



PAMP.
Produits Artistiques Metaux Precieux

Sustainability Report
2012 / 2013

In this report we are pleased to present our activities in the area of social, environmental and economic responsibility for the financial year 2012-2013.

This period has been an eventful year for PAMP, producing significant results that we are proud to share with those who make our business possible. In fact, we are convinced that our growth is connected with an ability to meet or exceed their expectations fully.

PAMP wishes to make you aware of our commitment and to share our results with all concerned, not only to ensure the transparency of our actions, but also to encourage discussion and dialogue with our stakeholders.

We speak with employees, customers, suppliers, institutions, the public, industry associations, environmental organisations, non-governmental associations, the media, and competitors in order to respond within this document to any questions each may have.

We dedicate the first part of the report to people - our responsibility to those who work for us in any capacity, and to those who reside within the nearby community. We will then review our focus on the environment, which is a key element of our corporate culture that guides us in all that we do. Lastly, we will provide information on our company and operating results for the current year.

For us, responsible conduct means ensuring that those surrounding us, and who come into contact with our company, are satisfied and realise that PAMP is also working for them. This year we have achieved significant goals, which we are proud to share with you.

PAMP SA
Produits Artistiques Métaux Précieux

TABLE OF CONTENTS

1. Who We Are	3. Environmental Responsibility
1.1 Values	3.1 Resources Employed
1.2 History and Group	3.1.1 Energy
1.3 Business	3.1.2 Water
1.4 Recognition and Certifications	3.2 Waste and Emissions
	3.2.1 Waste
2. Social Responsibility	3.2.2 Water and Soil Discharges
2.1 The Precious Metals Value Chain	3.2.3 Atmospheric Emissions
2.2 Customers	
2.3 Suppliers	4. Economic Responsibility
2.4 Employees	4.1 Company Indicators
2.4.1 Work Environment	4.2 Contributions
2.4.2 Training	
2.4.3 Health and Work Safety	
2.5 Local Community	

HIGHLIGHTS

Responsible Gold Guidance



Responsible Gold Guidance

In 2012 PAMP significantly contributed to, and adopted, the guidelines of the London Bullion Market Association (LBMA), aimed at monitoring the entire production chain – principles known as ‘Responsible Gold Guidance.’ The regulations includes a number of procedures and controls: an internal management system, customary processes for identifying and assessing risks, involvement of an external auditor and periodic reports on companies’ actions in the area of due diligence.

Ordinary Member LBMA

At the end of 2012, PAMP was accepted as an Ordinary Member of the LBMA. Only five refineries worldwide have been awarded this prestigious status – a result and recognition of PAMP's long-term commitment to total compliance with all regulations within the gold industry.

VERISCAN: The Fingerprint of the Future

PAMP is pleased to present VERISCAN, an extraordinary innovation for authenticating precious metals products. This innovative technology makes it possible to verify unambiguously the authenticity of our products. Using the distinctive and unique surface characteristics of manufactured items, the system uses precise scanning technology to recognise unequivocally each individual piece produced by our company.



PPA Public - Private Alliance

The British Sovereign in India

Through its MMTC-PAMP joint venture, PAMP is now the exclusive partner of The Royal Mint of Great Britain to mint and distribute throughout India the world famous British Sovereign. This prestigious appointment marks the first time in more than a century that the highly coveted, gold sovereign, which depicts 'St. George Slaying the Dragon' by Benedetto Pistrucci, is available within the Indian sub-continent.

UNESCO

In November 2012 on the 40th anniversary of UNESCO's World Heritage Convention, the World Heritage International Coin Programme was launched with PAMP as the organisation's exclusive partner. This unprecedented initiative invites UNESCO Member States and their central banks and state mints to create their own coin and medallion programmes celebrating UNESCO's worldwide missions. In this venture, PAMP is not only producing coins and medals, but also is responsible for the general management of the project as well as the international distribution of the products.

PPA Public – Private Alliance for Responsible Mineral Trade

In October 2013, together with seven other high-tech companies including Apple, Panasonic and Boeing, PAMP joined the PPA initiative (Public-Private Alliance) for the responsible trading of minerals from the Great Lakes region.



WHO WE ARE

PAMP is a leading global company in the processing of precious metals, particularly gold, silver, platinum and palladium.

Founded in 1977 in the Ticino Canton, PAMP is part of the MKS PAMP Group with offices in twelve countries and on five continents. We are suppliers to international customers involved in various sectors, offering products and services in all areas of the precious metals chain from production to sales and financial services.

We are committed to ensuring excellence in all we do, including the use of innovative technologies and procedures, the reliability of our products and services as well as the sustainability of our operations industry wide. One of our primary goals is to serve as a benchmark of quality excellence for the entire precious metals industry worldwide.

1.1 VALUES

Everyday PAMP undertakes to do its best to satisfy our stakeholders' needs throughout the entire precious metals production chain. The achievement of that important goal requires compliance with four principles upon which we have founded our company, and which now represent our key values.

Excellence

Providing excellent products and services has always been the driving force of our operations. That is reflected in our constant focus on detail in all our activities, from processing precious metals to creating finished products, thereby ensuring that we offer the best solutions to our customers.

Trust and Reliability

We want all our stakeholders to realise that they are working with a partner they can trust not only from the standpoint of product and service quality, but also via our commitment to ethical and transparent management and operations.

Respect for the Surrounding Area

We feel that respect for the environment and our host community is essential for our development and growth. Thus, for years we have taken steps to ensure that our operations have no adverse effect on the surrounding area and lives of the people living in Castel San Pietro and neighbouring communities, and to be an agreeable neighbour by sharing our successes with our host community and contributing, wherever possible, to local projects.

Innovation

PAMP strongly believes that innovation is an essential element for achieving the highest degree of quality and customisation of our solutions, allowing us to meet our customers' needs in the best way possible. Thus, we constantly dedicate our resources to the development of new technologies and the improvement of all our processes.

The four principles of our corporate culture

1.2 HISTORY AND GROUP

PAMP was founded in 1977 in Chiasso. In 1981 the company reached a turning point when it was bought by the MKS PAMP Group. In 1984 we moved to the current facility in Castel San Pietro.

As a part of the MKS PAMP Group, we expanded our area of operations to become the sole refinery in Switzerland providing a comprehensive range of services, including products related to precious metals trading.

Our customers include prestigious entities worldwide, such as mines, central and commercial banks, state mints, and industries within a number of sectors.

In our thirty-six years of operations, we have grown internationally and are recognized by all major commodity exchanges and various trade associations. This has allowed us to become one of the major operators in the global precious metal industry.

Over the last ten years we have further enhanced our activities in the area of sustainable growth and also obtained essential certifications in that area, signifying our commitment to the environment, the community and to all our stakeholders.

In 2008, with the support of PAMP's expertise and know-how, MKS PAMP Group, which already had a presence in India, established MMTC-PAMP India, a joint venture created together with the Indian group Metals and Minerals Trading Corporation India (MMTC), a government entity and the largest trading company in India and the country's leading precious metals importer.

