



Ernst & Young Ltd  
Place de Pont-Rouge 1  
P.O. Box 1575  
CH-1211 Geneva

Phone +41 58 286 56 56  
Fax +41 58 286 56 57  
www.ey.com/ch

MMTC - PAMP INDIA PRIVATE LIMITED  
Attn. Mr. Vikas Singh  
A13 – Green Park (Main) – Aurobindo Marg  
New Delhi 110016 India

Geneva, 12 June 2020

## **Independent Limited Assurance Report on MMTC–PAMP INDIA PRIVATE LIMITED’s Compliance Report 2019**

### **General information**

We were engaged by MMTC–PAMP INDIA PRIVATE LIMITED (“MMTC-PAMP”) to perform a limited assurance engagement on MMTC-PAMP’s Compliance Report dated 25 May 2020 for the reporting period from 1 January to 31 December 2019 (the “Compliance Report”).

### **Management’s responsibilities**

The management of MMTC-PAMP is responsible for the preparation and presentation of the Compliance Report in accordance with the *LBMA Responsible Gold v11.12.2018 and Silver Guidance v01.09.2017*, (the “Guidance”). This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived and includes conformance with Steps 1 to 5 of the Guidance. The criteria identified by the management as relevant for demonstrating compliance with the Guidance are the activities described within the Compliance Report.

### **Our responsibility**

Our responsibility is to carry out a limited assurance engagement in order to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements *ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board and the guidance set out in the *LBMA Responsible Sourcing Programme - Third Party Audit Guidance for ISAE 3000 Auditors v11.12.2018* (the “Audit Guidance”). This standard requires that we plan and perform this engagement to obtain a limited level of assurance.

The extent of evidence-gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

This report has been prepared for MMTC-PAMP for the purpose of assisting the management in determining whether MMTC-PAMP has complied with the *Guidance* and for no other purpose. Our assurance report is made solely to MMTC-PAMP in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than MMTC-PAMP for our work, or for the conclusions we have reached in the assurance report.

We refer to the fact that the Compliance Report subject to our assurance engagement comprises the Annex "Countries of origin of precious metals". In accordance with the Audit Guidance, the treatment of the Annex detailing the countries of origin of precious metals has to be submitted to the LBMA Executive only and does not need to be disclosed publicly.

### **Limited assurance procedures performed**

We have planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

- ▶ Enquiries of management to gain an understanding of MMTC-PAMP's processes and risk management protocols in place
- ▶ Enquiries of staff responsible for the preparation of the Company's Compliance Report
- ▶ Review of policies, procedures and internal controls that MMTC-PAMP has in place to conform to the Guidance
- ▶ Review of a selection of the supporting documentation, including supplier counterparty due diligence file and transaction's documentation
- ▶ Review of the Compliance Report

### **Inherent limitations**

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques that can result in materially different measurements and can impact comparability. The methods used by Refiners to comply with the Guidance may differ. It is important to read the MMTC-PAMP's Responsible Precious Metal Policy available on MMTC-PAMP's website ([www.mmtcpamp.com/reports](http://www.mmtcpamp.com/reports)).

### **Independence and competency statement**

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the *Audit Guidance* to carry out the assurance engagement.

**Opinion**

Based on the limited assurance procedures performed, as described above, nothing has come to our attention that would lead us to believe that MMTC-PAMP's Compliance Report for the period from 1 January to 31 December 2019, did not in all material respects, describe fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is not in accordance with the requirements of the LBMA *Guidance and Audit Guidance*.

**Emphasis of matter**

We draw attention to the Step 3 - *Design and implement a management system to respond to identified risks* of the Compliance Report which indicates the risk mitigation strategy related to North Mara Mine in Tanzania.

Our opinion is not modified in respect of this matter.

Ernst & Young Ltd

Partner

Senior Manager

**Enclosure:** Copy of the Compliance Report dated 25 May 2020



Corporate Office :

**MMTC-PAMP INDIA PVT. LTD.**

A 13 | Green Park (Main) | Aurobindo Marg  
New Delhi 110 016 | INDIA

T +91 11 4968 4200 | F +91 11 4968 4201  
info@mmtcpamp.com | www.mmtcpamp.com

CIN: U27310HR2008PTC042218

## MMTC-PAMP LBMA Responsible Gold and Silver Guidances Compliance Report

The *LBMA Responsible Gold and Silver Guidances* have been established for good delivery Refiners to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict and to comply with high standards of anti-money laundering and combating terrorist financing practice. In addition, the LBMA Responsible Gold Guidance has been further enhanced to recognise the increasing importance of having a strong corporate governance as well as addressing environmental and sustainability responsibilities.

