



# REPORT



2020

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# A MESSAGE FROM THE CEO



SUSTAINABILITY  
ENVIRONMENTAL RESPECT  
CORPORATE SOCIAL RESPONSIBILITY

To some, these words are just management speak.

At Pallion, they are part of our ethos and our commitment to producing the world's most Considerate™ Precious Metals.

Unconstrained by legacy, we focus on exceeding the highest international environmental, community, health, and industrial standards.

It is that approach that informs our position as a global leader in the vertically integrated supply of Considerate™ Precious Metals.

The Pallion Considerate™ Precious Metals approach is a holistic one and based on 5 essential tenets:

- Collaboration
- Procurement
- Environment
- Community
- Technology & Innovation

From the industry's most transparent supply chains to the largest zero-emission refining capacity in the world, Pallion works with its clients to create a true partnership of sustainability initiatives – from mine to market. This Report summarises those Considerate™ Precious Metals initiatives for the 2020 financial year and helps identify and manage new areas of focus.

I take this opportunity to thank our clients and the Pallion team for their collective dedication to our sustainability initiatives. Our mutual economic success stems from their realization and is the reason why from mine to market, Pallion is your partner in precious metals.

**Andrew Cochineas**



THINK GLOBALLY  
ACT LOCALLY





# ABOUT THIS REPORT

The Pallion Considerate Precious Metals Report is Pallion's inaugural annual sustainability report. It details our economic and corporate responsibility initiatives in implementing the Pallion Sustainability and Responsibility Charter for the 2020 financial year. By outlining how Pallion contributes to a sustainable precious metals landscape, this Report provides a framework for discussion between our team members, our clients and the world at large.

This Report was developed by the Pallion Sustainability, Environment, Health & Safety Committee with the oversight of the Pallion board. The Committee works with operational staff in order to anchor sustainability and responsibility across the Pallion Group as a whole.

The Pallion Considerate Precious Metals Report covers the period from 1 July 2019 to 30 June 2020 inclusive. It is referenced to initiatives across the entire Pallion Group in all of its locations globally and where relevant includes specific examples at the local level. It has been prepared in accordance with The Global Reporting Initiative (GRI).

Pallion acknowledges the traditional owners of the land on which Pallion operates and recognises their continuing connection to the land, waters and culture. We pay our respects to their Elders past, present and emerging.

This Report is available at [pallion.com](https://pallion.com)



## CORE VALUES

Pallion is a diverse group of businesses united by a common purpose to produce the world's most Considerate™ Precious Metals. We partner with our clients for mutual benefit.

The Pallion GREAT values define our identity and inform our interaction with other stakeholders and the way we operate:

### **GOLDEN RULE**

Act with integrity, honesty & commitment

### **EXCELLENCE**

Be the best in everything we do

### **AGILITY**

Be Number 1 in our thinking, act quickly and efficiently

### **TRUST**

Build trusting relationships through reliability and communication



# PALLION

## THE GROUP





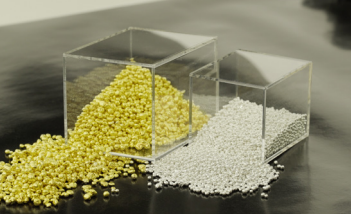



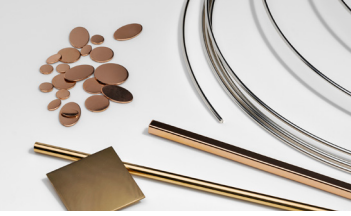

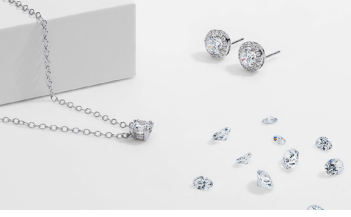



Founded in 1951 and headquartered in Sydney Australia, Pallion is the largest independent fully integrated precious metal and services group in Australasia. A privately owned group of companies, Pallion has facilities in Australia, mainland China and Hong Kong (SAR), supplying globally under 6 brands - ABC Bullion, ABC Refinery, Palloys, GoldenAge International, Custodian Vaults and W.J. Sanders.

Comprised of two core divisions, Bullion and Jewellery, Pallion entities process, manufacture and trade precious metals throughout the entire value chain providing the following goods and services: Bullion; Refining & Minting; Casting & Jewellery; Fabricated Metal & Findings; Gold & Silver Smithing; and Vaulting.



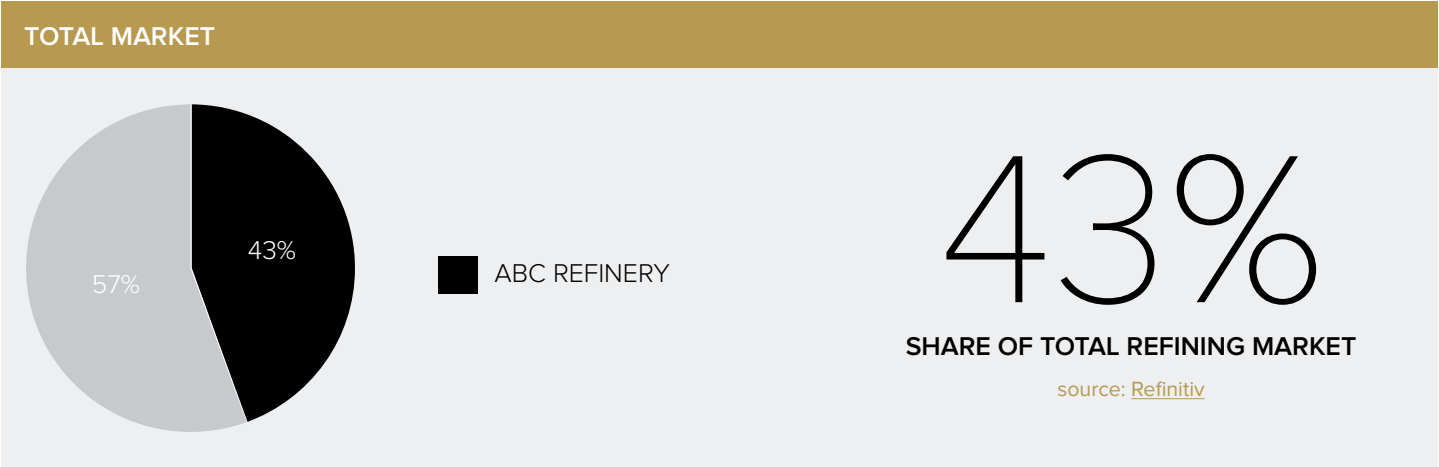
# PRODUCTS & SERVICES

Pallion entities process, manufacture and trade precious metals throughout the entire value chain.


| PRODUCTS                                                                           |                             | SERVICES                                                                             |                               |
|------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------|-------------------------------|
|    | CAST BARS                   |    | ASSAY                         |
|    | MINTED BARS & INGOTS        |    | REFINING                      |
|   | GRANULES                    |   | MINTING                       |
|  | PRECIOUS METAL CASTING      |  | JEWELLERY DESIGN & PRODUCTION |
|  | FABRICATED METALS & SOLDERS |  | CUSTOM FINDINGS               |
|  | FINISHED JEWELLERY          |  | GOLD & SILVER SMITHING        |
|  | FINDINGS                    |  | STORAGE & VAULTING            |



# AUSTRALASIAN REFINING MARKET



PALLION SUBSIDIARY **ABC REFINERY** IS THE OFFICIAL REFINER AND PRECIOUS METALS SUPPLIER TO THE ROYAL AUSTRALIAN MINT – AUSTRALIA’S FEDERAL MINT

