



ANNUAL REPORT
2021



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FROM MINE TO MARKET YOUR PARTNER IN PRECIOUS METALS

A MESSAGE FROM THE CEO

As the effects of COVID-19 continue to upend the world in which we live, the importance of sustainability, environmental respect and corporate social responsibility become more relevant than ever.

At Pallion, these concepts form part of our ethos and are the basis on which we evidence our commitment to producing the world's most Considerate® Precious Metals.

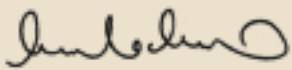
Ultimately, I am immensely proud that notwithstanding a global pandemic, Pallion continues to be an integral part of the global precious metal industry's most transparent supply chain, utilizing the most technologically advanced zero-emission refining capacity in the world.

Pallion's sustainability initiatives cannot exist in a vacuum. To that end, Pallion continues to focus on partnering with our clients to exceed international environmental, community, health, and industrial standards.

It is our collaborative 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 based on five essential tenets:

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

I wish to thank our clients and the Pallion team for their dedication throughout what has been a very challenging year – it is our collective sustainability initiatives that have ensured our mutual economic resilience.



Andrew Cochineas



SUSTAINABILITY
ENVIRONMENTAL RESPECT
CORPORATE SOCIAL RESPONSIBILITY



THINK
GLOBALLY
ACT
LOCALLY

CONSIDERATE® PRECIOUS METALS - ABOUT THIS REPORT

The Pallion Considerate® Precious Metals Report is Pallion's second annual sustainability report and details Pallion's initiatives in implementing the Pallion Sustainability and Responsibility Charter. By outlining how Pallion contributes to a sustainable precious metals supply chain, this report provides a framework for discussion between our team members, our clients and communities around the world. We use that framework to produce the world's most Considerate® Precious Metals. It's something that we feel so strongly about that we trademarked the term.

This report was developed by the Pallion Sustainability, Environment, Health & Safety Committee with the oversight of the Pallion board. The Committee works at the operational level in order to anchor sustainability and responsibility across the Pallion group.

The Pallion Considerate® Precious Metals Report covers the period from 1 July 2020 to 30 June 2021. The report references initiatives across the entire Pallion group in all of its locations globally and where relevant includes examples at the local level. It has been prepared with reference to The Global Reporting Initiative (GRI). (See the GRI Index on [page 40](#) of this Report.)

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

This report is available at pallion.com.



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, Hong Kong (SAR), the United Kingdom and continental Europe, supplying globally under 6 brands - ABC Bullion, ABC Refinery, Palloys, GoldenAge International, Custodian Vaults and W.J. Sanders.

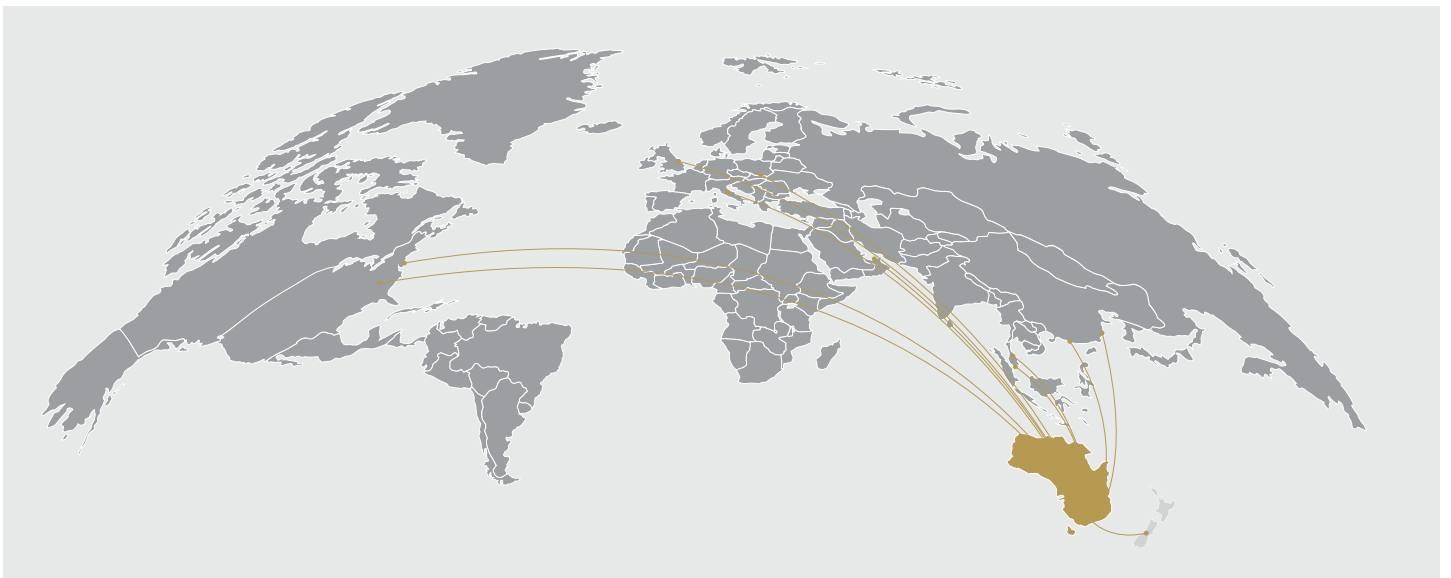
Comprised of two core divisions, Bullion and Jewellery, Pallion entities process, manufacture and trade precious metals throughout the entire value chain providing the following goods and services: Bullion; Refining & Minting; Casting & Jewellery; Fabricated Metals & Findings; Gold & Silver Smithing;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