As fighting serious abuses of human rights, avoiding contribution to conflict over its supply chain and complying with high standards of anti-money laundering (AML) and combating terrorist financing (CFT), as well as addressing environmental and sustainability responsibilities are central tenets of the MKS PAMP Group BV's operating procedures, the MKS PAMP Group, which operates two refineries among its entities, decided to lead by example and voluntarily implement the *LBMA Responsible Gold and Silver Guidances* to other Group companies around the world which are involved in the precious metals business in addition to its refineries and to apply the requirements of the most stringent guidance, the LBMA Responsible Gold Guidance, to all precious metals sourced.

As a result, all precious metals feedstock sourced and refined by MMTC-PAMP comply fully with the LBMA Responsible Gold and Silver Guidances requirements. MMTC-PAMP has decided voluntary to include in the scope of the audit, all other precious metals supply chain.

**Table 1: Refiner's details**

Refiner's name	MMTC-PAMP India Private Limited
Location	Rozka Meo Industrial Estate, Tehsil Nuh, Distt. Mewat, Haryana – 122103, India
Reporting year-end	December 31, 2019
Precious metals in the scope of the LBMA Responsible Gold Guidance audit	Gold, Silver
Date of Report	May 25, 2020
Senior Management responsible for this report	Vikas Singh, Managing Director
	
	
	Mehdi Barkhordar, Chairman

This report summarizes how MMTC-PAMP India Private Limited ("MMTC-PAMP") complied with the requirements of the LBMA Responsible Gold and Silver Guidances during the year 2019 for all type of precious metals sourced.

Regd. Office & Works :

Rojka-meo Industrial Estate | Distt. Nuh  
Haryana 122 103 | India 122103 | India

T +91 124 2868 000 | F +91 124 2868 099





Corporate Office :

**MMTC-PAMP INDIA PVT. LTD.**  
A 13 | Green Park (Main) | Aurobindo Marg  
New Delhi 110 016 | INDIA

T +91 11 4968 4200 | F +91 11 4968 4201  
info@mmtcpamp.com | www.mmtcpamp.com  
CIN: U27310HR2008PTC042218

## MMTC-PAMP's evaluation

The following table lists the minimum requirements that must be satisfied by Refiners in accordance with the LBMA Responsible Gold and Silver Guidances to demonstrate compliance.

**Table 2: Summary of activities undertaken to demonstrate compliance**

### Step 1: Establish strong company management systems

#### Compliance Statement with Requirement:

We have fully complied with Step 1 Established strong management systems.

#### MMTC-PAMP has adopted a policy regarding due diligence for precious metals supply chains

##### Comments and Demonstration of Compliance:

Our Responsible Precious Metal Policy is consistent with the model set out in the Annex II of the OECD due diligence guidance. This sets out in particular our responsibility to establish strong company management systems to fight serious abuses of human rights, to avoid contributing to conflict over our supply chain and to comply with high standards of anti-money laundering (AML) and combating of terrorism (CFT), to address environmental and sustainability responsibilities, to perform appropriate due diligence on a risk based approach over our counterparties and precious metal supply chain and to ensure appropriate scrutiny and monitoring of transactions on a risk based approach.

#### MMTC-PAMP has set up an internal management structure to support supply chain due diligence

##### Comments and Demonstration of Compliance:

MMTC-PAMP has an internal management system to support supply chain due diligence, which includes in particular the definition of role and responsibility, due diligence checklist and toolkit and a robust traceability system database recording each lot refined. Senior Management retains the ultimate control and responsibility for combating human rights abuses, money laundering, terrorist financing, avoiding contribution to conflict as well as addressing environmental and sustainability responsibilities over the supply chain. The Compliance Team has been assigned to manage the process and has a direct line of reporting to Senior Management.

#### MMTC-PAMP has established a strong internal system of due diligence, controls and transparency over precious metals supply chain, including traceability and identification of other supply chain actors

##### Comments and Demonstration of Compliance:

MMTC-PAMP has a robust traceability system database that records supply chain information and documents for each lot refined. Specific and relevant transactional documentation as per its internal guidelines must be received and verified before processing of any precious metals.