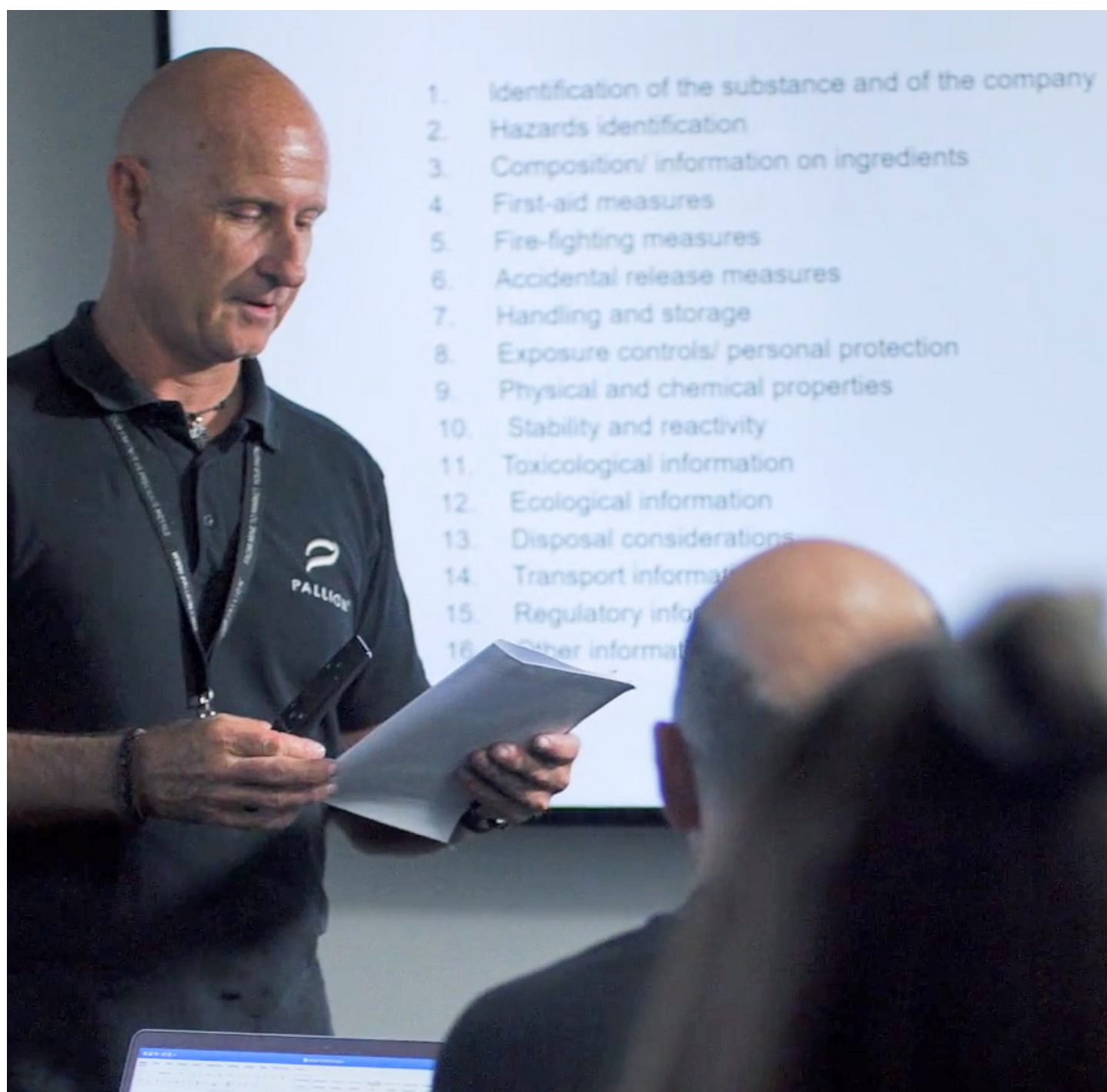


# GOVERNANCE - THINK GLOBALLY, ACT LOCALLY

Strong corporate governance is at the core of the Pallion culture.

Our governance practices ensure superior standards of corporate behaviour within our corporate family, with our clients and the broader community. In this way, every Pallion employee is encouraged to think globally and act locally.

Guided by the Pallion Group Board of Directors, the following committees administer our corporate governance policies.



#### COMPLIANCE & RISK MANAGEMENT COMMITTEE

Responsible for assisting and supporting the Board, in exercising due care and diligence regarding compliance and risk policies and frameworks, systems, processes and controls.

#### SUSTAINABILITY, ENVIRONMENT, HEALTH & SAFETY COMMITTEE

Responsible for all aspects of the development, monitoring and promotion of sustainability, health, safety and environmental practices.

The Committee's role is conducted through the pursuit of sustainability programs, workplace safety, a commitment to community social responsibility, environmental impact minimization processes and the maintenance of Pallion's reputation as one of Australasia's leading companies.

#### TREASURY & AUDIT COMMITTEE

Responsible for assessing, monitoring and reporting to the Board on key risks associated with the preparation of financial reports, treasury management and taxation issues.

The Committee's role is crucial in monitoring our company's internal controls and corporate reporting processes.

#### INNOVATION & TECHNOLOGY COMMITTEE

Responsible for assisting the Board in oversight and proactive management of the technology and innovation agenda of the business in light of a rapidly changing environment in which Pallion operates.

#### PEOPLE & COMMUNITY COMMITTEE

Responsible for the development and implementation of strategies, policies, programs and projects aimed at improving life at a local community level in the context of our corporate plans and strategy.





**FROM MINE  
TO MARKET,  
YOUR PARTNER  
IN PRECIOUS  
METALS**



# COLLABORATION

Successful corporate social responsibility initiatives depend on collaboration between all relevant stakeholders – both within and outside an organisation. Pallion achieves this through partnership. Utilising both formal and informal channels of communication, Pallion encourages stakeholder input to create collective value.

The Pallion client base extends across the entire precious metals value chain and includes:



MINING



GOVERNMENT  
AGENCIES



BANKS



INVESTMENT &  
SUPERANNUATION  
FUNDS



PRIVATE  
INVESTORS



BULLION &  
COINAGE  
DISTRIBUTORS



JEWELLERY  
MANUFACTURERS  
& RETAILERS



INTERNATIONAL  
SPORTING  
ASSOCIATIONS



# STAKEHOLDER INITIATIVES

## EMPLOYEES

Pallion recognises that a sustainable workplace is one that is safe, rewarding and diverse for our team. We aim to be the Number 1 employer of choice in both the Precious Metals and Jewellery Industries in Australasia, and have implemented numerous programs to develop, challenge and invest in our team members. We employ and promote based on merit and do not tolerate any discrimination, bullying or harassment. We encourage our team members to 'speak up'.

At Pallion we exhibit a high degree of purpose in our mission and objectives, and promote a participatory culture. Our teams regularly conduct 'brain-storming sessions' where each member is encouraged to express their ideas. In turn, our employees are more engaged, productive and informed. Pallion supports gender diversity, flexible working options and offers numerous educational and training programs, such as university, TAFE and trade certificates. We support our staff by offering regular health checks, mental health support facilities, Pallion lunch days and gym membership discounts.

Pallion supports numerous events and milestones with its employees such as:

- R U Ok? Day
- International Women's Day
- Melbourne Cup Day
- Employee Birthdays

## WORLD SKILLS AUSTRALIA



Pallion sponsors World Skills Australia, which promotes and build a skills culture, celebrates excellence and showcases vocational, technological and service-oriented careers. Pallion

sponsors the jewellery division of this program and the biannual National Championships.

In 2019, Worldskills ran 23 global skills challenges; 42,150 attendees at Try A Skill events; 33 World Skills Champions inducted as Australian Apprenticeship Ambassadors; provided 23 international and 21 domestic training opportunities with a cumulative media reach of 97 million.



## UNIVERSITY OF QUEENSLAND



Pallion donates the gold being used by University of Queensland (UQ) for cancer research. Most recently, UQ has revealed the nanotechnology developed by UQ scientists using gold nanoparticles can detect and monitor extracellular vesicles (EVs) in the bloodstream.