BULLION

 BULLION	
 REFINING & MINTING	
 VAULTING	

JEWELLERY

 DESIGN, CASTING & JEWELLERY PRODUCTION	
 FINDINGS & JEWELLERY PRODUCTION	
 GOLD & SILVER SMITHING	





CORE VALUES: G R E A T

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

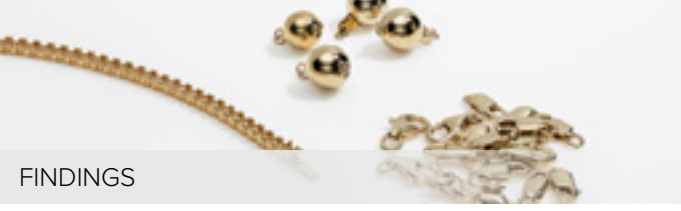
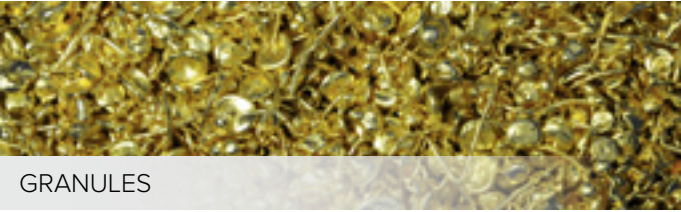
TRUST

Build trusting relationships
through reliability and
communication

PRODUCTS & SERVICES

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

PRODUCTS

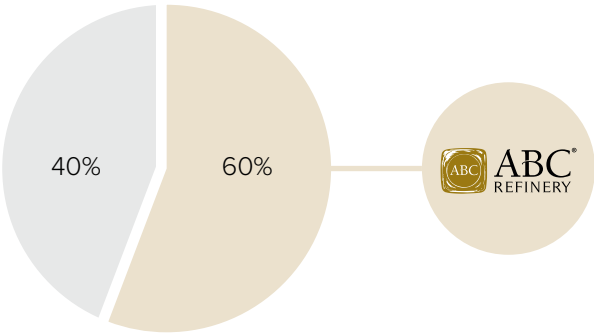


SERVICES



AUSTRALASIAN REFINING MARKET

TOTAL MARKET



60%

SHARE OF TOTAL REFINING MARKET

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



GOLD



35%

SHARE OF TOTAL REFINING MARKET

SILVER



85%

SHARE OF TOTAL REFINING MARKET

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 workforce, with our clients and the broader community. 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.

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 is crucial in monitoring our company’s internal controls and corporate reporting processes.

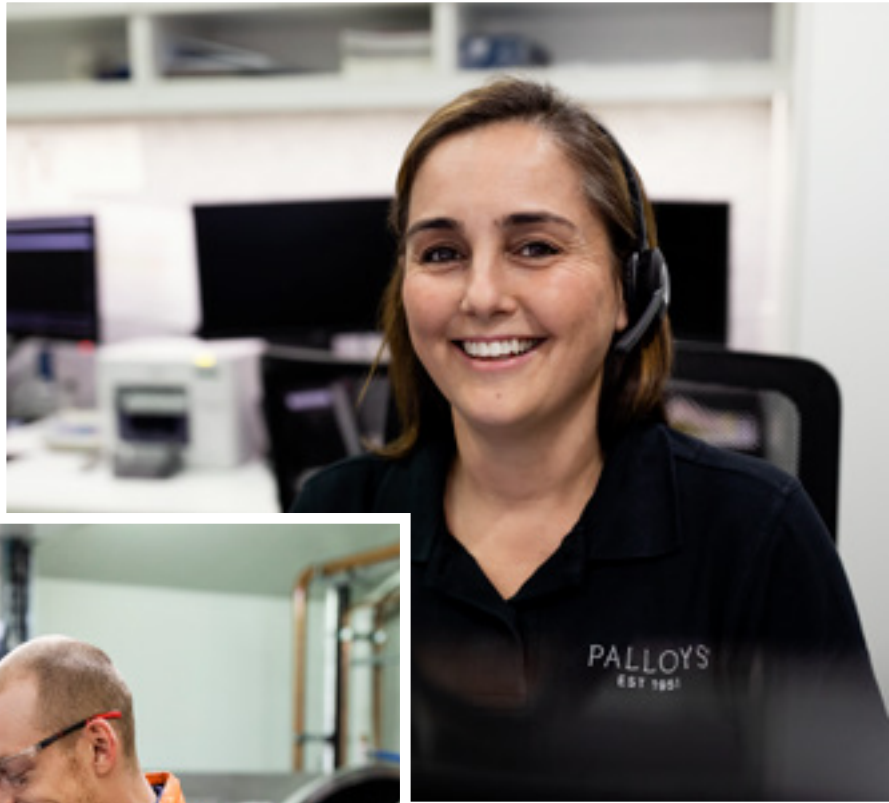
INNOVATION & TECHNOLOGY COMMITTEE

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.





