top three chemicals used in the refining process, all acid and alkaline solutions.

Despite the increased volume of precious metals processed, the consumption of material remained unchanged thanks to a continuous optimization of our production processes.

The secondary feeds material inflow has increased in 2018 by 11.8% to 890 tons.

It is critical that we use and handle these chemical substances in a responsible way to avoid negative impact on the environment and health. Valcambi trains its employees and contractors on the dangers and risks associated to these products, and on management techniques.



# Water

Centuries ago the site where Valcambi's operation now resides used to be a lake. For this reason we benefit from rich groundwater source in the immediate vicinity of our premises.

Within this topography, we know how critical it is not to pollute our grounds and to manage the materials we use in the most responsible way, as described in the previous section of this report.

In addition, we are well aware of the high consumption of water the activity of precious metals refining and

production requires. In 2016, Valcambi undertook a large water saving project making as its mission to preserve the local water resources. This required important investment – involving the construction of a closed circuit system for the production of chilled water needed for the cooling of the production plant – and extensive work.

We are proud to report this resulted in a decrease of our water consumption of around 65.4 per cent versus 2017 and 75.6 per cent versus 2016.

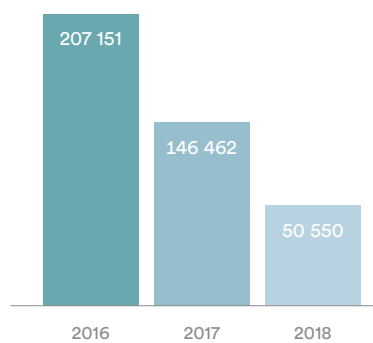
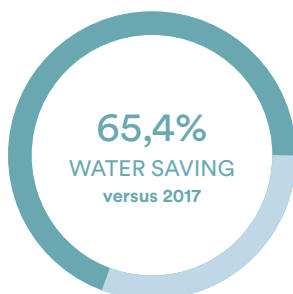
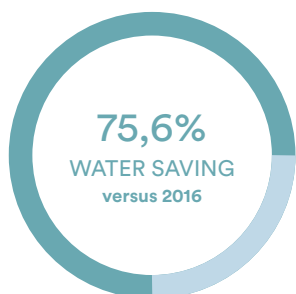


## WATER

75,6% WATER SAVING

In 2016, Valcambi undertook a large water saving project making as its mission to preserve the local water resources

This resulted in a decrease of our water consumption of around 65.4 per cent versus 2017 and 75.6 per cent versus 2016



Water consumption (in m3)



# Waste

The efficient management of hazardous and non-hazardous waste is at the heart of Valcambi's practices.

Valcambi generates three types of waste:

- Domestic non-recyclable wastes generated by Valcambi canteen activity are collected by the local garbage collection company (not tracked).
- Recyclable waste that can be transformed into reusable materials, reducing the consumption of raw materials, is collected by specialised, legally-recognised recycling companies.
- Special wastes with environmentally friendly disposal require a set of specific technical and organisational measures and are collected by specialised companies legally recognised for disposal.

In 2018 we produced 4.5 tons of special waste, a reduction of 0.3 tons – 6.3 per cent – versus 2017. More than 30 per cent of these special wastes were mineral and synthetic waste oils, about 11 per cent empty packaging of chemicals, and 10 per cent waste solvents.

We have developed a strict waste management system and we work only with-disposers that guarantee the highest quality standards. One hundred per cent of

recyclable waste is collected by specialised and legally authorised recycling companies.

The recyclable waste collected was divided as follows:

	2016	2017	2018
Wood	20,8t	17,8t	11,2t
Paper	13,5t	13,0t	22,8t
Metals (Al, Cu, Ferrous)	28,6t	23,2t	31,0t
Plastics	29,5t	19,4t	9,4t
Other recycling materials	57,6t	56,6t	55,6t
<b>Total</b>	<b>150t</b>	<b>130t</b>	<b>130t</b>

In 2018, we released 48,022 cubic metres of waste water, a reduction of 66 per cent compared to 2017 as a result of the water saving project (see GRI 303-1). The waste water is pre-treated in our on-site Waste Water Treatment Plant before being sent to the Sewage Treatment Plant.