In collaboration with oncologists Dr Andreas Behren and Professor Jonathan Cebon at the Olivia Newton John Cancer Research Institute, the technology has been tested on 23 melanoma patients and was able to detect the presence of cancer-derived EV's and could also track critical changes during and after treatment. This could guide cancer therapy in real time. The study has been published in the journal 'Science Advances'.

## INDUSTRY BODY SPOTLIGHT

Pallion Group entities are accredited members or primary supporters of a host of industry bodies. For a list of the major bodies, see pages [18-21](#) of this Report.

**Gold Industry Group (GIG):** As Australia's peak not-for-profit gold industry body, the Gold Industry Group develops and supports long-term educational and community initiatives that cultivate understanding and awareness about gold's value to the social fabric of our communities and role in the economy. The group's Heart of Gold Australia app highlights and educates gold's significance to Australians and includes more than 30 gold tourism experiences from around the country. Pallion is a financial member of the GIG and holds two positions on its Board of Directors and one on its Management Committee.



## SUPPLIERS

Our suppliers are a crucial part of our business and ABC Refinery maintains 100% transparency over the Pallion supply chain which enables us to report there were no disruptions to our supply chain in the 2020 financial year.

Our Compliance team implements and manages our Due Diligence Policy and Responsible Sourcing Policy on a daily basis. This transparency ensures our business has a sustainable future for all our stakeholders.

Pallion engages with its suppliers to ensure we both maintain common social initiatives including:

- **Respecting human rights**
- **Fostering a safe, diverse and inclusive workplace**
- **Actively managing climate related risks including the management of water and improving energy efficiency**
- **Providing community benefits that endure beyond the life of our relationship**
- **Transparency of compliance to applicable laws and regulations**
- **Contributing positively to local, regional and national sustainability efforts**

Our team visits supplier sites on a regular basis to discuss these initiatives. Our major suppliers are required to agree in writing to adhere to the principles above, as well as ABC Refinery's Due Diligence Policy which is consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Supplement on Gold).

## LAW ENFORCEMENT

Pallion entities are engaged actively with various governmental agencies tasked with combatting financial crime. The Pallion compliance team subjects all new bullion and refinery clients and Pallion staff to substantive due diligence review including third party identity and international sanction checks.

# RISK MANAGEMENT

Pallion entities engage in information transfer partnerships with relevant governmental agencies, non-governmental organisations, clients and staff to help identify and mitigate risks. The following examples spotlight our information transfer initiatives.

**ABC REFINERY IS THE ONLY AUSTRALIAN REFINERY LABORATORY TO HAVE BEEN AWARDED NATA ACCREDITATION FOR THE LABORATORY ANALYSIS OF GOLD, SILVER AND THEIR ALLOYS**



## LONDON BULLION MARKET ASSOCIATION (LBMA)



ABC Refinery is Australia's only independent LBMA accredited gold refiner. As an accredited refiner producing LBMA Good Delivery gold bars, we comply with the LBMA Responsible Gold Guidance and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Supplement on Gold). ABC Refinery undergoes an independent annual audit. The LBMA Responsible Gold Certificate is only issued to Good Delivery List refiners who successfully complete their annual audit and maintain strict assaying and bar quality criteria.

## SHANGHAI GOLD EXCHANGE (SGE)



ABC Refinery is Australia's only independent SGE accredited gold refiner. SGE approved the ABC Refinery as an Eligible Supplier of Standard Gold Ingot, which can be traded for delivery. ABC Refinery's appointment to this exclusive list of only seven foreign refineries is a testament to its ability to refine and produce gold products to a world-class standard and the technically stringent SGE requirements.

## NATIONAL ASSOCIATION OF TESTING AUTHORITIES (NATA)



The ABC Refinery laboratory is the only Australian refinery laboratory to have been awarded NATA accreditation for the laboratory analysis of gold, silver and their alloys, and is compliant with ISO (International Organization for Standardization) and IEC (International Electrotechnical Commission) Standard 17025:2005. In addition, ABC Refinery is accredited as compliant with Australian Standards (AS) and ILAC (International Laboratory Accreditation Cooperation). This accreditation is a guarantee of the consistency, accuracy and dependability of the metallurgical data relating to every ABC Refinery refining batch.



## RESPONSIBLE JEWELLERY COUNCIL (RJC)



As an accredited member of the RJC, Palloys commits to, and is independently audited against the RJC Code of Practices – an international standard on responsible business practices for diamonds, gold and platinum group metals. The Code of Practices are aligned with the United Nation's Sustainable Development Goals. Palloys is the only RJC certified company in Australia.

## AUSTRAC



Pallion entities provide regular information to AUSTRAC and are fully compliant with international Know Your Client & Anti Money Laundering legislation including but not limited to The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 Act (Cth). All relevant Pallion entities obtain, verify and record specific business and identification information about clients before commencing business relationships.

## POLICE CHECKS | SANCTIONS

All Pallion employees are subject to complete police and sanction checks prior to commencement of employment.

## INVESTMENT

Risk analysis of proposed investments, mergers or acquisitions with the Pallion Group are subject to Pallion's Sustainability Criteria Checklist (SCC) including but not limited to an environmental impact review.

## COVID-19

During Q3 and Q4 of the 2020 financial year, Pallion Group took active steps to insulate the Group and our employees from the effects of COVID-19. Without question, our top priority has been the health and wellbeing of our employees, clients and the broader communities in which we operate. Our internal policies were amended to reflect mandatory legislative requirements. All production facilities operated as usual with our multi-site model providing built in contingency to ensure continuity of operations. We implemented multi-segregated shifts to ensure the safety of our staff and business continuity and all physical precious metal is now collected and dispatched without direct human contact utilising off-pavement delivery with our logistics partners. All Pallion facilities continue to meet the latest guidance from the Australian Department of Health and WHO on hygiene and cleaning from handwashing hygiene and cleaning product specifications to facility cleaning procedures. Non-essential visits to Pallion facilities by external parties have been limited.

The Pallion People and Culture department continues to provide guidance to every employee on instituting safe home office environments and ergonomic practices. At an organisational level, all work-from-home staff are now required to undertake and submit an ergonomic assessment of their home office for approval. Laptops are provided and video teamworking sessions are conducted regularly, reinforcing the Pallion collaborative style of team management.



## PALLION PROVENANCE™

Pallion takes all reasonable steps to combat systematic or widespread abuses of human rights, avoid contributing to conflict, and to comply with high standards of anti-money laundering and combating terrorist financing practice. It does so through its Pallion Provenance™ program.

The Pallion Provenance™ program:

- ensures that in addition to its requirements under Australian law, Pallion sourcing procedures are consistent and fully compliant with the Organisation of Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the London Bullion Market Association Responsible Gold Guidance
- requires all relevant Pallion entities to obtain, verify and record specific business and identification information about clients before commencing business relationships pursuant to international Know Your Client & Anti-Money Laundering legislation including but not limited to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 Act (Cth)
- requires all major Pallion suppliers to certify compliance with financial, taxation, human rights, workplace safety and environmental laws
- dictates that all client information and data is treated in utmost confidence and protection pursuant to Australian Data Protection laws