COLLABORATION

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





OUR STAKEHOLDERS



MINING



PRIVATE
INVESTORS



GOVERNMENT
AGENCIES



BULLION & COINAGE
DISTRIBUTORS



BANKS



JEWELLERY
MANUFACTURERS
& RETAILERS



INVESTMENT &
SUPERANNUATION
FUNDS



INTERNATIONAL
SPORTING
ASSOCIATIONS

STAKEHOLDER INITIATIVES

COVID 19 SAFETY MEASURES

Throughout the 2021 financial year, Pallion has taken active steps to insulate the Group and our employees from the effects of COVID-19. This has involved collaboration at all levels of the business and has necessitated detailed interaction with all internal and external stakeholders.

Our top priority has been the health and wellbeing of our employees, clients and the broader communities in which we operate. Our internal policies have been continually amended to reflect significant changes to the legislative and government ordinance landscape.

All production facilities have continued to operate without downtime. Pallion utilizes a multi-site model which provides built in contingency to ensure continuity of operations. Multi-segregated shifts have ensured the safety of our staff and have enabled our businesses to continue to operate. All physical precious metal is collected and dispatched without direct human contact, utilizing off-pavement delivery with our delivery partners. Significant and at risk staff have been isolated in specially designated accommodation and all amenities provided for employee wellbeing including but not limited to food, entertainment and free COVID-19 testing every three days.

All Pallion facilities continue to meet the latest guidance from the Australian Department of Health and the World Health Organization (WHO) on hygiene and cleaning from hand-washing hygiene and cleaning, product specifications to facility cleaning procedures. Non-essential visits to Pallion by external parties have been limited in some facilities and banned in others including Pallion refining facilities.

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

EMPLOYEES

Pallion recognizes that a sustainable workplace is one that is safe, rewarding and diverse for our team. We aim to be the number one 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 ‘speak up’ using our whistle-blower program.

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. This in turn, ensures that our employees are kept 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
- EQUALITY INITIATIVES
- INTERNATIONAL WOMEN’S DAY
- MELBOURNE CUP DAY
- EMPLOYEE BIRTHDAYS

RISK MANAGEMENT

WORLDSKILLS AUSTRALIA

Pallion sponsors WorldSkills Australia, which promotes and builds 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.

WorldSkills runs 23 global skills challenges, such as Try A'Skill events, WorldSkills Champions, Australian Apprenticeship Ambassadors and international and domestic training opportunities, with a cumulative media reach in excess of 100 million people.



LAW ENFORCEMENT

Pallion entities are engaged actively with various governmental agencies tasked with combating 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.

SUPPLIERS

Our suppliers are a crucial part of our business and ABC Refinery maintains 100% transparency over the Pallion supply chain, enabling us to report there were no disruptions to our supply chain in the 2021 financial year.

Our compliance team implements and manages our Due Diligence Policy and Responsible Sourcing Policy on a daily basis. These policies ensure our business has a resilient supply chain and enables us to transparently engage with all of our stakeholders.

Engaging closely with our suppliers helps to ensure we are able to deliver 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 to 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).

RISK MANAGEMENT

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

RAPID ANTIGEN COVID STAFF SCREENING



As part of Pallion's commitment to global best practice in staff health risk management, Pallion established a Rapid Antigen COVID-19 screening site to mitigate against outbreaks in workplaces. The objectives of establishing a Rapid Antigen COVID-19 screening site included:

- Promotion of the early detection of community-acquired COVID-19 cases by maintaining a testing schedule for specified Pallion employees every two to three days; and
- Support and encouragement of staff from local government areas of concern to get tested by making testing access easy and convenient

MODERN SLAVERY

Pallion is committed to operating responsibly and adhering to the highest ethical standards and does not tolerate any forms of slavery or human trafficking in its business or supply chains. Pallion is compliant with the requirements of the Modern Slavery Act 2018 (Cth) (Act) and accordingly publishes its annual Modern Slavery Statement. The Statement forms part of our annual reporting suite which also includes our FY20 Sustainability Report and FY20 ABC Refinery Compliance Report which are publicly available on our website at www.pallion.com.

The Statement highlights the undertakings of Pallion and its subsidiaries to ensure a robust framework and processes are in place to minimize the risk of modern slavery in its operations and supply chain.

As identified by the Act, slavery and human trafficking can occur in many forms including slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting for labour or services. Pallion recognizes this and has developed a comprehensive approach to identify, assess, and address all possible practices of modern slavery and human exploitation in its operations and supply chains.

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, Pallion 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. Pallion 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.