MMTC-PAMP currently employs over 250 people with an annual refining capacity exceeding 100 metric tons for gold and 600 for silver, and it recently obtained "Good Delivery" accreditation from the London Bullion Market Association (LBMA) for the production of silver.

For over fifty years the MKS PAMP Group has made its expertise and services available to banks, financial institutions, fund managers and financial service providers:

- Precious metal quotes 24 hours a day
- Physical trading of precious metals
- Unallocated trading
- Location and purity swaps
- Web-based trading application (WTA)
- Web-based reporting
- Daily market reports.

36 years of integration, tradition and internationalisation

1.3 BUSINESS

With a long history of processing precious metals, we now have a broad and diversified product line for our customers, and we place a strong emphasis on quality and innovation by responding to market needs.

Refining

We operate a state of the art refining operation, which consist of separating and purifying precious metals from other metals and materials. We have an annual refining capacity in excess of 450-tons for gold, 600-tons for silver and 30-tons for platinum group metals.

Analysis and Sampling

Through our assay laboratory, we conduct chemical analyses that determine the purity of precious metals produced or of materials received to be refined. The laboratory is an independent entity supervised by the Swiss Central Office for the Control of Precious Metals and it meets the general requirements of the International Organisation of Standardisation (ISO 17025 accreditation). The laboratory also performs significant internal analyses of issues related to health and work safety, such as air quality checks, and environmental responsibility, such as tests on the content of water discharged from the facility.

Cast Bars and Ingots

We produce cast gold, silver, platinum and palladium bars and ingots whose dimensions and purity are governed by specific requirements of regional markets. They are subjected to rigorous checks and internal controls before being stamped and marketed.

Minted Ingots

We are world leaders in minted gold, silver, platinum and palladium ingots with weights varying from 0,3 grams to 1-kilogram. Thanks to official assay signatures and CertiPAMP packaging, all our products are guaranteed in terms of quality, weight and precious metal content.

Products with Traceable Origin

We have introduced specific procedures to provide products with traceable origin. These procedures include 'segregated' processing and equipment that ensures full traceability of the incoming material used through to delivery of the finished product to the customer. This service allows us to respond to special customer requests and to meet specific requirements concerning export procedures to certain countries that require product traceability that guarantee the 'Swiss preferential origin' of the product.

*Excellent products and
comprehensive service*

Gifts and Collector Items

We produce a comprehensive and innovative range of gift and collector items made of gold, silver, platinum and palladium.

Coins and Medals

Responding to our customers' needs, we are able to manage all production phases for minting coins and medals, from concept to design and from packaging to distribution through our global sales network. That expertise has allowed us to become UNESCO's exclusive partner for the production of coins and medals, and to manage the World Heritage Coin Program launched by UNESCO for its 40th anniversary. This programme involves member states, which, together with their mints and central banks, are create commemorative coins and medals celebrating the world's cultural heritage. As a part of this initiative we have already marketed:

- Euro depicting the Amsterdam Canal Ring Area in collaboration with the Royal Dutch Mint
- A series of coins commemorating the 850th anniversary of Notre Dame cathedral in Paris, in collaboration with Monnaie de Paris
- The Rietved Schröder House Euro, also in tandem with the Royal Dutch Mint
- The dollar signifying the occasion of the 40th anniversary of the Sydney Opera House in partnership with the Royal Australian Mint.

Semi-Finished Goods for Industry

PAMP creates products and components that are used in production processes for various sectors. We service the gold jewellery industry by producing a comprehensive range of gold, silver and platinum group metals alloys. PAMP also provides components for the chemical, electronics, pharmaceutical, automotive, and other industries that request pure precious metals, or salts and solutions containing precious metals.

Storage

PAMP offers precious metal storage services in Switzerland, the United States and India.

Retail Solutions

We provide a turnkey service, i.e., a complete platform for retail sales that allows our partners to sell a full range of products through branch offices and/or online distributors using available infrastructure without taking on risks or having any specific knowledge of our sector.

1.4 RECOGNITION AND CERTIFICATIONS

We have consistently been on a quest for quality excellence and setting benchmarks for responsible practices, and have been privileged to receive one of the most comprehensive collection of accreditations and recognitions in our industry.

London Bullion Market Association (LBMA) Ordinary Member, Commodity Exchange

At the end of 2012 we were made an Ordinary Member of the LBMA, a trade association representing the gold and silver wholesale market, thereby becoming a part of a group of only five refineries that have been awarded this prestigious association status.

We are also an associate member of the London Platinum and Palladium Market (LPPM) and the Tokyo Stock Exchange (TOCOM), and a non-clearing member of the The New York Commodity Exchange (COMEX) and the Chicago Mercantile Exchange (CME).

Good Delivery

"Good Delivery" is the quality standard that confirms compliance with a number of criteria and requirements relating to the production of gold, silver, platinum and palladium bars to ensure that these bars are recognised and accepted in various markets.

Our products are recognised as "Good Delivery" by:

- London Bullion Market Association (LBMA)
- Swiss National Bank (SNB)
- Tokyo Stock Exchange (TOCOM)
- New York Commodity Exchange (COMEX)
- London Platinum and Palladium Market (LPPM)
- Dubai Gold & Commodities Exchange (DGCX)
- Chicago Mercantile Exchange (CME).

Good Delivery Referee

Our assay laboratory is one of only three worldwide to be recognised by both the LBMA and LPPM as a "Good Delivery Referee" for the process of awarding the designation of "Good Delivery."

As a Referee, we are engaged in analysing bars presented by candidates for "Good Delivery" on behalf of both the LBMA and LPPM, and we provide the latter with a technical table with the relevant assessments.

Accomplishments and testimonials of our commitment

Federal Financial Market Supervisory Authority (FINMA)

In terms of compliance with the money laundering law (LRD), we are supervised by FINMA, which focuses on anti-money laundering laws, the commitment to fight terrorism financing and periodic related monitoring activities.

We are particularly proud of being the first refinery in Switzerland to concurrently hold certifications in the areas of quality, the environment, employee health and safety, and the competence of testing and calibration laboratories. In specific terms, we again obtained and successfully confirmed the following certifications for financial year 2012-2013:

Quality (ISO 9001: 2008)

This standard establishes requirements for the voluntary implementation of a quality management system that focuses all internal departments and processes on satisfying and obtaining the loyalty of internal and external customers.

Environment (ISO 14001: 2004)

This certification acknowledges compliance with recognised international standards on protecting the environment. It does not set requirements but establishes a reference framework that the company can follow on a voluntary basis to implement an efficient environmental impact management system.

Employee Health and Safety (OHSAS 18001:2007)

This certification reflects the voluntary application of a system making it possible to ensure adequate controls of employee health and safety in addition, of course, to compliance with current laws.