# PROCUREMENT

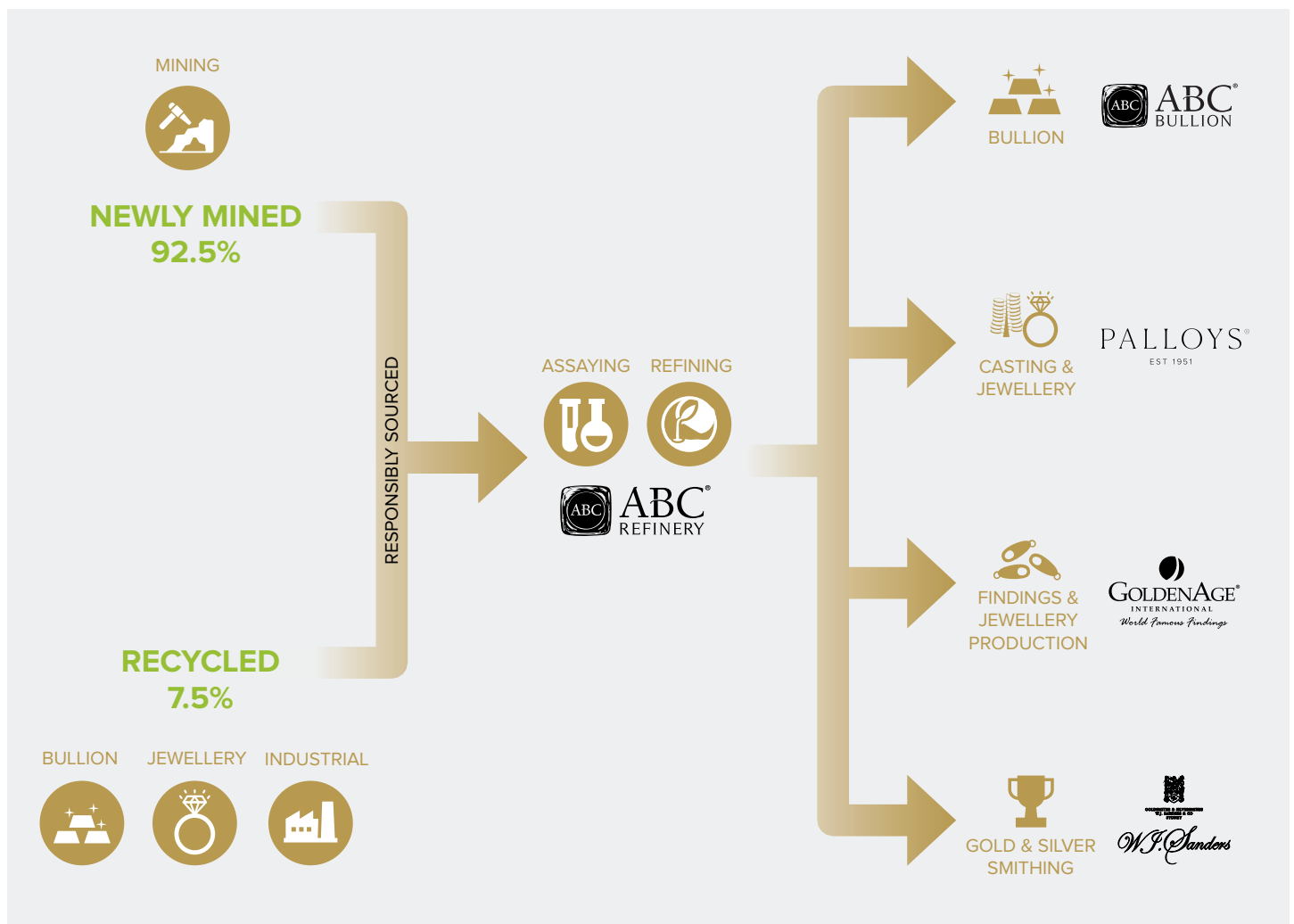
A Pallion precious metal product is sourced from one of the most responsible and transparent supply chains in the world.

In addition to being accredited members of leading international organizations, Pallion entities benefit from sourcing the majority of their precious metal supply from Australia and New Zealand – two of the most regulated primary metals sources globally.

## SUPPLY CHAINS

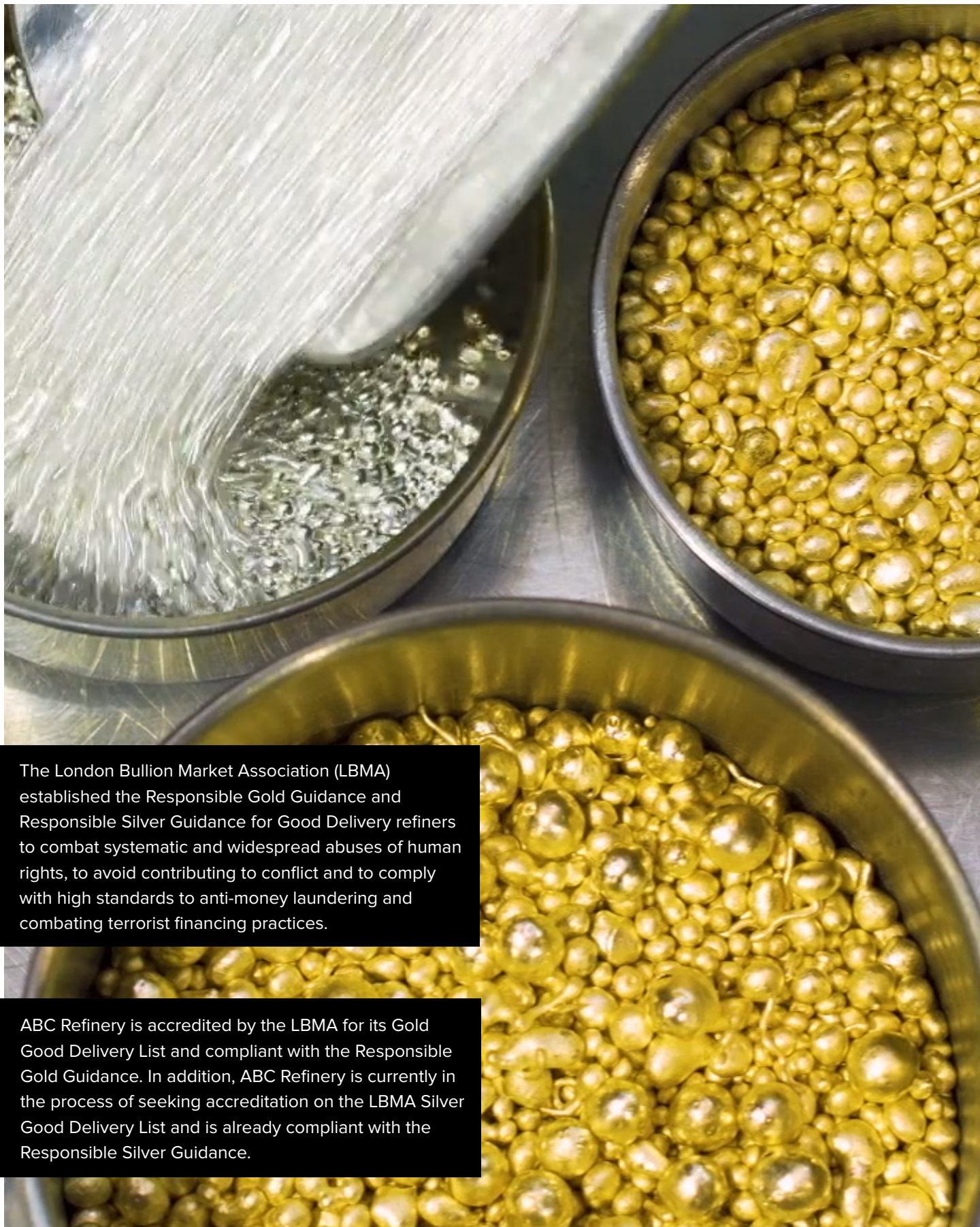
Pallion is unique in the precious metals space because of the complete vertical integration of its production model.

Pallion prides itself on being able to trace the entire life cycle of all of its products, beginning with the responsible sourcing of primary refining inputs from conflict free areas and throughout the processing of that material into precious metal investment products and jewellery components.





# ACCREDITATIONS



The London Bullion Market Association (LBMA) established the Responsible Gold Guidance and Responsible Silver Guidance for Good Delivery refiners to combat systematic and widespread abuses of human rights, to avoid contributing to conflict and to comply with high standards to anti-money laundering and combating terrorist financing practices.

ABC Refinery is accredited by the LBMA for its Gold Good Delivery List and compliant with the Responsible Gold Guidance. In addition, ABC Refinery is currently in the process of seeking accreditation on the LBMA Silver Good Delivery List and is already compliant with the Responsible Silver Guidance.