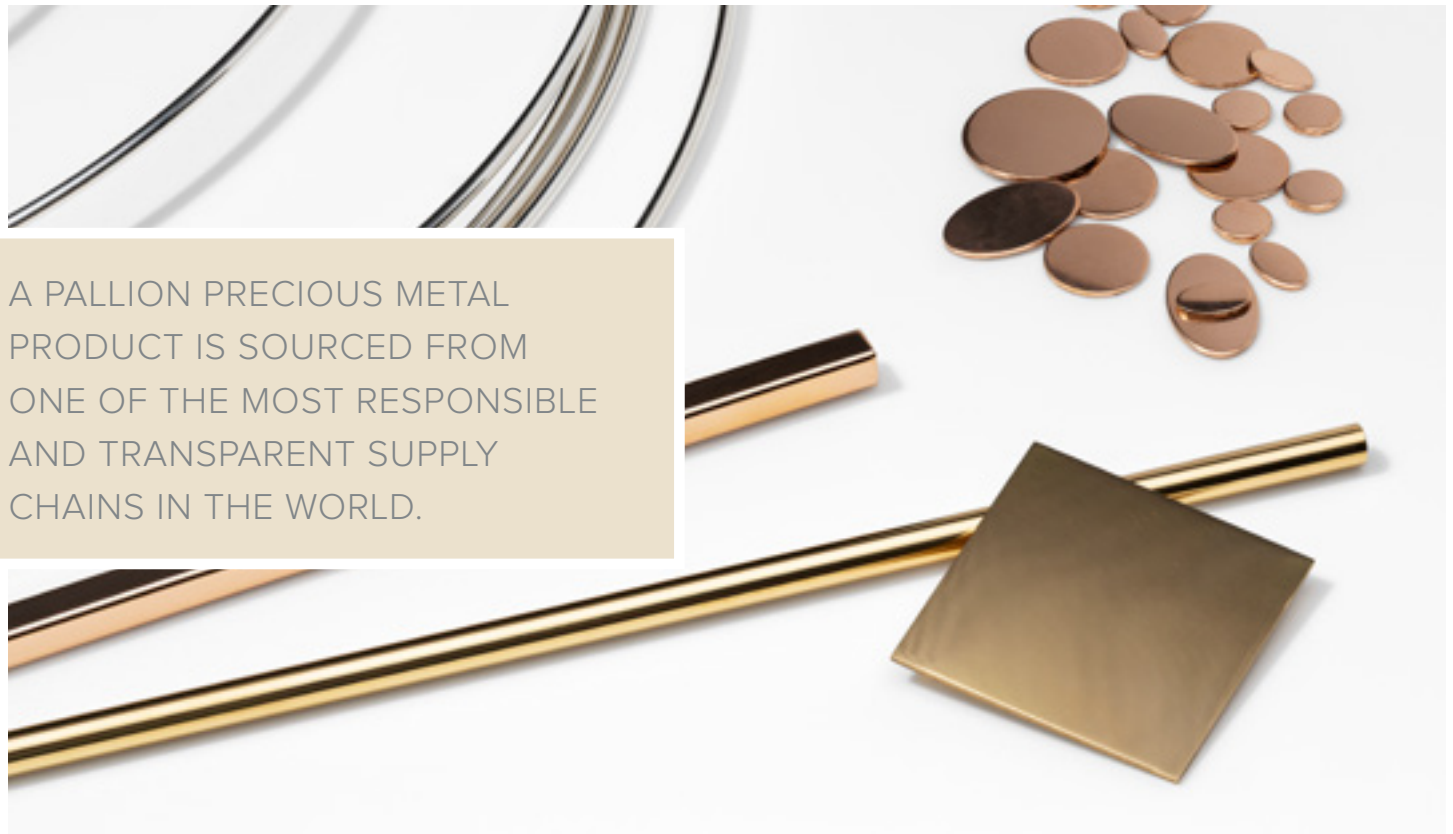
INVESTMENT

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.

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



PROCUREMENT



A PALLION PRECIOUS METAL PRODUCT IS SOURCED FROM ONE OF THE MOST RESPONSIBLE AND TRANSPARENT SUPPLY CHAINS IN THE WORLD.

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. We do so through our Pallion Provenance™ program.

The Pallion Provenance™ program:

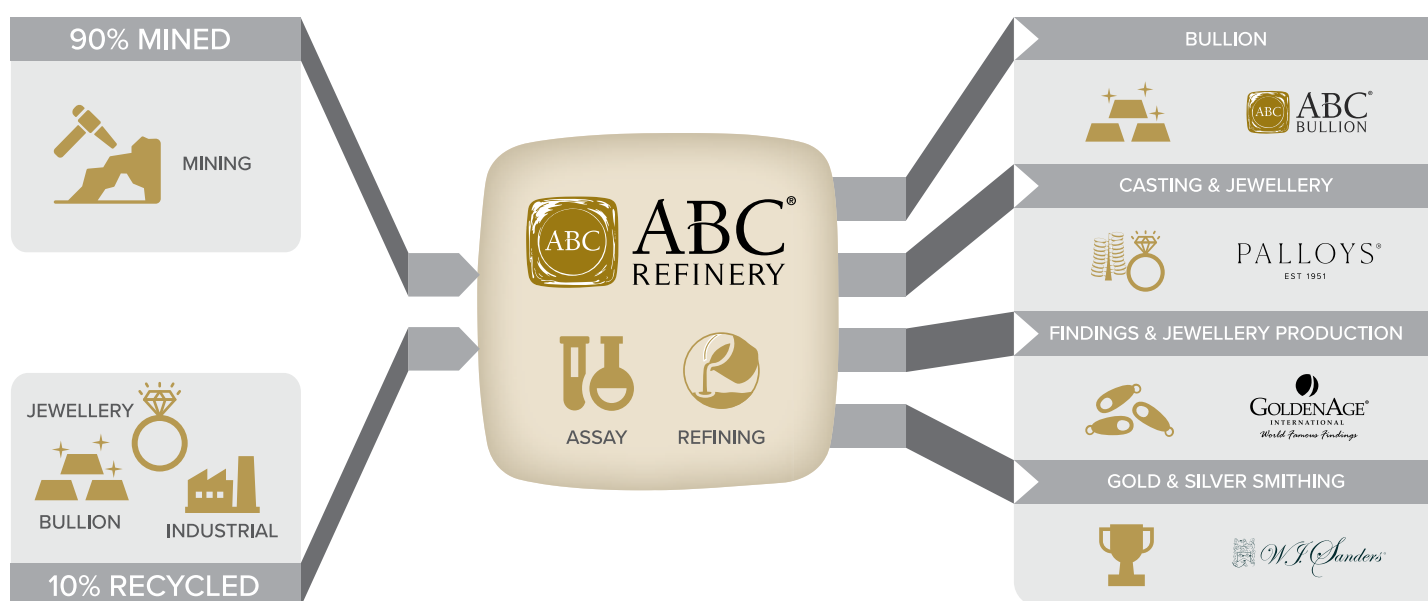
- ▶ Ensures that in addition to its requirements under Australian law including but not limited to those detailed in the Modern Slavery Act 2018 (Cth), Pallion sourcing procedures are consistent and fully compliant with the Organisation of Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as well as 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. This is 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
- ▶ Invests in cutting edge technologies to improve the transparency of supply chains