Competence of Testing and Calibration Laboratories (ISO/IEC 17025:2005)

This accreditation authorises the laboratory to issue certificates on the basis of specific analytical methods that it is able to perform as a result of complying with general requirements that determine the competence of calibration and testing laboratories.

Responsible Jewellery Council (RJC) Certification

The voluntary RJC certification was obtained in 2011 and issued by the association that includes over 300 certified companies active in the precious metal sector. It is aimed at providing responsible practices along the entire precious metal and diamond supply chain and, in particular, establishes standards regarding business ethics, human rights and social and environmental performance.

We are constantly striving to obtain other certifications that we consider particularly significant for our sector and, in particular, we are diligently working in the area of corporate social responsibility.



SOCIAL RESPONSIBILITY

"In my 17 years of working in the coin and medallion minting division, I have been able to update my skills to keep pace with changing processes and equipment. It is always stimulating to learn and use a new work method, and for me it is important to be able to update my expertise and improve my professional skills."

Rossana Salich, Medals and Coins

"I have been working in the PAMP foundry division since 1997, and I have seen with my own eyes how the company constantly strives to make our daily work easier. For example, it has invested in new equipment that has led to greater process automation, and introduced additional safety measures for our protection."

Tonino Coglianese, Foundry

PAMP's social responsibility is aimed at various types of stakeholders, that cover the entire production chain and not just our operations. PAMP is proactively involved with various international organizations to ensure a sustainable value chain, and is dedicated to apply rigorous procedures, including those related to suppliers and customers whom we request to comply with meticulous ethical and environmental standards.

With regard to our internal stakeholders, i.e., our employees, our priorities are work satisfaction, health and safety. During the last financial year PAMP made significant progress in terms of internal communications by introducing new tools and opportunities

for meetings and training, with a substantial increase in total hours dedicated to these tasks in order to make the PAMP work environment stimulating and satisfying. In the area of health and safety, we consistently take a proactive role in facilitating the performance of daily activities for our employees and promoting a culture of safety.

Lastly, we support our local community through extensive sponsorship of activities, and by backing special projects for the entire community wherever possible. PAMP is always attentive to the needs of our neighbours with whom we endeavour to maintain a relationship based on trust and collaboration.

2.1 THE PRECIOUS METAL VALUE CHAIN

It is our priority to ensure a sustainable production chain. To do so, we work together with major international organisations to establish rules shared by different operators in the precious metals sector, as well as making regular checks throughout the entire production value chain. In fact, it is only through compliance with strict procedures that we are able to ensure that we are working within an ethical and sustainable production chain.

Determination of Standards and Implementation Initiatives

It is especially important to prevent ethical and environmental problems that could occur in the precious metals production chain. As an essential part of the MKS PAMP Group, PAMP plays a major role in the industry to formulate and implement practices that ensure integrity of the precious metals production chain. Thus, PAMP is proactively involved with various international organizations to ensure a sustainable value chain and has actively taken an active role in the preparation of the following regulations:

- Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas – Gold Supplement published in May 2011; LBMA Responsible Gold Guidance pubblicata nel 2011
- LBMA Responsible Gold Guidance published in 2011
- World Gold Council (WGC) Conflict-Free Gold Standard published in 2012
- RJC Chain-of-Custody Standard published in March 2012.

PAMP is also working on implementing a number of programmes aimed at establishing shared rules as well as making available tools and procedures that help to ensure the development of responsible value chains:

- OECD Guidance: PAMP is an active member of the Multi-Stakeholder Steering Group for the implementation of OECD Due Diligence Guidance created in May 2013
- LBMA: We maintain a leading role in the development of the Responsible Gold Guidance and best practices for its implementation

A firm commitment for a sustainable production chain

-
- Swiss Better Gold Association (SBGA): PAMP played an essential part in founding this association in April 2013, and we actively support its goal of introducing better work conditions and more sustainable environmental practices at small and medium-size artisanal mining cooperatives (Artisanal Small and Medium-Scale Miners - ASMM).

From 2012 our commitment was specifically reflected in the implementation of the LBMA Responsible Gold Guidance, a set of procedures and controls that further complements our due diligence activities involving our production chain. The process of implementing these guidelines requires:

- An internal due diligence management system
- A regular process of identifying and assessing risks within the supply chain
- Implementation of a management strategy to address risks identified
- Identification of an external auditor to check due diligence of the supply chain
- Independently audited annual reports describing the company's actions with respect to due diligence.

Group Policies and Compliance with Regulations

The MKS PAMP Group has implemented internal regulations that commit all Group companies to an ethical production chain. The Responsible Precious Metals Group Policy provides for a complex management system that incorporates a rigorous assessment of risks before entering into new commercial relations, as well as consistent monitoring of on going operations.

In addition to the main international accreditations, the prestigious status as Ordinary Member, received from the LBMA, further demonstrates PAMP's ongoing, long-term commitment to remain in full compliance with ethical regulations and guidelines required by the gold industry worldwide.

We were the first Swiss refinery to pass the LBMA's Responsible Gold Audit as reflected by the PAMP Independent Reasonable Assurance Report of 2012 and the PAMP LBMA Compliance Report of 2012. Over the years, we have diligently worked to maintain these prestigious recognitions that clearly demonstrate our commitment to the area of social responsibility.

2.2 CUSTOMERS

Gain a thorough knowledge of our customers so we work only with responsible partners

PAMP applies the concepts of quality and excellence not only to our production and services, but also to the selection of our partners. Our goal is to gain a thorough knowledge of our customers in terms of both their needs and the principles and standards that they apply in their day-to-day activities.

Our customer base consists of two primary categories: customers who purchase our finished products, and numerous entities that only make use of our other services. That means that it is the customer who supplies us with the raw materials that are to be processed.

Knowing our customers means not only listening to their needs and expectations with respect to products and services, but also ensuring that they comply with specific fundamental ethical parameters. That is the philosophy underlying the 'Know Your Customer' procedure that gives us confidence we are working with transparent and trustworthy partners.

In that way our social responsibility is translated into thorough selection processes and regular, meticulous controls that ensure that our partners are in turn socially

responsible. In particular, that means verifying:

- The origin of funds
- The origin of raw materials
- Compliance with human rights
- Labour standards adopted
- Observance of appropriate work and ethics conditions
- Focus on the environmental impact of extraction and production operations.

As a company, PAMP applies strict procedures from the moment we engage with a new customer, which must meet specific suitability requirements for the collaboration to begin.

Internal relationship managers handle existing relationships and constantly monitor them to be certain that they comply with ethical and socially responsible principles.

In addition to our internal procedures, PAMP is audited by independent auditors and is supervised by FINMA, the body that regulates financial transactions throughout Switzerland, for its compliance with the anti-money laundering legislation in Switzerland.