## WASTE

6,3% reduction of special waste production

66% reduction of waste water release







**Our contribution to social  
and economic development**



# Economic value generated

## To our region

Over the last year, and despite the global slowdown in the precious metals market, Valcambi had a positive economic performance development. Our contribution to the economic progress of the region in which we operate is represented by the salaries and benefits we paid, the direct and indirect taxes we contributed and our purchase of goods and services.

### CONTRIBUTING TO REGIONAL ECONOMY

The total direct taxes paid by Valcambi at the communal, cantonal and federal level amounted to 28,6 per cent of our Net Profit

Total labour expenses amount to 22,6 per cent of our total turnover

## To our employees

We offer advantageous contractual agreements, we guarantee good social performance and we endeavour to constantly improve our work environment.

Remuneration is based exclusively on the evaluation of skills and experience; the variable remuneration is assessed against a balanced scorecard of individual and team-based performance objectives.

Despite the global economic slowdown, 100% of our workforce received a performance bonus in 2018.

Our pension plan is managed by an external third party based on Valcambi's advice with regards to investment strategy, asset classes and risk profile. The risk profile chosen is in line with our overall risk approach culture. Risk must be measurable and manageable, considering that these assets belong to our employees and have the purpose of guaranteeing financial security during retirement. We have the obligation to find a healthy mix between capital preservation and a return on assets. Over the last year we have maintained a coverage ratio of approx. 114 per cent in 2018. The benefits we offer are superior to those required by the Swiss Law on Occupational Pensions, since a generous pension plan

is part of our incentive to attract qualified professionals and retain them.

We did not receive any financial assistance from the Government in 2018.

### REWARDING AND INCENTIVISING OUR EMPLOYEES

100% of our workforce received a performance bonus in 2018

The pension benefits we offer are superior to those required by the Swiss Law on Occupational Pensions

## To our suppliers

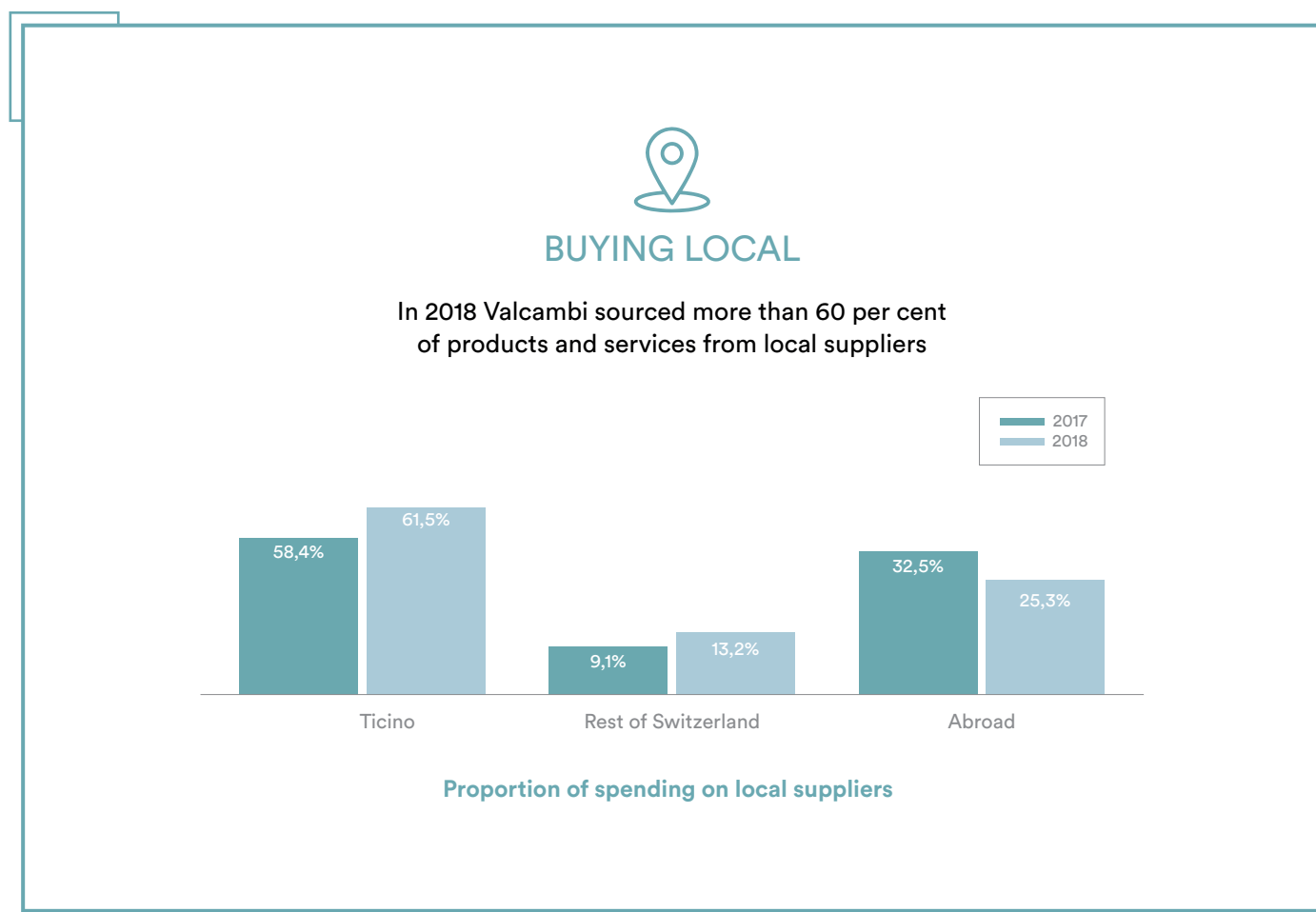
For the purchase of products and services, Valcambi favours local suppliers (based in Ticino). Suppliers outside of Switzerland are only chosen when a comparable product or service is not available locally.