Pallion Group entities are accredited members or primary supporters of the following organisations:



ABC Refinery was appointed to the LBMA's Good Delivery List for gold in 2015. Our appointment to this exclusive list is a testament to our ability to refine and produce gold products to the LBMA's requirements, universally regarded as the highest international standard. LBMA accreditation is given only to companies that meet the Association's stringent assaying and bar quality criteria as well as its responsible gold requirements. ABC Refinery is the only independent LBMA accredited refinery in Australia.



The Shanghai Gold Exchange is a non-profit self-regulatory organization, approved by the State Council, organized by the People's Bank of China, and registered with the State Administration for Industry & Commerce, for the purpose of trading gold, silver, platinum and other precious metals. ABC Refinery is approved as an Eligible Supplier of Standard Gold Ingot for delivery against contracts on the exchange.



ABC Refinery is accredited by the CME Group for its premier gold product. The accreditation sees ABC Refinery bars added to the COMEX good delivery list of brands used to physically settle against the GC gold futures contract in New York. COMEX gold futures represent the world's leading futures contract for gold prices and trading. The addition of ABC Refinery to the CME Group's listing of good delivery brands for the GC gold futures contract offers traders and investors all over the world access to the ABC Bullion brand via the COMEX exchange.



As an accredited member of the Responsible Jewellery Council (RJC), Palloys commits to, and is independently audited against the RJC Code of Practices – an international standard on responsible business practices for diamonds, gold and platinum group metals. The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain.



The National Association of Testing Authorities provides independent assurance of technical competence through a proven network of best practice industry experts for customers who require confidence in the delivery of our products. ABC Refinery laboratory is NATA accredited.

# INDUSTRY MEMBERSHIPS



The Singapore Bullion Market Association (SBMA) is a non-profit organisation focused on the development of Singapore as a global centre of connectivity for precious metals.



AUSTRALIAN  
ANTIQUE AND  
ART DEALERS  
ASSOCIATION

As a member of the Australian Antique & Art Dealers Association, we offer professional advice and a commitment to advancing the understanding of Antiques and Fine Arts in the Australian community. We also uphold the principles of the Association and adhere to its Codes of Practice. The Codes core is to ensure a professional standard that protects the value of the items purchased, to maintain high ethical standards and comply with all Government and statutory requirements.



The Manufacturing Jewelers & Suppliers of America provides information and support to ensure a healthy environment for the continued vitality of Jewellery making and design. As a member we support the MJSA Education Foundation in offering scholarships to develop the next generation of jewellery makers and designers.



The Gemmological Association of Australia is Australia's long established gemological educator. As a member we support the education of gemmologists and the general public about all aspects of gemstones and their substitutes. As a member, GAA students have access to a well-stocked library, gem testing equipment and teaching specimens as well as tutorship from experienced and enthusiastic teachers.



ABC Refinery is a member of the Gold Industry Group which helps provide a united voice for Australia's gold industry. It is an independent industry body representing the interests of gold producers, explorers, prospectors and suppliers, and promotes the importance of the gold sector in Australia. Pallion executives hold two positions on the Gold Industry Group Board of Directors and one on its Management Committee.



The Gold & Silversmiths  
Guild of Australia

The Gold & Silversmiths Guild of Australia is the only professional organization in Australia with a traditional and comprehensive system of marking precious metal items. Palloys name and mark is permanently recorded, and as we abide by set standards of material and therefore, our work is clearly identified as genuinely made in Australia. It is a symbol of excellence.



The Hong Kong Jewellery & Jade Manufacturers Association is the main body of export promotions for the jewellery and jade industry in Hong Kong. As a member we attend professional seminars and exhibit at the Hong Kong Jewellery Fair.



The Hong Kong Pearl Association represents pearl traders who commit to social responsibility causes such as improving the technology and scientific management of the pearl industry. As a member we also observe the constitutions, laws and related ordinances so as to promote the local HK Pearl Industry.



The International Electrotechnical Commission is the global leading organization for the preparation and publication of International Standards for all electrical, electronic and related technologies, collectively known as 'electrotechnology'. The IEC provides Pallion a platform for involvement in developing international standards.



The International Laboratory Accreditation Cooperation is the international organisation for accreditation bodies operating and involved in the assessment and accreditation of our laboratory at ABC Refinery.



The International Organization for Standardization is an independent, non-governmental international organization with a membership of 164 national standards bodies. As a member, we share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.



The Jeweller's Association of Australia Palloys are proud to promote the highest standards and ethics within the Australian Jewellery Industry. As a member we adhere to the JAA Code of Conduct, which displays our commitment to the Industry, our clients and to excellence.



Palloys supports the Jewellers and Metalsmiths Group of Australia as a non-profit organization representing jewellery and practitioners to promote, support and develop the field of contemporary jewellery.





# GREEN REFINING TECHNOLOGY

Pallion was the first refiner in the southern hemisphere and remains the only Australian refiner to utilize the Acidless Separation System (ALS) in its refining processes. This system, developed in conjunction with IKOI, effects the separation of precious metals from other metals using heat and air pressure.

As the name suggests, no acid is used in the process. It offers significant advantages to traditional refining techniques including inert refining emissions and significantly reduced refining time which in turn reduces energy consumption.

# ENVIRONMENT

Protection of the ecosystem in which we work and the people who work in it is not just socially responsible – it makes good commercial sense. From our business partners who supply mined ore, to the recycling of our jewellery production waste to the transport companies and clients who receive our products, we have the opportunity and responsibility to minimize the safety, environmental and health impacts throughout our supply chain with a focus on leadership through technological innovation.

## WASTE REDUCTION, RECYCLING & EFFLUENT MANAGEMENT

Pallion encourages responsible use, re-use and recycling and disposal above and beyond OECD guidelines. We aim to reduce the waste we generate through waste management initiatives and policies that require recycling, reuse and selection of recycled products. We work with relevant governmental agencies including NSW Environmental Protection Authority, NSW Department of Health and Sydney Water, to ensure that our facilities are fully compliant with all relevant legislative requirements regarding the safe disposal of production residues.



### ABC REFINERY CRUSHING AND RECYCLING PLANT

ABC Refinery has two key crushing and recycling facilities:

**THE SILVER LEACH PLANT** - to recover metallic silver from silver chloride, a by-product of the electrolytic silver refining process.

**THE SWEEPS TREATMENT PLANT** - to crush, grind and recover residual precious metals from consumables, such as exhausted crucibles.

### PALLION INVESTMENT RETRIEVAL

We do not dispose of any metal in any Pallion business. All scrap metal, shards or errors in processing are always re-cast and reused in another area of the business.



# CHEMICAL SAFETY

Pallion's production processes inherently require the use of chemicals. Accordingly, safety of usage and waste disposal is paramount. Pallion entities are registered and fully compliant with the Australian National Industrial Chemicals Notification and Assessment Scheme (NICNAS) administered by the Federal Government Department of Health.

In addition to staff training and compliance with safety signage requirements, all chemicals used at Pallion are accompanied by Safety Data Sheets that detail all properties of the relevant chemicals including health and environment safety requirements. These Safety Data Sheets are located in all relevant workplaces and accompany chemicals that are supplied by Pallion to its clients.

## W.J. SANDERS PLATING FACILITY

In 2020, W.J. Sanders commissioned the largest bespoke electroplating facility in Australia, designed to minimise the environmental impact of acid-based chemical processes.

The facility boasts best practice treatment processes such as chlorination treatment for acid destruction, neutralisation of concentrated acids through the use of alkalis and hydroxide precipitation for heavy metals. Treated alkaline liquids are held in holding tanks before being externally managed. Each holding tank has a secondary extraction goal to treat any remaining chemicals and ensure lower overall pH levels.

This state of the art design strengthens our ability to exceed regulated environmental performance, whilst maintaining a safe working environment, and supports continual improvement of systems so as to reduce our water and electricity usage.

Each W.J. Sanders team member has completed training, and been certified to work with acid-based electrolytes.





