

ARGOR-HERAEUS

Via Moree 14 Tel. 091 640 53 53 www.argor.com Switzerland
CH-6850 Mendrisio Fax 091 646 80 82 info@argor.com

Tracing gold along the value chain

In the fourth episode of the series L' OR on November 16th, 2017, RTS broadcasted a radio report ("Celui que l' on fond à la T' Chaux") on gold's traceability along the value chain. Among other things, the report states that it is often not possible to trace gold and that the gold processing industry cannot track where the gold to be processed comes from.

We object to the inaccurate and simplified argumentation presented by the broadcast. We would like to see a factual dialogue that can and should be critical - but in which essential facts are presented correctly and fairly. The generalized statement that the Swiss precious metals industry does not know the sources of raw materials is simply not true.

Currently, there exists a dense network of rules and regulations that effectively prevent raw materials, from dubious sources from being processed. Compliance with such regulations, regardless of whether they are legal regulations or voluntary standards, is a matter of course for reputable providers such as Argor-Heraeus.

As one of the world's leading precious metal processors, Argor-Heraeus occupies a central position in the gold value chain. We are an important link between suppliers and purchasers of precious metals and have a special responsibility in this role, which we take seriously.

Argor-Heraeus has set up a comprehensive and multi-stage compliance management and control system to ensure that raw materials are not illegal and do not originate from dubious sources and that the production process adheres to all ethical standards. Potential customers are subjected to an in-depth due diligence process. We examine and analyse current and previous activities with close attention to compliance to social and environmental standards as well as review values and analyse relationships with other market participants. In the chance of suspicious cases, we examine the customers of our potential customers. The control process does not end after an order has been accepted, but is continued as long as a business relationship continues. This system is consistently being evaluated and further developed.

When evaluating future business partners, Argor-Heraeus does not rely on just mere examinations of documents and industry intelligence or assurances from the partners, but in many cases, conduct personal site interviews and obtain a direct and immediate conclusion on site. In total, we spend more than 400 working days annually on our compliance activities in our company and cover over 200,000 kilometres of travel.

In addition, we have our quality management and compliance systems audited by independent experts through annual audits lasting several days. We are doing everything possible to ensure that our control mechanisms are at the best possible level.

We are more than willing to share our knowledge on precious metals and thus contribute to an educated and informed approach to the topic.