*"Know Your Customer":
painstaking selection processes
and regular controls*

2.3 SUPPLIERS

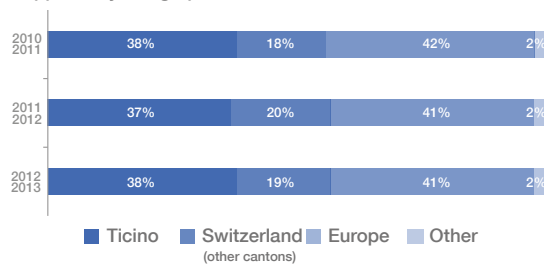
Contribute to the development of the local economic structure and develop a streamlined supply network with low environmental impact

Our customers supply raw, precious metals-bearing materials directly to us so, when we talk about suppliers, we are referring to the acquisition of consumables, plant assets, machinery and services.

When selecting a supplier, our decision is based not only on technical, economic and organisational expertise, but also on other factors tied mainly to social and environmental responsibility. We primarily attempt to contribute to the local economic structure, since we realise the importance of mutual support to make our economy stronger. Secondly, but no less important, is our commitment to ensure our supply network has the lowest environmental impact possible. In that sense, we consider the impact of the movement of merchandise and people, and we favour a highly streamlined supply management. Finally, we assess our suppliers' compliance with environmental, ethical and safety regulations.

As seen in the graph below, to date about 40% of our suppliers are based in Ticino and, overall, 60% are in Switzerland. For the reasons above, we try to give preference to local entities since geographic proximity allows us to increase the sustainability of our operations.

Suppliers by Geographic Area



Sustainability in supplier selection as well

2.4 EMPLOYEES

2.4.1 Work Environment

Retain our personnel for as many years as possible

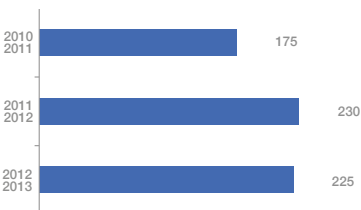
Having low staff turnover means that PAMP is doing a good job of managing human resources and ensuring the satisfaction of our employees. We do our best to ensure that employees are satisfied with their work environment, see potential for personal and professional growth, and that they are motivated to stay with the company for a long time.

PAMP now employs 225 individuals. In recent years the number of employees grew rapidly to keep pace with the surge in market demand. However, in the last financial year, a period of labour force containment began that was tied to a change in demand and an increasing emphasis on efficiency imposed upon us by market conditions.

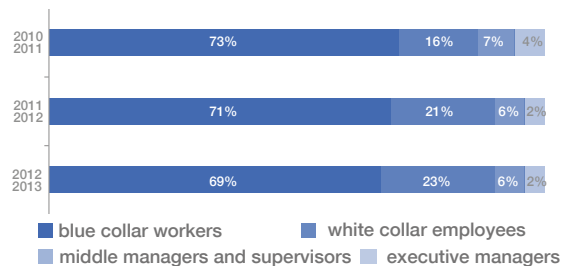
Our entire workforce is hired under open-ended contracts. PAMP prefers that type of contract instead of temporary contracts so as to promote the employee's development and his/her personal security.

For financial year 2012-2013 the trend of a decrease in the percentage of the workforce in the factory worker category (from 71% to 69%) and an increase in specialised staff continued. That category, which includes both office workers and technicians, now makes up 23% of total employees (21% in financial year 2011-2012), while the percentages of middle managers and senior managers remained stable at 6% and 2% respectively.

Number of employees



Personnel by Professional Category



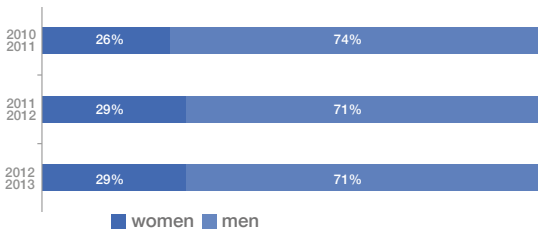
We take pride in a calm and collaborative work environment

For obvious 'physical' requirements that are a part of our production activities, men constitute the majority of employees at our company, with just over 70% of staff (unchanged from the previous year). However, our policy promotes equal opportunities among men and women, and we attempt to favour the hiring of female employees whenever opportunities arise.

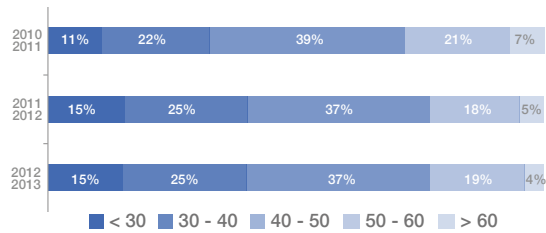
At the same time, we encourage new recruits to join PAMP, and we have been quite successful at becoming a 'young' company: nearly 80% of our workforce is less than 50-years old.

We are very pleased with the low turnover of our staff at the company, and are pleased to note that the loyalty of our employees is constantly growing. In fact, despite the addition of new employees over the last two years, over a half of our human capital has been with us for at least three years. And employees that have worked for PAMP for at least five years represent 44% of the total.

Personnel by Gender



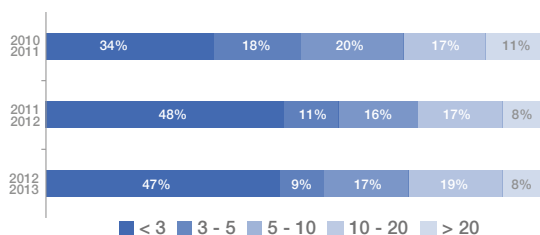
Personnel by Age



Our HR management is based on the principle that employee motivation and enhancement are key factors for our success. As a result, we try to facilitate an open dialogue in order to build a strong, trusting relationship based on mutual respect. We believe everyone's opinion is important, and we endeavour to encourage people to share their munications aimed at maximising transparency and communication:

- Suggestion form and box for suggestions, recommendations or complaints on any topic. The form, which is placed in a special box, gives employees the option of remaining anonymous to protect their privacy, or to provide their name if they desire
- Idea registry that is available in two copies (production and administration) through which it is possible to provide ideas, suggestions and proposals for improvements that are assessed and given a written reply. All employees may browse and make entries in the registry, where it is also possible to read responses to proposals previously assessed
- Monthly meetings with workers' representatives, which previously were held twice a year, with greater frequency in financial year 2012-2013 - now held monthly
- Bulletin display, which is located at the company's entrance to provide various types of notices and communications. For example, the issues discussed at meetings with workers' representatives are shared.

Personnel by Seniority of Employment



In addition, having determined that most of our employees come to work in their private cars, PAMP has begun to investigate incentives for car-pooling. After an initial period of analysing data concerning origins, distances from the workplace and average expense for various routes, PAMP intends to promote the advantages of car pooling in terms of lower environmental impact, reduction of fatigue and stress, and last but not least, the savings that the adoption of this system could generate for each worker. We want to make it easy for our employees to identify commuting buddies, and we are looking for the most suitable ways to meet their needs.