In 2018 our sourcing from local suppliers increased compared to 2017 by three percent, confirming our trend to buy local. When buying abroad, Valcambi buys mainly from neighbour countries Italy and Germany, and only 0.2 per cent of products and services are purchased in other countries.

Our relationship with our suppliers is based on true partnership and goes beyond purchasing a product or service from them. We work together to develop new solutions, technologies and products, for the benefit of both parties and the industry.

In 2018, we partnered with Emergent Technology Holdings LP (Emergent) on Emergent's blockchain technology to trace the provenance of gold from mines, to the refinery, and through to vaults. Valcambi made its gold available to Emergent for them to develop their technology. In addition, Valcambi Green Gold kilobars were used to produce Emergent's first 1000 G-Coin™ tokens in 2017. G-Coin™ tokens are a digital certificate of title to physical, responsibly-sourced gold. The digital tokens can be used for payments and investment.

In 2018, we initiated a partnership with a tech start-up to develop an anti-counterfeit technology. In this case again, we made Valcambi gold available for them to develop the technology.



## Sustainable development in mining communities

The precious natural resources we source hold great potential for development but may also fuel violence, human rights abuses and negative environmental impacts, undermining endeavours towards development. This is particularly true of precious metals mined by artisanal and small-scale gold mining

operations in conflict-affected or high-risk areas.

We are particularly proud of the work we have been doing to advance responsible practices in the ASM sector, the details of which are presented in Valcambi's ASM business case (page 25).

At Valcambi we have long recognised that, by promoting and supporting the adoption of responsible practices in the ASM sector, we can improve working conditions and livelihoods for millions of miners and their communities, while protecting the local environment. By conducting responsible practices, miners can access global markets and prosper economically. A responsible gold mining sector also contributes to the sustainable development of mineral-rich developing countries.





## Charitable giving

Every year, through our corporate giving programme we donate in financial contribution to local nonprofit organisations, initiatives and institutions focused on

human services, health, education, arts, and disadvantaged people.