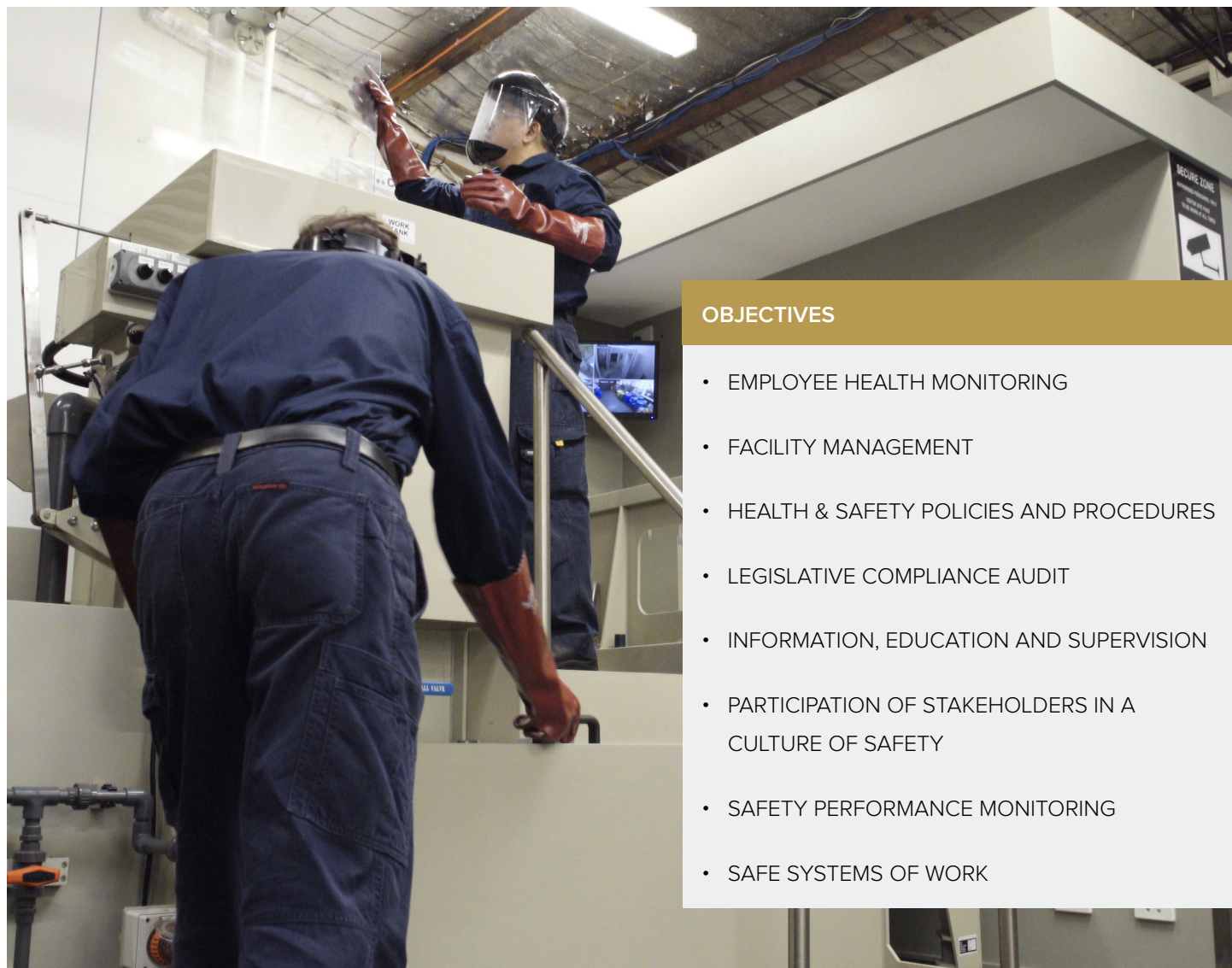
# WORKPLACE HEALTH & SAFETY

The nature and locations of our operations mean that we operate in environments that are hazardous. At Pallion, the health and safety of our team members and the broader community in which we conduct business is paramount.

All of our team members and contractors adhere to the Five Pallion Rules of Safety that summarise and define our minimum, non-negotiable rules of safety:

1. Duty of care towards oneself and others
2. Follow safety instructions
3. Be trained for the task
4. Wear personal protective equipment
5. Report incidents and hazards

Pallion defines safety through planning, caution and preparedness. We recognise that visible leadership is a key driver of safe productivity. All our team members commit to a set of safety objectives and priorities that support the Pallion approach to safety.



## OBJECTIVES

- EMPLOYEE HEALTH MONITORING
- FACILITY MANAGEMENT
- HEALTH & SAFETY POLICIES AND PROCEDURES
- LEGISLATIVE COMPLIANCE AUDIT
- INFORMATION, EDUCATION AND SUPERVISION
- PARTICIPATION OF STAKEHOLDERS IN A CULTURE OF SAFETY
- SAFETY PERFORMANCE MONITORING
- SAFE SYSTEMS OF WORK







# COMMUNITY

Pallion recognises that a sustainable business is one that both provides a safe, rewarding and diverse workplace for our team and contributes to the betterment of the community in which we operate. The success of Pallion's people and the community around them is essential to the success of Pallion and informs our staff training, public education initiatives, scholarships and broader charitable commitments.

## STAFF & INDUSTRY TRAINING

We are proud to be an Australasian employer of choice in the precious metals arena, and have implemented numerous programs to develop, challenge and invest in our team members. Drawing from expertise throughout the Pallion community, our Regulatory Foundations and Compliance Programs facilitate the development and strengthening of our quality assurance through ongoing support, education, management tools and best practice recommendations.