In financial year 2012-2013, PAMP also held celebrations for the 35th anniversary its founding. The occasion was held on a sunny day in September with all employees and their families, who enjoyed lunch together and attended a special performance of the Nock Circus. Games and other activities specific to children were also arranged. For all concerned, it was a sociable, joyous day to thank our employees and share with them the satisfaction of reaching this milestone.

2.4.2 Training

Give our employees increasing opportunities to develop technical and professional skills

To motivate our employees, we feel it is important that each sees a career path within the company, and thus, we design a personal training plan for them, the results of which are shared annually. That plan may include training that is closely related to the type of work or duty performed, which is supervised by area heads, or more specialised training aimed at obtaining skills for a specific activity.

Training courses cover the following subjects: valori etici e filosofia aziendale:

- Ethical values and corporate philosophy
- Languages
- IT tools
- Technical and professional issues
- Safety
- Development of operational and management capabilities.

Over the last two years, the number of training hours has grown substantially (it quadrupled in comparison to financial year 2010-2011), and that is generally the case for all categories of employees, including administrative staff and management. In the last year alone, our employees completed 944 more hours of training than in the past, distributed proportionally between internal

and external training. In fact, our employees carry out a part of the training internally while the rest is outsourced to specialised entities.

Hours of Internal and External Training



Professional growth opportunities to provide incentives and motivation

2.4.3 Health and Work Safety

Reduce the number of accidents within our company to a minimum

The health and safety of our employees is of utmost priority for us, and is the reason that we have established strict safety procedures and dedicated an internal team to monitor potential hazards and risk situations. We invest a great deal into ongoing training with regular refresher courses on safety.

Specifically, during the last year we appointed four employees as ‘work safety contacts,’ each with skills related to their functional areas. These individuals collaborate with the head of Integrated System Management and have a goal of creating awareness of, and promoting, the company's safety culture. They are also engaged in gathering ideas and recommendations concerning any critical areas and providing support to colleagues to constantly improve protective measures. In addition, three employees are attending the training programme of the social insurance SUVA for specialised professional training in the area of work safety, at the end of which they will be given the title of Safety Engineer.

Another step to establish higher health and work safety standards was taken by giving staff working in company areas affected by noise pollution personalised ergonomic acoustic protection that uses special technology that moulds to the form of the internal ear. These individual protection devices make it possible to easily and safely work in environments where noise pollution is inevitable, without compromising the sense of hearing since they are able to filter out hazardous frequencies while retaining the ability to speak (the human voice is not filtered significantly) or to hear important acoustic signals such as sirens or alarms.

In order to maintain constant control over our company's safety situation, we regularly monitor two accident indicators recognised at the international level: The frequency index and the severity index. For a company with relatively low staff levels, these indicators change very quickly, even with a single accident.

Priority given to the health and safety of our employees

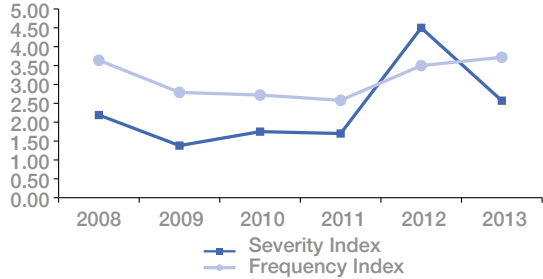
Frequency Index (IF): The number of accidents per 100,000 hours worked (No. of accidents x 100,000/hours worked).

Severity Index (IG): The number of hours lost due to work-related accidents per thousand hours worked (lost hours x 1,000/hours worked).

On the other hand, the frequency index rose slightly from 3.5 to 3.72. However, the accidents that occurred were minor, and fortunately required only very brief recovery periods.

In financial year 2012-2013 with some 376,055 hours worked, we reported a severity index at usual levels. In fact, that measure dropped to 2.57 from 4.5 last year.

Injury Indices



2.5 LOCAL COMMUNITY

Continually increase the dialogue and collaboration with the community, authorities and associations

It is very important for PAMP to be an integral part of the local community and to contribute to the common good. As far as possible, we want to encourage transparency, discussion and collaboration with municipal administrations, associations and local organisations, and with the authorities charged with protecting the environment and local area in order to discuss environmental measures PAMP is implementing and to address any local concerns.

In the financial year 2012-2013 we contributed to funding the expansion of the Castel San Pietro water system. In order to ensure a constant supply of potable water to the populace and local companies, even in the event of a severe drought, PAMP worked with local municipal administrations and provided economic support for the project. Thus, in 2013 the connection to the water main was completed through a booster station located in the municipal water supply service's holding tank.

As a company we have always been committed to limiting water usage (Chapter 3.1.2 Environmental Responsibility - Resources Employed - Water) taking water mainly from

an internal well and using the local network as little as possible. However, during periods of severe drought water supply from the well decreased, and at the same time it was difficult to take water from the municipal water main. Therefore, the extension of the water system has resolved these problems while generating benefits for the entire community.

This year, as for several years in the past, we have again sponsored the local sports association and assisted a school that is involved in working with disabled youth in their education and organising an English language class.

We hope to continue our collaboration with these institutions for even greater results and productivity. PAMP is proud to assist important local institutions and wherever possible participate in addressing problems that may be resolved due, in part, to our assistance.

It means a lot to us to be a welcome guest in the community



©2011 Google - ©2013 DigitalGlobe, Geo Eye

ENVIRONMENTAL RESPONSIBILITY

"We appreciate the way PAMP manages the impact on the local area and community of Castel San Pietro, in particular, and the transparent and serious approach they take to issues that mean a lot to us. I feel it is important that the company took a proactive stance and was first to talk about issues that are sensitive for the populace, and it opened a channel for discussion that allows us to build together and plan for the community. We established a line for rapid communications that allows us easily to get answers from the company, which, on the one hand, answers people's questions honestly, and on the other hand, upholds its commitments and does exactly what it promised."

Lorenzo Bassi, Mayor, Castel San Pietro

PAMP places great emphasis on the environment by adhering to all regulations and by introducing practices and systems that allow us to do even better in protecting our ecosystem.

We are diligently seeking optimal solutions to minimise the use of resources, especially if shared with the community, and to limit waste and air and water emissions.

Our production activities require rather high levels of energy and water. Since those are our primary resources, we have established a particularly vigilant management system.

On the other hand, we attempt to dispose of as much waste as possible from our operations using sorted collection procedures adopted by the entire PAMP staff. With regard to water and air emissions, our laboratory constantly analyses and controls the quality of these emissions.

An internal team dedicated to environmental management, supervises compliance with rules and procedures, and also develops various programmes and projects aimed at focusing investments in possible improvements or instruments needed to protect the environment.