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.



PROVCHECK™ SECURITY BAR TECHNOLOGY

During the 2021 financial year, Pallion Group entered into a partnership with Blockhead Technologies to track gold throughout the entire supply chain. The technology utilizes artificial intelligence and machine learning to enable consumers to confirm the authenticity of their ABC Bullion product at the time of purchase and thereafter throughout the supply chain by using an iOS or Android mobile application.



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. This accreditation is supplemented by Pallion compliance with Australian law including but not limited to Modern Slavery Act 2018 (Cth) requirements.

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 organization focused on the development of Singapore as a global centre of connectivity for precious metals.



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 gemologists 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.

INDUSTRY MEMBERSHIPS



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.



The Gold & Silversmiths Guild of Australia is the only professional organization in Australia with a traditional and comprehensive system of marking precious metal items. The 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 organization 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 and 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.

J M G A • N S W

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.



ENVIRONMENT

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.

PROVCHECK™ SECURITY BAR TECHNOLOGY

PROVCHECK™ Security Bar Technology utilizes the unique 'fingerprint' of precious metal products to record the environmental supply chain credentials of specific items of bullion produced by ABC Refinery which can be verified by consumers utilizing a free to download iOS or Android mobile application.



ABCINTERING™ COIN AND TABLET PRODUCTION TECHNOLOGY

Pallion has partnered with a major international machinery manufacturer to develop a new process for the production of minted coins and tablets. Utilizing sintering technology, the new process reduces wastage in coin and tablet production in excess of 30%, thereby significantly reducing the use of resources in the melting and refinement of minted product waste.





WORLD'S LARGEST GREEN REFINING CAPACITY

During the 2021 financial year, Pallion doubled the size of its Acidless Separation System (ALS) refining capacity and now boasts the largest such refining capacity in the world. Pallion was the first refiner in the southern hemisphere and remains the only Australian refiner to utilize the ALS in its refining processes. This system, developed in conjunction with IKOI, affects 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.



WASTE REDUCTION, RECYCLING & EFFLUENT MANAGEMENT

Pallion aims to reduce the waste generation through waste management initiatives and policies that require recycling, reuse and selection of recycled products. Pallion Group entities 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.



UPGRADE TO THE ABC REFINERY CRUSHING & RECYCLING PLANT

During the 2021 financial year, ABC Refinery substantially upgraded its crushing and recycling facilities:

THE SILVER LEACH PLANT:

Significant improvements in the recovery of metallic silver from silver chloride (a by-product of the electrolytic silver refining process).

THE SWEEPS TREATMENT PLANT:

60% improved extraction of residual precious metals from consumables through the installation of an improved crushing and grinding plant.

PALLION INVESTMENT RETRIEVAL

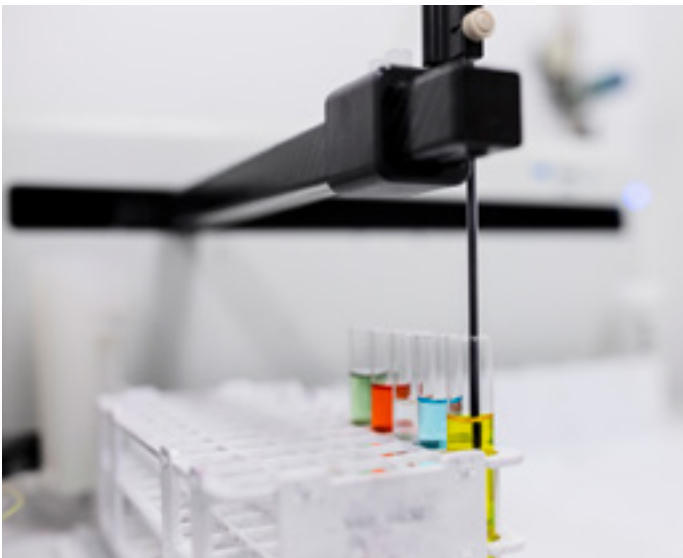
We do not dispose of any metal in any Pallion business. All scrap metal, shards or errors in processing are always re-cast and reused in another area of the business.