### CORPORATE GIVING

In 2018, we contributed to

World Vision, an international NGO, to sponsor five children from Peru, Nepal, Mozambique, Tanzania and Georgia

A sport event for handicapped children in Ticino

Offertory Swiss Solidarity, an NGO, to support homeless people in Switzerland

The sponsorship of a local artist/painter

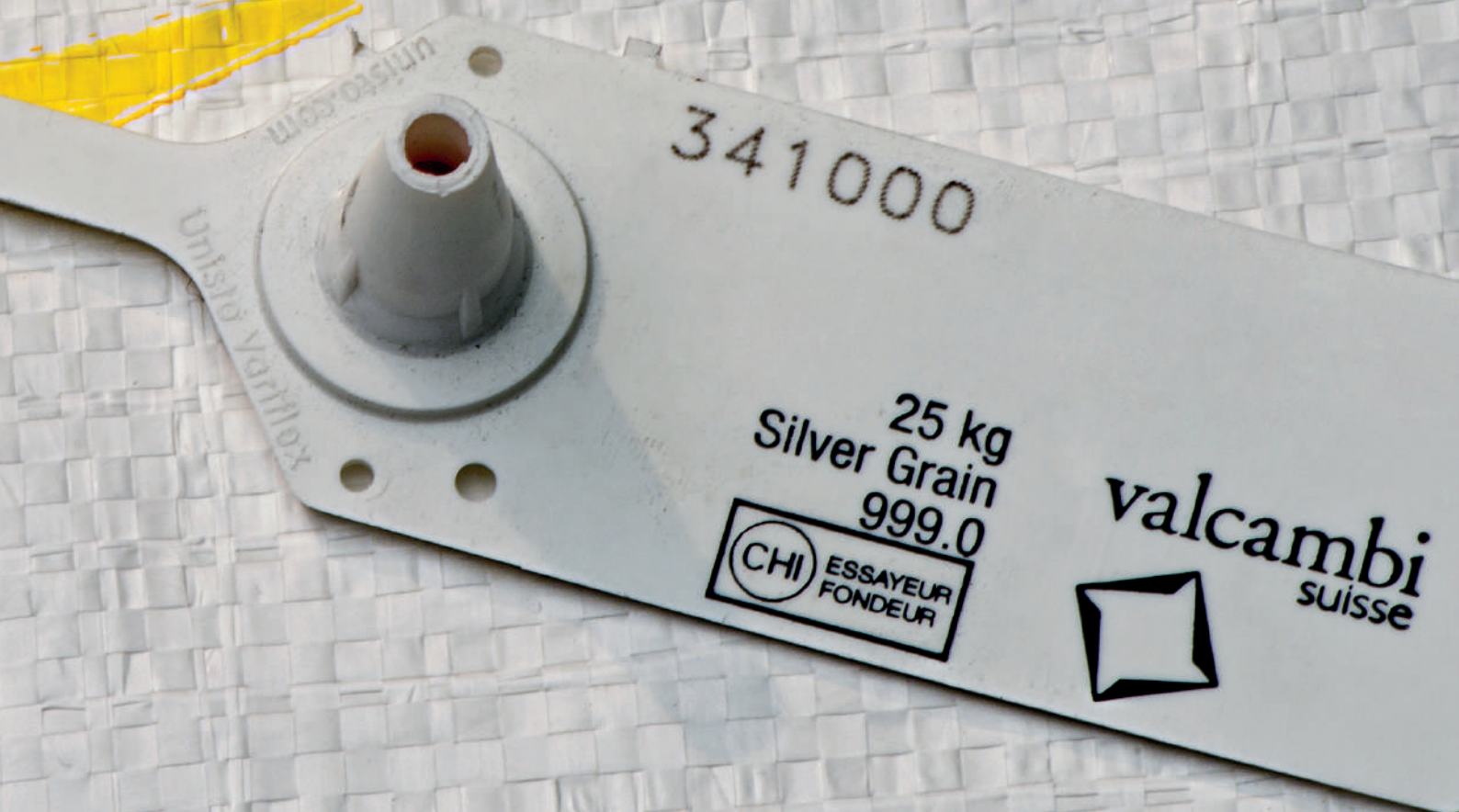
### THE WONDERFUL CHILDREN WE ARE SPONSORING