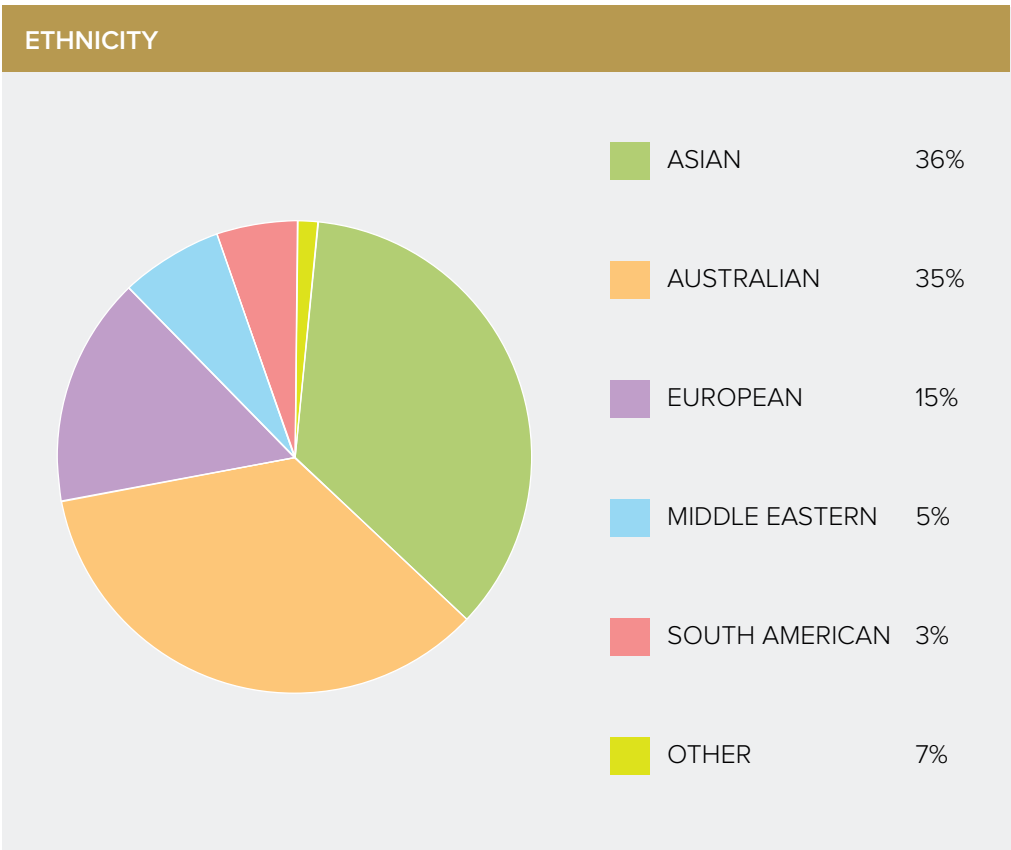


# DIVERSITY

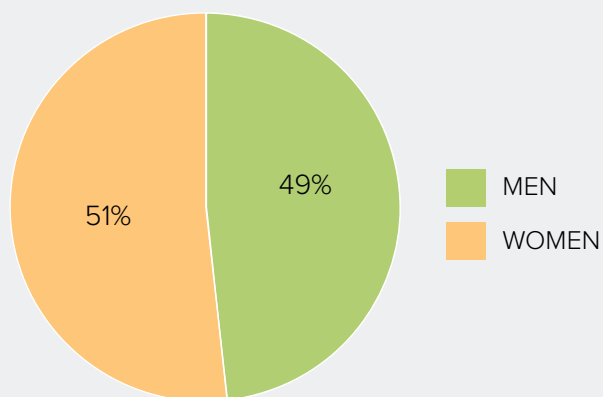
Pallion encourages and embraces diversity underpinned by a leadership team that encourages a culture of inclusion and participation.

We promote active and confidential discussion and support those team members who may be experiencing external difficulties with flexible working options.

We employ, develop and promote based on merit and we do not tolerate discrimination, bullying or harassment and actively encourage our team members to ‘speak up’.



## GENDER EMPLOYMENT



## SENIOR MANAGEMENT

WOMEN MAKE UP

48%

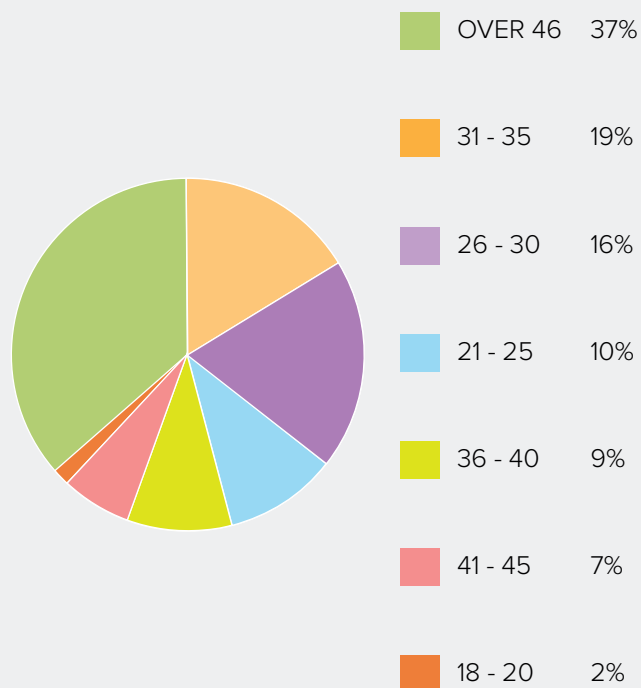
OF SENIOR MANAGEMENT  
AT PALLION

## PERMANANCY

79%

OF PALLION'S WORK FORCE IS  
EMPLOYED FULL TIME

## AGE



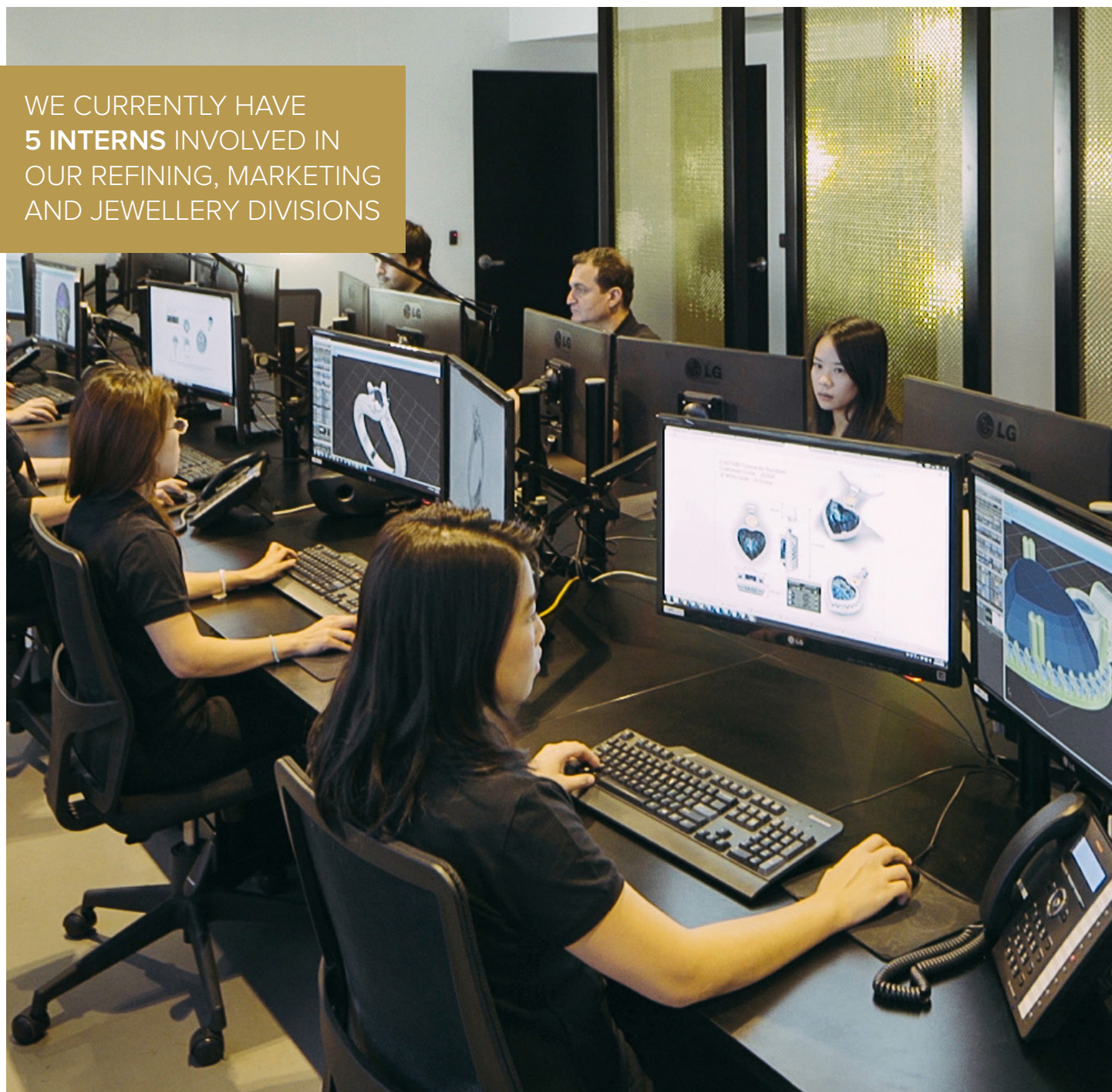


# MENTORING, AWARDS & SCHOLARSHIPS

Pallion is proud to invest in Australia's youth. We provide very real opportunities for students and interns to achieve their goals and progress their careers through learning and development including mentorship.

We work closely with the University of New South Wales and annually celebrate the outstanding achievement of two students studying metallurgy by sponsoring the 'ABC Refinery Material, Science & Engineering Award', which is a financial sponsorship to assist students with their educational costs.