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.



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 summarize 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 recognize 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

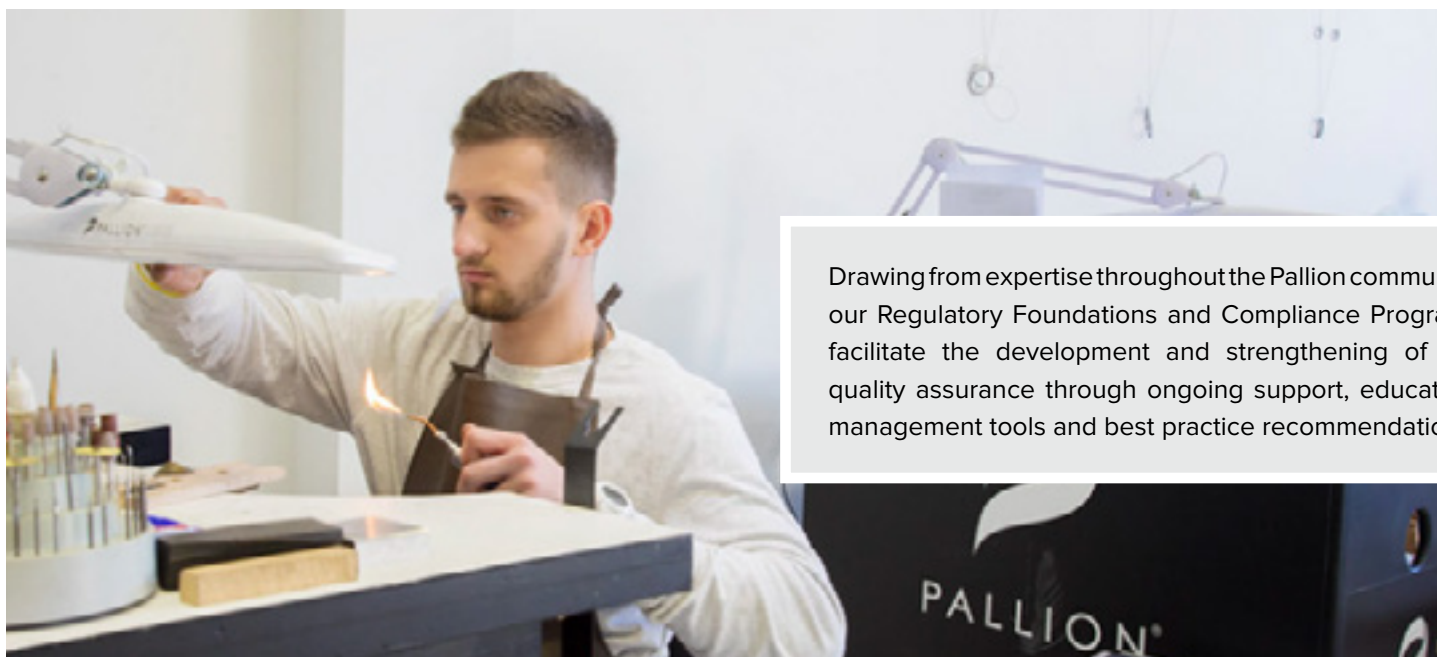
Employee health monitoring
Facility management
Health and safety policies and procedures
Legislative compliance audit
Information, education and supervision
Participation of stakeholders in a culture of safety
Safety performance monitoring
Safe systems of work

COMMUNITY

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



STAFF & INDUSTRY TRAINING



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.



STAFF CATERING & LOCAL BUSINESS SUPPORT

During COVID related lock-downs, Pallion instituted a complete staff catering programme designed to minimize the movement of staff outside of work areas during lunch and dinner breaks. Hot meals and snacks are provided daily using a contact free delivery mechanism. As part of the Pallion commitment to the building of long-lasting relationships within the local community, all catering is supplied by locally operating businesses.



STAFF COVID VACCINATION PROGRAMME

Pallion established a Rapid Antigen COVID-19 screening site to mitigate against outbreaks in workplaces. *(See page 14)*

DIVERSITY

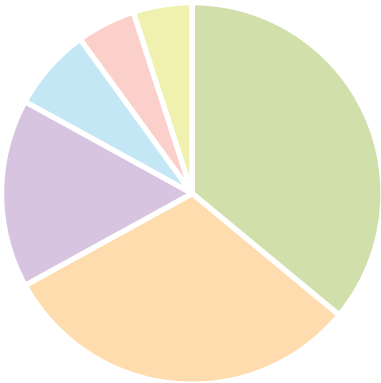
Pallion encourages and embraces diversity underpinned by a leadership team that encourages a culture of inclusion and participation.

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'.

