

For a less distorted view of the precious metals industry

More and more often, and specifically in recent weeks, the precious metals industry - Argor-Heraeus included – has been the target of numerous attacks by some non-governmental organizations (NGOs) in online and offline channels. These accusations often appeared partisan and not necessarily based on a genuine desire to describe things as they really are. Following a campaign strategy to intentionally create a negative view on the precious metals industry, the organizations in question target specific newsworthy topics but fail to provide complete and accurate information, thereby distorting the actual situation. Therefore, it is our duty to emphasise what is too often omitted, hoping to restore a minimum of objectivity needed for an unbiased discussion.

All of the companies in the Argor-Heraeus Group are subject to the national laws of the countries in which they operate. For Argor-Heraeus SA, this means not only the laws that regulate all Swiss companies, but also the Precious Metals Control Act (PMCA) and the Swiss Anti-Money Laundering Act (AMLA), under which it is subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA). Therefore, Swiss and international authorities have complete access to information on transactions conducted by our Group companies.

Along with these rules and regulations, supranational bodies – for example, the Organisation for Economic Co-operation and Development (OECD) – and professional associations – such as the Responsible Jewellery Council (RJC) and the London Bullion Market Association (LBMA) – have over the years issued a growing number of rules and standards aimed at ensuring the traceability of metals from mine to final consumer. In addition to having the highest certifications issued by these bodies, Argor-Heraeus works actively with them to define and continuously develop and implement up to date rules of action and even more stringent measures (see www.argor.com for more information). It is important to emphasise that these rules and standards are not just meaningless initials to be shown when necessary, but involve a complex series of checks and documentation for each and every transaction conducted, as well as numerous internal and external audits by private bodies and government authorities.

This control system leaves little leeway: e.g. in case of doubt about the origin of the metal, we waive potential transactions as a precautionary measure and, as an additional consequence, completely abandon business relations with any entity operating in countries whose political and social situation fails to guarantee full compliance with the rules. These are difficult moral decisions to make, because it is well known that many families have lived and worked in these circumstances for many years, and by doing so we prevent them from growing and deny them access to international markets.

In this regard, it is rarely noted that the precious metals industry has taken steps to regulate particularly sensitive operations, such as small and artisanal mines in developing countries. There are numerous development and support programmes that help these mines comply with standards for the traceability of materials and for work/environmental conditions needed for access to international markets. Among most important are the Better Gold Initiative (BGI), sustained by the Swiss Better Gold Association (of which we are a founding member), and notably the Fairmined and Fairtrade standards.

This large body of rules and initiatives (merely hinted at here) hardly corresponds to the picture of industry working outside a binding legislative and regulative basis that has been tried to create in recent months. Of course, it would be hypocritical to deny that some participants of an industry such as ours, in which processed and marketed goods have a very high intrinsic value, have always tried to conceal activities that disregard the laws and regulations described above.

This is precisely why Argor-Heraeus, for over 64 years, has cooperated with authorities, industry bodies, and NGOs to promote greater traceability and transparency along the entire production chain, so that unlawful acts causing potential harm to the reputation of our industry may be identified and persecuted.

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The necessary distinctions must be made in order to prevent malicious generalisations that completely distort the facts. This is the only way to have an objective and realistic view of how the industry works. Whoever pursues a genuine interest in understanding the rules and regulations which are already in force for the precious metals industry and wants to better understand their effectiveness as well as the challenges that the precious metals industry is faced with nowadays is invited to start a dialogue.