3.1 RESOURCES EMPLOYED

3.1.1 Energy

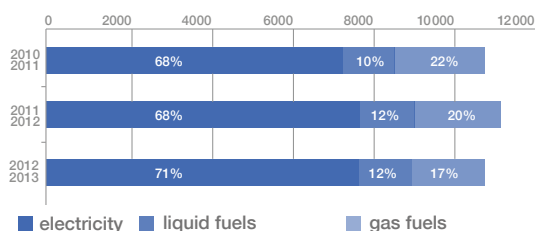
Make consumption as efficient as possible by optimising incoming power

We place a considerable emphasis on optimising the use of electricity, which is our main source of energy. Electricity constitutes a little more than 70% of our overall energy supply, and most energy is used to operate equipment for precious metals processing during various production phases. The remaining 30% of supply is related to liquid and gaseous fuels used mainly to heat our facilities and to provide heat for specific chemical processes.

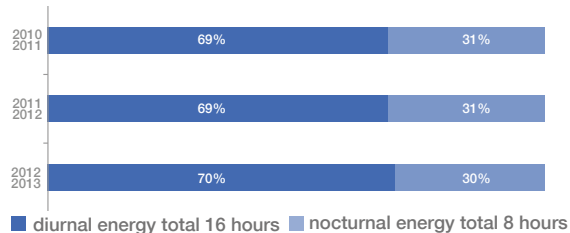
In the financial year 2012-2013, our overall energy consumption dropped compared to the previous period (2011-2012) – roughly to the level in financial year 2010-2011, thus levelling off at a supply level of about 10,700 MWh.

We have made significant investments in and carefully manage the steady use of energy during the day so that our demand for electricity is evenly spread over 24-hours. As shown in the graph, the hourly percentage of use is nearly uniform during the day and night (4.4% during the day and 3.8% at night). In fact, it is possible to break down power usage between the daytime (i.e., from 6:00 AM to 10:00 PM - a total of 16 hours) when 70% of total energy is used, and nighttime (from 10:00 PM to 6:00 AM - a total of 8 hours, or half) when the remaining 30% is used. That means we are able to avoid peaks in demand during the periods when energy demand is highest, including demand from other companies. Instead we are able to use excess nighttime energy production, which would otherwise be lost since it cannot be stored.

Energy Supply Sources (MWh/year)



Daily Distribution of Electricity Consumption (MWh/year) Consumption (MWh/year)



Constant focus on the use of energy resources

3.1.2 Water

Become more self-sufficient in the use of water to decrease our reliance on the municipal water supply as much as possible

Last year PAMP made significant investments in an attempt to be as self-sufficient as possible in water usage, and we intend to make further improvements through the careful management of water resources.

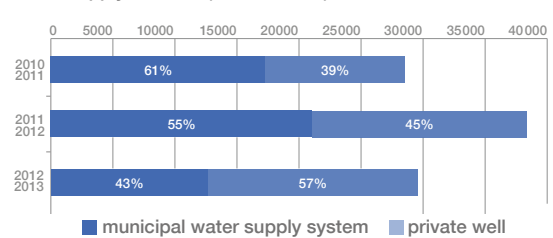
Water is essential to our company, and especially for the following processes:

- Chemical and electrolytic refining
- Washing finished products
- Cooling equipment
- Ordinary service functions.

Due to the introduction of a reverse osmosis filtration system, we are able to use more water sourced through an underground well and to purify it in order to use it later for various purposes. That has not only allowed us to reduce overall water consumption by about 23% from last year, but also to substantially increase the percentage of water taken directly from the well. As shown in the graph, the percentage of water sourced in this way increased from 45% to 57%. In other words, of approximately 29,550 cubic meters of water used during the year, 12,600 come from the water main and some 16,950 from the private groundwater collection well. As indicated below in Section 3.2.2 Water and

Soil Discharges, it is important to note that of the approximately 17,000 cubic meters taken from the well, about 14,000 are subsequently reintroduced, with no pollution or alteration, back into the stream into which they would have flown in any case via the underground layer.

Water Supply Sources (cubic meters)



Investments aimed at achieving water self-sufficiency

3.2 WASTE AND EMISSIONS

3.2.1 Waste

Recycle the greatest percentage possible of the waste we produce

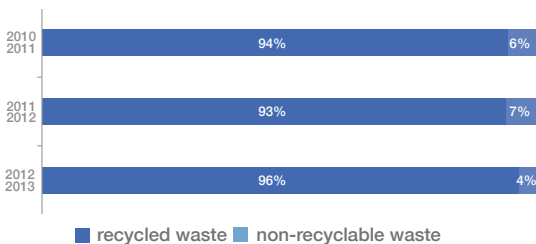
A significant quantity and variety of waste comes from both production activities and from providing services. PAMP divides waste produced into two categories: ordinary waste and hazardous waste.

Ordinary waste consists of:

- Packaging materials (wood, cardboard and plastic)
- Equipment components (metal and plastic)
- Ordinary refuse (paper and glass)
- Urban waste.

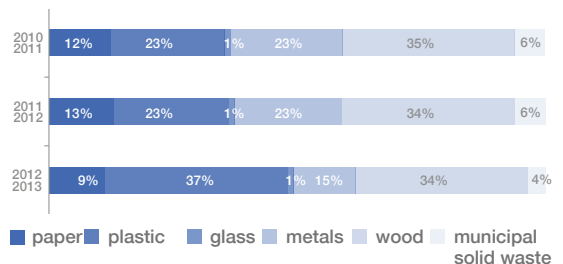
Our goal is to recycle most of that waste, and so we work in close collaboration with authorised waste management companies. We are very pleased that we are currently able to recycle 96% of waste produced. Furthermore, we are constantly looking for better solutions to minimise urban waste that cannot be separated.

Recycling of Ordinary Waste



As shown in the graph below, most ordinary waste produced consists of wood (35%) and, especially in financial year 2012-2013, plastic (37%). During this period there existed greater waste than in previous periods since numerous major projects were carried out to upgrade and restructure the plant's interior. First of all, a new production line was introduced for silver, while the dining facility was expanded, and a new elevator was installed for both cargo and people; and lastly, projects of various types were completed to make the space more functional. All those measures produced several tons of wood and plastic that were added to the ordinary waste generated by our normal activities.

Composition of Ordinary Waste



Optimal environmental protection through strict waste management

The second category of waste – hazardous waste – includes the following:

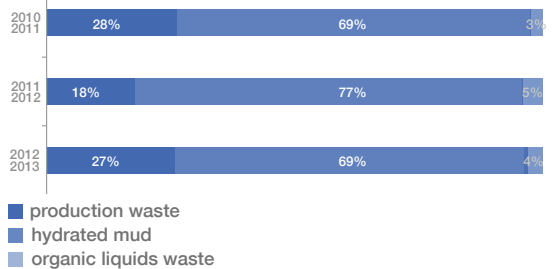
- Production slag and residues
- Hydrated sludge
- Depleted organic liquids.

Each is a by-product of various processes that are defined as ‘hazardous’ since they have special chemical and physical properties, such as containing non-precious metals like copper, and as well as other impurities. This waste is stored in dedicated areas and later

removed by companies that specialise in their recovery and recycling. All of these materials are processed and, in particular, casting slag is transformed into inert material. Extremely pure electrolytic copper is recovered and recycled, and depleted organic liquids are regenerated and reused.