ETHNICITY

ASIAN	36%
AUSTRALIAN	31%
EUROPEAN	16%
MIDDLE EASTERN	7%
SOUTH AMERICAN	5%
OTHER	5%



EQUALITY AUSTRALIA

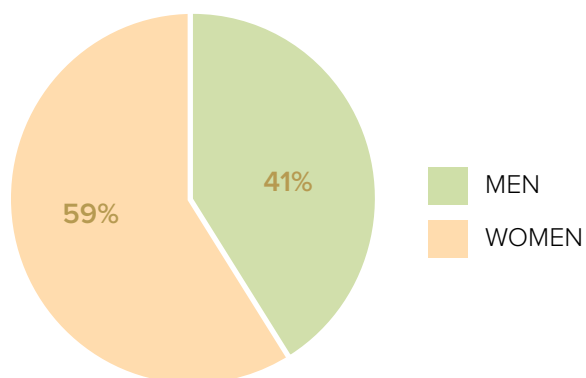
Pallion is a major supporter of Equality Australia.

Equality Australia exists to improve the wellbeing and circumstances of LGBTIQ+ people in Australia and their families by:

- ▶ Relieving their distress and disadvantage
- ▶ Reducing the prevalence and relieving the effects of depression, suicide, anxiety, bullying and homelessness that they experience
- ▶ Reducing the stigma and discrimination that they experience
- ▶ Advancing and promoting equality and inclusion; and
- ▶ Enhancing their actual, and sense of safety, security and acceptance



GENDER EMPLOYMENT



SENIOR MANAGEMENT

WOMEN MAKE UP

42%

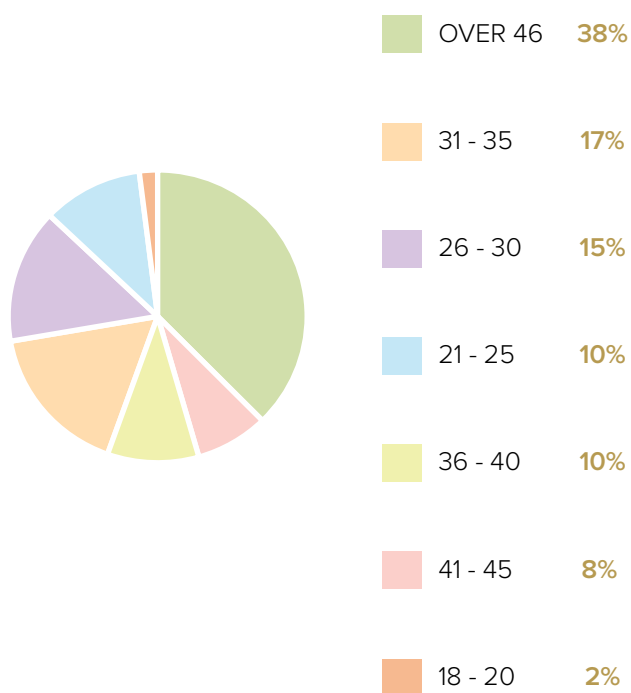
OF SENIOR MANAGEMENT
AT PALLION

PERMANANCY

82%

OF PALLION'S WORKFORCE
IS EMPLOYED FULL TIME

AGE



MENTORING, AWARDS & SCHOLARSHIPS

Pallion invests in the education of its employees, potential employees and the workforce.

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.



UNSW
SYDNEY

CHARITABLE CONTRIBUTIONS

OUR CORPORATE GIVING PROGRAM IS THE FOUNDATION OF OUR BROADER COMMUNITY ENGAGEMENT INITIATIVES.

TOUR DE CURE

Pallion remains a major sponsor of Tour de Cure notwithstanding the challenges of COVID-19 with continued involvement in events, donations, raffle gifts, the main cycling tour and through employee volunteering.

This year's Tour de Cure funded 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 one 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.



WORLDSKILLS

Pallion sponsors WorldSkills 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.



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 help Australian farmers who are struggling in drought conditions.



SYDNEY CHILDREN'S HOSPITAL 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.



TECHNOLOGY & INNOVATION

Innovation is at the core of Pallion's 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

WORLD'S LARGEST GREEN REFINING CAPACITY

During the 2021 financial year, Pallion doubled the size of its Acidless Separation System (ALS) refining capacity and now boasts the largest such refining capacity in the world. The technology offers significant advantages to traditional refining techniques including inert refining emissions and significantly reduced refining time which in turn reduces energy consumption.



PROVCHECK™ SECURITY BAR TECHNOLOGY

PROVCHECK™ Security Bar Technology utilizes the unique 'fingerprint' of precious metal products to record the environmental supply chain credentials of specific items of bullion produced by ABC Refinery which can be verified by consumers utilizing a free to download iOS or Android mobile application.



ABCINTERING™ COIN AND TABLET PRODUCTION

Pallion has developed a new process for the production of minted coins and tablets. Utilizing sintering technology, the new process reduces wastage in coin and tablet production by in excess of 30%, thereby significantly reducing the use of resources in the melting and refinement of minted product waste.





METAL CASTING MACHINES

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



PYROLYTIC INCINERATION

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.

DRUMS & PALLETS

At Pallion we utilize 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.



PRODUCTION FACILITY ENHANCEMENTS

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.

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



ADMINISTRATION ADVANCEMENTS

STAFF FACE MASKS

All Pallion staff are provided with branded medical grade face masks for use while at work. Staff are required to use their face masks while at any Pallion work place.