“Supporting the cause of disadvantaged and vulnerable children and protecting their rights is very close to my heart.” says Michael Mesaric, CEO of Valcambi. This is why since 2003, through World Vision, an NGO focused on overcoming poverty and injustice, Valcambi has been sponsoring five children from diverse regions of the world. The programme focuses on improving the physical, emotional and social well-being of the most vulnerable children. “It is much more than just a financial contribution, it is about giving love and emotional support.” adds Mesaric. “It’s wonderful to dialogue with the children and follow their life, some of them since a very young age.”

Valcambi has been sponsoring Santosh from Nepal since he was 3 years old, he is now 17. We also sponsor 13 years old Anelia from Mozambique, Olivia from Tanzania who is 11 years old, Elene from Georgia, 9 years old and Jhefferson from Bolovia, 6 years old.

# Our certifications and accreditations

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Our various voluntary certifications and accreditations, together with our compliance with and conformance and adherence to the highest industry standards and

guidelines, derive from, and testify to, our commitment to a culture of excellence.

#### Certified standards

ISO 9001	Quality management systems – requirements
ISO 14001	Environmental management systems – requirements
BS OHSAS 18001	Occupational Health and Safety Assessment Series
RJC COP	Responsible Jewellery Council – Code of Practice
RJC CoC	Responsible Jewellery Council – Chain of Custody
Fairtrade	Fairtrade standard Gold ASP
Fairmined	Fairmined Authorized Supplier
RGG LBMA	Quality management systems – requirements

#### Accreditations

ISO 17025	General requirements for the competence of testing and calibration laboratories (first laboratory in a refinery accredited by the Swiss Federal Authorities)
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#### Voluntary commitments

CFSP	Conflict Free Smelter Program
Dodd-Frank	SEC U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1502
GRI	Global Reporting Initiative
OECD	Integration of the 'Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas – Supplement on Gold into Valcambi systems
SWISSMEM	Swiss mechanical and electrical engineering industry and associated technology-oriented sectors
UN Global Compact	A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation
WGC	World Gold Council – Conflict Free Gold Standard



A stack of gold bars is shown on a dark charcoal block. In the background, a blowtorch is being used, with bright orange and yellow flames rising. The gold bars are stacked in a pyramid-like shape. The top bar is plain, while the bars below it have handwritten numbers: '37' on the second bar from the top, '38' on the third bar, and '07' on the fourth bar. The scene is lit with dramatic, low-key lighting, emphasizing the metallic textures and the intense heat of the flames.

## Our memberships

We believe in the power of joining forces to achieve more. This is why we are an active member of many industry associations, partnerships and projects through which we exchange knowledge and experience, seek solutions to issues, and deepen our understanding of the many challenges facing our sector and the world at large. For example, through the EPRM, we have been opening a dialogue with actors in the cobalt sector looking to learn from our expertise in responsible sourcing and due diligence.

Working in collaboration with the SBGA, the BGI, the EPRM, the OECD and the World Bank, the Global Mercury Partnership, Fairtrade and The Alliance for Responsible Mining, we are supporting the ASM sector in working to improve its practices so that these small mines can access global markets.

We are members of, or involved with, the following organisations:

ACI Suisse	Association Cambiste Internationale Suisse
AITI	Associazione Industrie Ticinesi
ASFCMP	Association Suisse des Fabricants & Commerçants de Métaux Précieux
CME	Chicago Mercantile Exchange
COMEX	Commodity Exchange – Accredited Refinery
DMCC	Dubai Multi Commodities Centre
EPRM	European Partnership for Responsible Minerals
EPMF	European Precious Metals Federation
Fairtrade	Max Havelaar
Fairmined	Fairmined Certification System was developed by Alliance for Responsible Mining (ARM)
IGE	Istanbul Gold Exchange – Accredited Refinery
ILAC/MRA	International Laboratory Accreditation Cooperation
IPMI	International Precious Metals Institute
IPMI	European Chapter of the IPMI
LBMA	London Bullion Market Association – Good Delivery Refinery
LCTA	Lugano Commodity Trading Association
LPPM	London Platinum and Palladium Market – Good Delivery Refinery, Referee
MCX	Multi-commodity Exchange of India – Accredited Refinery
NYMEX	New York Mercantile Exchange – Accredited Refinery
RJC	Responsible Jewellery Council
SBGA	Swiss Better Gold Association
SILVER	Fund to promote the Silver Industry
SWISS TESTING	Association of Swiss laboratories (STS 114)
TOCOM	Tokyo Commodities Exchange
UNGC	United Nations Global Compact