The composition of all types of hazardous waste depends on the quantity of the various materials processed and logistical considerations.

Composition of Hazardous Waste



3.2.2 Water and Soil Discharges

Purify the greatest possible percentage of water released into the natural receptor, i.e., the neighbouring stream

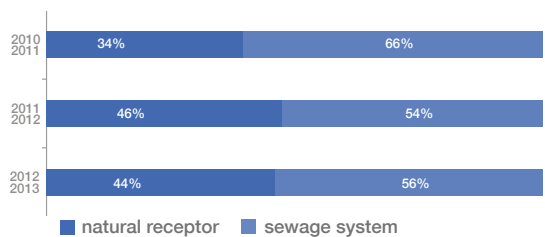
The reverse osmosis system requires higher volumes of waste discharged to the outside, which, for the most part, involves the neighbouring stream. PAMP's aim is to route as much water as possible to the stream, to avoid overloading the municipal sewage system even though the Environmental and Planning Department has authorised us to introduce liquids into the cooperative water distribution system.

We extract about 17,000 cubic meters of water underground via our groundwater collection well, and we are able to re-introduce nearly all of it (14,000 cubic meters) into the stream without the water being altered or polluted by any process. In fact, we use this water mainly to cool equipment, so it is never in contact with contaminating agents. However, before it is released into the stream, it is carefully monitored, even for temperature.

For us it is very important to avoid overloading the municipal sewage system and to ensure that the content of the water we discharge to the outside complies with parameters set by law. To do so, we subject it to thorough tests and analyses to ensure that it is not harmful in any way.

Last year we also obtained a new automated control system for final discharges to the purifier. The system manages all data related to the quantity and pH of water contained in tanks, and automatically optimises final discharges. On the one hand, that makes it possible to ensure constant compliance with limits, and on the other, to lower the purifier's workload. In addition, the water that comes into direct contact with equipment, metals and chemical substances used for different processes is specially treated, making it possible to recover materials dissolved within it (primarily salts). This water, which represents about 56% of total water discharged, is routed to the sewage network to be treated in the cooperative purifier that eliminates residual substances.

Destination of Water Discharges



Thorough monitoring of the conformity of each drop of water released

In order to prevent any hazardous soil discharges, we have a system for storing materials and contaminants. Last year we also installed new containment tanks to avoid polluting the work environment in case of an accident, especially in those shops where tanks of hazardous substances are kept.

In the event of a leak or accident, we are able quickly to ensure a complete recovery, whether the leak occurs within our facility or outside it. Our Safety Office manager is specially trained to supervise all operations involving the potential pollution risk of chemical substances, which ensures optimal management and compliance with current regulations.

3.2.3 Atmospheric Emissions

Continue to reduce our emissions of nitrous oxides even when well within limits set by law

Precious metal refining processes inevitably lead to the emission of certain gaseous substances into the atmosphere, mainly consisting of nitrous oxides (NO_x and nitrogen monoxide and dioxide). Thus, PAMP is always careful and diligent in limiting as much as possible our operations that affect the air we all breathe.

We have installed various types of equipment to mitigate and monitor the levels of our atmospheric emissions:

- Automated continuous metering systems
- Sophisticated washing systems
- Vapour input units.

In specific terms, last year we made significant investments in this area, primarily by creating a new 'plenum chamber,' which combines various flows coming from refining shops in order to improve the monitoring and management of emissions to the external environment in accordance with legal parameters, and with the aim of continually improving the quality of air discharged.

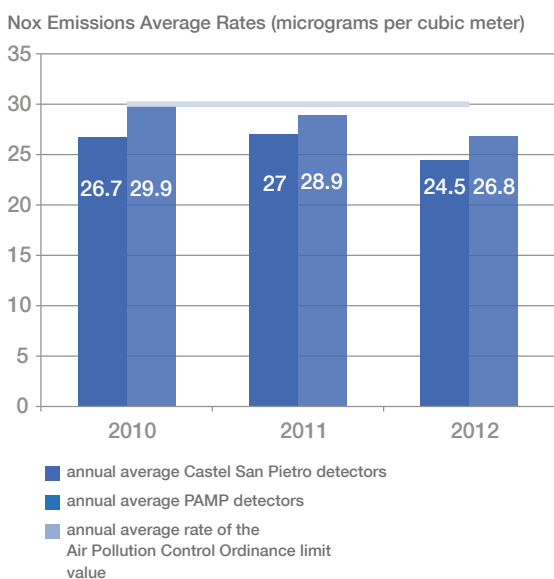
Secondly, we raised the path through which gases are discharged into the atmosphere to enable residues to disperse more easily and naturally so not to become an irritant to people living or working near our plant.

We continually monitor our emission levels using special analytical instruments located outside our company. We are also regularly subject to the controls of the Environmental and Planning Department. Its Air, Water and Soil Protection Section (SPAAS) is responsible for performing systematic controls that audit compliance with limits established by the Federal Air Pollution Control Ordinance (OIA) using automated detectors located within the vicinity of our production plant and in more distant locations.

Emphasis on air quality beyond parameters set by law

As shown in the graph, for many years the levels detected have not exceeded the OIAt threshold, set at an annual average level of 30 $\mu\text{g}/\text{m}^3$, thereby demonstrating a positive trend. In addition, the impact directly attributable to PAMP, which can be calculated as the difference between measurements taken near the factory (annual average for the current financial year of 26.8 $\mu\text{g}/\text{m}^3$) and those taken in more distant areas (24.5 $\mu\text{g}/\text{m}^3$), is limited to a level of about 3 $\mu\text{g}/\text{m}^3$ of NOx.

Despite these impressive results, we are taking steps to install a device that continually measures the concentration of nitrous oxides to allow us to constantly monitor the quality of our emissions and allow us to act even more quickly if any abnormalities are found.





ECONOMIC RESPONSIBILITY

"Corporate social responsibility is very important to the Royal Mint, and we appreciate PAMP's serious approach to this issue in terms of the transparency applied with its stakeholders and specific actions. In particular, the sustainability of the production chain is an essential aspect for our organisation, and accordingly, we require our suppliers to be transparent and heavily committed. We are totally satisfied with PAMP's approach and dedication in this regard, and we consider it a highly professional company that is known for its integrity, focus on quality and customer orientation. "

Shane Bisset, Royal Mint

"PAMP uses an extensive range of our products, from micro-scales to those with a capacity of up to 1,500 kg, and it is an excellent customer also due to its strong relationship since its founding. In addition, I find that it has a very innovative spirit. PAMP always seeks to have the most advanced products and technologies, and always has high-quality instruments that are in excellent condition. In the current market, I think it is an excellent strategy to always be a step ahead of the competition."