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.

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 2021 financial year we recycled approximately 21 tonnes of paper.



ORGANIC CATERING

With the advent of COVID-19, many Pallion workplaces have instituted a fully catered work environment. All Pallion caterers utilize paper or bamboo cutlery and crockery. We also only purchase drinks in cans rather than plastic ware for easy recycling.

GLOBAL RESPONSIBILITY INITIATIVE (GRI) INDEX



Disclosures	Required disclosure per GRI Core Implementation Manual	Response	Reporting status
Organisational profile			
102-1	Name of the organization	Pallion Group	Full disclosure
102-2	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	The Group (page 6)	Full disclosure
102-3	a. Location of the organization's headquarters.	The Group (page 6)	Full disclosure
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	The Group (page 6)	Full disclosure
102-5	a. Nature of ownership and legal form.	The Group (page 6)	Full disclosure
102-6	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	The Group (page 6)	Full disclosure
102-7	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); v. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	Workforce (page 8)	Partial disclosure
102-8	The reporting organization shall report the following information: a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	Workforce (page 30)	Full disclosure
102-9	A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	Pallion Provenance (page 18) Supply Chains (page 19)	Partial disclosure
102-10	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	No significant changes	Full disclosure

102-11	a. Whether and how the organization applies the Precautionary Principle or approach.	Governance (page 10) Risk Management (page 15)	Partial disclosure
102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	Accreditations (page 20)	Full disclosure
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	Accreditations (page 20) Collaboration (page 12)	Full disclosure
Strategy			
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	A message from the CEO (page 4)	Full disclosure
Ethics and Integrity			
102-16	a. A description of the organization's values, principles, standards, and norms of behaviour.	Core Values (page 7)	Full disclosure
Governance			
102-18	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	Governance (page 10)	Full disclosure
Stakeholder engagement			
102-40	a. A list of stakeholder groups engaged by the organization.	Collaboration (page 12)	Full disclosure
102-41	a. Percentage of total employees covered by collective bargaining agreements.	Collaboration (page 12)	Full disclosure
102-42	a. The basis for identifying and selecting stakeholders with whom to engage.	Collaboration (page 12)	Full disclosure
102-43	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Collaboration (page 12)	Partial disclosure
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	Collaboration (page 12)	Partial disclosure
Reporting practice			
102-45	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	The Group (page 6)	Full disclosure
102-46	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	A Message from the CEO (page 4)	Partial disclosure
102-47	a. A list of the material topics identified in the process for defining report content.	A Message from the CEO (page 4)	Full disclosure
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	No restatements made	N/A

102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	No changes made	N/A
102-50	a. Reporting period for the information provided.	Financial year 21	Full disclosure
102-51	a. If applicable, the date of the most recent previous report.	September, 2020	Full disclosure
102-52	a. Reporting cycle.	Annual	Full disclosure
102-53	a. The contact point for questions regarding the report or its contents.	Corporate directory (page 39)	Full disclosure
102-54	<p>a. The claim made by the organization, if it has prepared a report with reference to the GRI Standards, either:</p> <p>i. 'This report has been prepared with reference to the GRI Standards: Core option';</p> <p>ii. 'This report has been prepared with reference to the GRI Standards: Comprehensive option'.</p>	About this Report (page 5)	Full disclosure
102-55	<p>a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.</p> <p>b. For each disclosure, the content index shall include:</p> <p>i. the number of the disclosure (for disclosures covered by the GRI Standards);</p> <p>ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;</p> <p>iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.</p>	N/A	Full disclosure
102-56	<p>a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If the report has been externally assured:</p> <p>i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;</p> <p>ii. The relationship between the organization and the assurance provider;</p> <p>iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.</p>	<p>External assurance is not required for the sustainability report.</p> <p>The annual LBMA accreditation is audited each year, which includes human rights, modern slavery and governance.</p>	Full disclosure
Management Approach			
103-1, 103-2, 103-3	<p>For each material topic, the reporting organization shall report the following information:</p> <p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	Pallion Group is currently in the process of further developing an ESG framework including short, medium and long term targets, baseline data and impact measurement.	Partial disclosure

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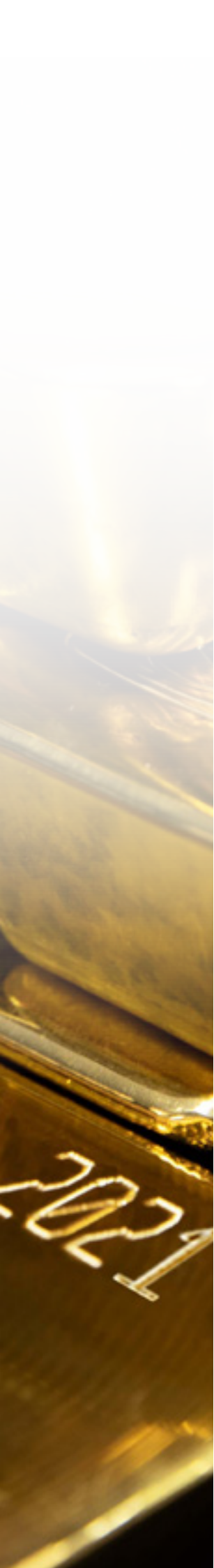
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