WE CURRENTLY HAVE  
**5 INTERNS** INVOLVED IN  
OUR REFINING, MARKETING  
AND JEWELLERY DIVISIONS





# CHARITABLE CONTRIBUTIONS

Our corporate giving program is the foundation of our broader community engagement initiatives.

## TOUR DE CURE

Tour de Cure is an Australian organisation aimed at curing cancer through research. Since 2007, more than \$52 million has been raised for significant cancer research.

Pallion is a major sponsor of Tour de Cure throughout the entire year, with involvement of events, donations, raffle gifts, the main cycling tour and through employee volunteering. This year's Tour de Cure funded 15 cancer-related research projects in NSW alone. Support was also provided to the Tracey Scone Wig Library, Camp Quality, Rural and Regional Outreach Clinics and the Cancer Survivorship Centre at Prince of Wales Hospital.



## ACT FOR KIDS

ABC Bullion sponsors Act for Kids, which gives kids a second chance at childhood. Act for Kids works to prevent and treat child abuse and neglect. One child is abused or neglected every 11 minutes in Australia and being a sponsor of this charity has helped provide educational, residential, familial and therapeutic support for 46,084 children, parents and carers' in 2019 alone. This was a 339% increase over 6 years. Over \$2,799,000 in pro-bono support was spent on services relating to children and families.



## THE GIDGET FOUNDATION

Anxiety and depression during pregnancy and early parenthood (the perinatal period) affects almost 100,000 Australians each year.

Through our sponsorship, the Gidget Foundation supports the emotional wellbeing of new parents and their families, whilst providing education for health professionals and the community.



# CHARITABLE CONTRIBUTIONS

## CLEAN UP AUSTRALIA



Clean Up Australia inspires and empowers communities to clean up, fix and conserve our environment. Pallion completes clean up events in the Inner West of Sydney with thanks from our employees who volunteer to get involved in this community based environmental event. In 2019, 17,313.20 ute loads of rubbish was removed from 7,798 sites in 1 day.

## SOLDIER ON



Soldier On’s mission is to work side by side with contemporary veterans who serve and protect Australia helping them and their families secure their future. They assist with Health and Wellbeing services, Employment programs, Learning opportunities, and Participation activities. In 2019, Soldier On won the Veteran Support Program of the year award at the Australian Defence Industry Awards. Pallion proudly donates to Soldier On.

## WORLD SKILLS



Pallion sponsors World Skills Australia which promotes the development of, and celebration of skills in the environment from a variety of professions. Pallion sponsors the jewellery division of this program and the biannual national championships.





## SYDNEY CHILDREN'S HOSPITALS FOUNDATION



Our staff are also involved in the Sydney Children's Hospitals Toy Drive and voluntarily gifts presents to ill children at Christmas. Every year ABC Bullion and Custodian Vaults are the presenting partners of the Sydney Children's Hospitals Foundation Gold Event. Regarded as the signature charity event in Australia, this event has raised in excess of \$30 million over the last 22 years for the Emergency Department at Sydney Children's Hospital.



## BUY A BALE



Pallion has supported the Buy a Bale charity since 2017, which helps Australia's rural communities and Australian farmers. Buy a Bale has raised over \$31 million to help Australian farmers who are struggling in drought conditions.







### AUTOMATED TUNNEL BARRING (T-LINE)

ABC Refinery operates the world's first fully automated tunnel barring machine. The T-Line™ transforms raw materials to ingots in a shorter period than traditional methods with higher quality output.





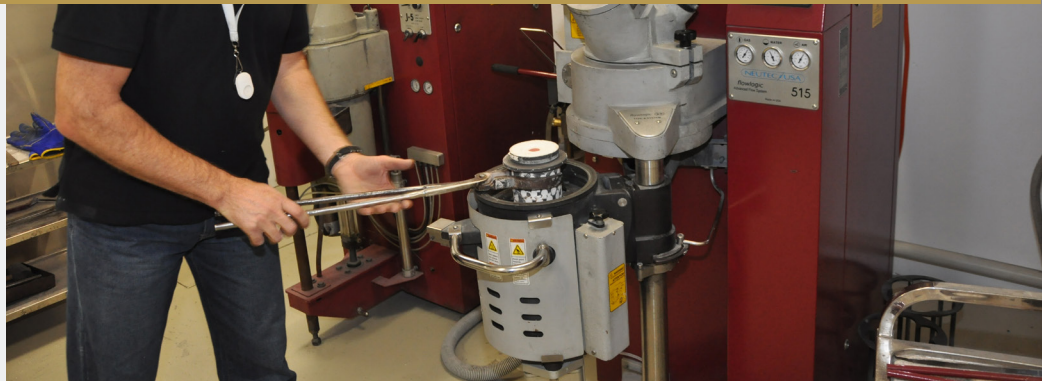
# TECHNOLOGY & INNOVATION

At Pallion, innovation is at the core of our success. We aim to be more sustainable and more responsible as a business in the longer term by developing and applying market leading technologies to our production processes. Pallion is committed to the investment in machinery, processes and practices to reduce our carbon footprint and to ensure a safe, environmentally friendly and sustainable business model.

## PRODUCTION ADVANCEMENTS

### METAL CASTING MACHINES

All metal casting machines used across the Pallion jewellery division utilise induction technology. Unlike traditional methods this ensures no open gas flames and minimises porosity. Every machine utilises recycled coolants.



### PYROLYTIC INCENERATION



ABC Refinery has adopted the world's leading environmentally conscious waste disposal process. Pyrolytic incineration avoids waste disposal into landfill and ensures that any output is reprocessed to recover and refine residual metal.

Unlike traditional processes, pyrolytic incineration is conducted without exposure to oxygen thereby achieving a 600% increase in operational efficiency compared to standard technologies.

# PRODUCTION ADVANCEMENTS

## DRUMS & PALLETS

At Pallion we utilise both plastic and metal drums, and we reuse both.

Acid is delivered in plastic drums, thoroughly washed and reused in other processes within the cycle. Scrap metal is delivered to ABC Refinery in metal drums. These are also reused within the process and used to reship. None of our drums are sent to landfill.



## MOULD RECYCLING

Pallion's jewellery division, Palloys, produces silicon jewellery moulds. These products are long-lasting and can be stored in our expansive Palloys Mould Library for reuse over 20 years.

When no longer needed, our moulds are recycled and used in the production of wall sound proofing and insulation.





# PRODUCTION FACILITY ENHANCEMENTS



EVERY PALLION BUSINESS  
LOCATION IS FITTED WITH  
**RECYCLING BINS**

## LED LIGHTING

Motion sensor lights have been installed in low traffic areas in all Pallion facilities to reduce energy use. These lights have also all been replaced with LEDs, reducing our energy consumption by 38% in the 2020 financial year.

## GREEN CLEANING

Each Pallion location is cleaned using environmentally friendly products and procedures. These are specifically designed to preserve human health and environmental quality. Pallion uses its own internal cleaning team, ensuring full control over all cleaning products used.



# ADMINISTRATION ADVANCEMENTS

## STAFF DRINK BOTTLES

Upon induction all Pallion staff are provided with a branded keep-cup or sealed glass reusable drink bottle for use while at work and home. Staff are encouraged to take their mug with them to reduce the use of disposable plastics.



## RECYCLED PAPER

Each Pallion business strictly uses 100% recycled paper; in all printers, faxes and stationery items.

Pallion uses Shred X's closed loop, secure document + destruction and recycling service. In the 2020 financial year we recycled approximately 18 tonnes of paper, effectively saving 44.4 tonnes of carbon emissions.

## TECHNOLOGY RECYCLING PROGRAM

To reduce our input to landfill, all Pallion staff are encouraged to bring in spent lightbulbs, batteries, printer cartridges and other recyclables for ethical disposal.

## ORGANIC CATERING

Every Pallion organised event utilises paper or bamboo cutlery and crockery. We also only purchase drinks in cans rather than plasticware for easy recycling.

Every Pallion event is a plastic-free event. This is to reduce consumption of single-use plastic products and encourage habitual recycling.

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