Thomas Vassalli, Mettler Toledo

In the section of the report related to economic indicators, PAMP shares results for financial year 2012-2013, which not only represent our profits for the year, but also reflect the value we have been able to generate for our stakeholders.

In fact, satisfying our stakeholders also means achieving good performance from an economic standpoint, and that entails increasing revenues, investing in new technologies, generating value for shareholders, contributing to the well-being of the community, assuring all employees that our company is stable and offering ongoing, long-term collaboration to our suppliers and customers.

We continuously strive to be an efficient, strong and transparent company for all our stakeholders. We believe in innovation, dedication and a passion for the business, and we seek to create value and redistribute it in the best way possible.

4.1 COMPANY INDICATORS

Maintain positive trends for all company indicators

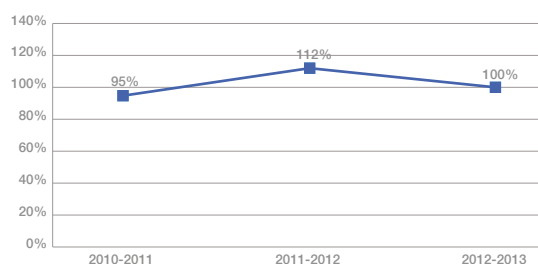
PAMP constantly measures changes in our performance, and we assess them in the context of satisfying our stakeholders' interests. We work to maintain positive growth in our three main company indicators: Revenues, investment volume and capitalisation.

Financial year 2012-2013, and especially the first half, was characterised by lower demand for investment products, which affected the company's overall revenue growth. That slowdown, which was due to the economic climate, follows years of strong growth resulting from the financial crisis that led many small and medium-sized investors to invest in gold as a safe haven.

As shown in the graph, revenues dropped slightly from 2011-2012, which was a year of strong growth (112%), and were at the same level as 2008-2009, the year used as a benchmark for comparison purposes (2008-2009 = base of 100). Leaving aside the

previous year's extraordinary performance, 2012-2013 is nonetheless one of our best years of all time, and in light of the economic environment, we consider the performance to be very good.

Revenue Growth (2008-2009 = Base of 100)



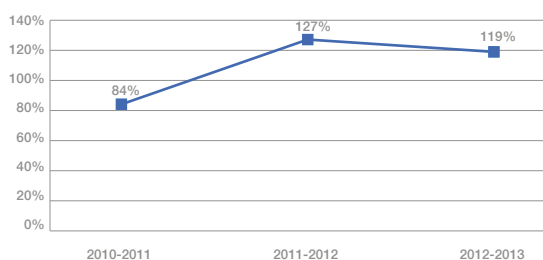
We are in excellent condition thanks to our long-term outlook

In close correlation with revenues, investments also dropped slightly, but were still among the highest levels over the last five years. In fact, significant investments were made in the last financial year (2011-2012) and in the current year due to strong market demand. Therefore, in the next financial year we anticipate a period when the amount of this item stabilizes.

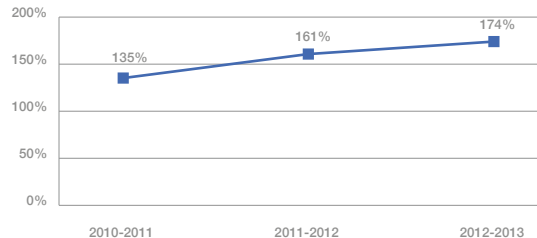
When we talk about investments, we are referring to several million Swiss francs to be used for increasing the quality of products and services, the safety of our employees and the protection of the environment. We have dedicated teams in each department that generate developmental projects since we strongly believe that innovation is essential, and we want to be a company at the forefront in all respects in order to create value for all our stakeholders.

PAMP's capitalisation is on an upward trend, and we are very satisfied with that result since it shows that our company is on a sound footing, characterised by stability and strength, and trusted by shareholders who believe in what we do and in our potential. As can be seen in the graph, starting in 2008-2009, the year used as a benchmark for comparison purposes, our capitalisation was up by 74%. On the other hand, compared with 2011-2012, 2012-2013 saw an increase in capitalisation of 13%, from 161% to 174%. That growth can be attributed not only to good company performance, but also to strategic decisions made with a long-term vision.

Investment Growth (2008-2009 = Base of 100)



Capitalisation Growth (2008-2009 = Base of 100)



4.2 CONTRIBUTIONS

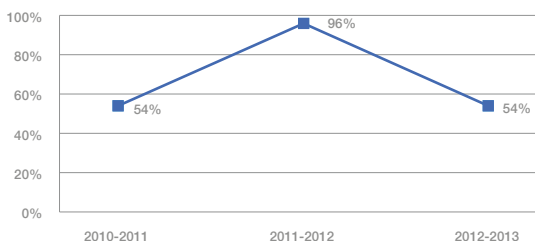
Increase investments in sponsorships and contributions to the community

As guests of the municipality of Castel San Pietro and Ticino Canton, PAMP also makes contributions to the community through taxes paid annually. For us, the amount we are taxed can be seen as a way to redistribute a portion of the value we generate to the local area in which we belong and operate. Taxes paid in the financial year 2012-2013 were at the same level as in financial year 2010-2011.

In addition to taxes paid, as already noted in the section on Social Responsibility, 2.5 Local Community, PAMP participates in the community's life and activities through sponsorships.

In the financial year 2012-2013 our investments in local initiatives were unchanged from the previous financial year. Over the last four years, our contribution has grown by over 40%, and in the future we intend to broaden the range of sponsorships, and if possible, help other entities to benefit from our economic support.

Tax Growth (2008-2009 = Base of 100)

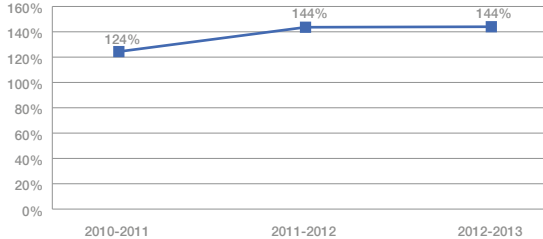


We are attentive to the needs of the community in order to contribute to its well-being

For us, sponsorships mean providing support over the long term and initiating collaboration that goes beyond merely contributing an annual amount. PAMP believes that greater communication between all parties concerned ensures a better understanding of mutual needs. For that reason, we are doing more and more to strengthen our relationships with the entities we have sponsored for many years, and at the same time, build new partnerships.

The funding of a project to expand water supply service even in periods of significant drought should also be seen as a contribution to the community. We referred to that project in the section on Social Responsibility, 2.5 Local Community. Since it is a one-time contribution, we did not include the amount under sponsorships.

Sponsorship Growth (2008-2009 = Base of 100)



The Art of Precious Metal Transformation®

PAMP SA

6874 CASTEL SAN PIETRO - SWITZERLAND

telephone +41 (0)91 695 04 50 fax +41 (0)91 695 04 51

info@pamp.com - www.pamp.com