## Reporting practices



The Valcambi sustainability report 2018 provides an overview of our efforts to promote a more sustainable gold sector, and a more sustainable world, through our products, operations, people and partnerships. The reporting period is January to December 2018.

The report's content covers business, environmental and social issues that have a direct and significant impact on our company, our employees, communities and/or our strategic partners, as well as issues that our organisation has a unique opportunity to influence. We identified these issues through a materiality assessment we initially conducted in 2015, and that we have been reviewing on an annual basis since 2017.

Our operational and management teams provided content and data for this report.

There were no significant changes to the structure of the company or the supply chain during the reporting period.

This report has been prepared in accordance with the GRI Standards: Core option. No External Assurance has been conducted. Our reporting cycle is yearly and our latest sustainability report was issued in July 2017.

Valcambi is a signatory of the UN Global Compact. The contact point for questions regarding the report is Virginie Bahon, Valcambi Head of Corporate Affairs and Communications. E-mail: [Virginie.Bahon@Valcambi.com](mailto:Virginie.Bahon@Valcambi.com)



**UN Global Compact Index**

Principles	Global Compact Principles	Page
<b>Human</b>		
1	Businesses should support and respect the protection of internationally proclaimed human rights	28
2	Businesses should make sure they are not complicit in human right abuses	28
<b>Labor Standards</b>		
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	17, 28
4	Businesses should uphold the elimination of all forms of forced and compulsory labor	28
5	Businesses should uphold the effective abolition of child labor	28
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<b>Environment</b>		
7	Businesses should support a precautionary approach to environmental challenges	24 to 26
8	Businesses should undertake initiatives to promote greater environmental responsibility	32 to 37
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	24 and 32 to 37
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10	Businesses should work against corruption in all its form, including extortion and bribery	6, 23, 24

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.



## GRI Content Index

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General Disclosures			
GRI 102: General Disclosures 2016	102-1 Name of the organization	2	--
	102-2 Activities, brands, products and services	2, 3	--
	102-3 Location of headquarters	2	--
	102-4 Location of operations	2	--
	102-5 Ownership and legal form	2	--
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	102-44 Key topics and concerns raised	9, 14	--
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	102-46 Defining report content and topic Boundaries	9	--
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## Acronyms and abbreviations

Ag	Silver
Al	Aluminium
ASFCMP	Association Suisse des Fabricants & Commerçants de Métaux Précieux
ASM	Artisanal Small-Scale Mining
ARM	Alliance for Responsible Mining
CoC	Chain of Custody
CRAFT	The Code of Risk-mitigation for ASM engaging in Formal Trade
Cu	Copper
FTE	Full-time equivalent
GGP	Greenhouse Gas Protocol
GHG	Greenhouse Gas
GJ	Giga Jules
GRI	Global Reporting Initiative
H&S	Health & Safety
ICGLR	International Conference on the Great Lakes Region
ILO	International Labour Organization
IT	Information Technology
KPI	Key Performance Indicator
KYC	Know Your Client
KYP	Know Your Product
LBMA	London Bullion Market Association
LPPM	London Platinum and Palladium Market
LSM	Large-Scale Mines
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
OPIR	Ordinance on Protection against Major Accident
RJC	Responsible Jewellery Council
SBGA	Swiss Better Gold Association
SDG	UN sustainable development goals
tCO <sub>2</sub> eq.	tons of CO <sub>2</sub> equivalent











**Valcambi SA**

Via Passeggiata CH-6828 Balerna, Switzerland

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