#### MMTC-PAMP has strengthened company engagement with precious metals supplying counterparties, and where possible, assist precious metals supplying counterparties in building due diligence capabilities

##### Comments and Demonstration of Compliance:

We believe in long term relationships based on trust and mutual recognition, and therefore, value and encourage such relationships.

Our Refining Agreement specifically refers to and includes our Responsible Precious Metal Group Policy and the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas.

Regd. Office & Works :

Rojka-meo Industrial Estate | Distt. Nuh  
Haryana 122 103 | India 122103 | India

T +91 124 2868 000 | F +91 124 2868 099





Corporate Office :

**MMTC-PAMP INDIA PVT. LTD.**  
A 13 | Green Park (Main) | Aurobindo Marg  
New Delhi 110 016 | INDIA

T +91 11 4968 4200 | F +91 11 4968 4201  
info@mmtcpamp.com | www.mmtcpamp.com  
CIN: U27310HR2008PTC042218

Where possible, we assist our precious metals supplying counterparties or prospects and encourage them to improve their responsible supply chain practices. In particular, our MKS PAMP Group's Relationship Managers, who are properly trained, are responsible for promoting responsible sourcing practices throughout the supply chain. Therefore, they take advantage of each on site visit to explain the regulatory environment, our expectations, best practice seen in the market and provide them with help or guidance encouraging them to continuously improve their own practices. During these visits and whenever relevant and possible, we introduce our counterparts or prospects to not-for-profit associations aiming to improve social and environmental practices.

**MMTC-PAMP has established a company-wide communication mechanism to promote broad based employee participation and risk identification to management**

**Comments and Demonstration of Compliance:**

The Company has a mechanism allowing any employee, supply chain actor or stakeholder to voice any concerns over the precious metals supply chain or newly identified risk. The functional mailbox [responsiblepm@mmtcpamp.com](mailto:responsiblepm@mmtcpamp.com) has been established and is reviewed by the Company's Compliance Officer. All relevant enquiries are treated directly by the Compliance Department.

**Step 2: Identify and assess risks in the supply chain**

**Compliance Statement with Requirement:**

We have fully complied with Step 2 Identify and assess risks in the supply chain.

**MMTC-PAMP has a process to identify risks in the supply chain**

**Comments and Demonstration of Compliance:**

MMTC-PAMP India identifies and assesses risks in the supply chain. We have established our criteria for high-risk categories and systematically apply them to all our precious metal supplying counterparties. In order to determine conflict-affected, human right abuse and money laundering high risk areas, we use reliable several external data sets as basis of this analysis. Supply chain could be assessed as high risk due to their location in high risk area, due to the profile of the supply chain or counterparty type. We conduct due diligence following a risk-based approach and allocate a risk profile according to our risk profile criteria. This process is a formal requirement before entering into any business relationship with a precious metal supplying counterparty.

**MMTC-PAMP assesses risks in light of the standards of their due diligence system**

**Comments and Demonstration of Compliance:**

Supply chain due diligence following a risk based approach is performed before entering into a business relationship and on an on-going basis with any precious metals supplying counterparty. We also perform enhanced due diligence for higher risk categories. In addition, we conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship following a risk based approach. We source from recycled and mined gold supply chains. Regarding the mined gold supply chain, we source only from industrial mines located in North America, South America, Africa, Asia and Oceania. For the year under review, we have not sourced from artisanal mines. However, our Group is actively participating in a number of different initiatives aiming to source from artisanal mines, provide them technical assistance towards mining best practice as well as direct access to the international markets.

**MMTC-PAMP reports risk assessment to Senior Management**

**Compliance Statement with Requirement:**

Senior Management approves all new suppliers. In addition, Senior Management revisits each year the decision as to whether to continue or not with business relationships categorised as high risk. The Compliance Team prepares on a yearly basis a report on high risk suppliers to Senior Management in order for them to perform these duties. Senior Management retains the ultimate control and responsibility for the gold supply chain.

Furthermore, the Compliance Team prepares each year a risk assessment, which are approved by the Board of Directors.

Regd. Office & Works :  
Rojka-meo Industrial Estate | Distt. Nuh  
Haryana 122 103 | India 122103 | India  
T +91 124 2868 000 | F +91 124 2868 099





Corporate Office :

**MMTC-PAMP INDIA PVT. LTD.**

A 13 | Green Park (Main) | Aurobindo Marg  
New Delhi 110 016 | INDIA

T +91 11 4968 4200 | F +91 11 4968 4201  
info@mmtcpamp.com | www.mmtcpamp.com

CIN: U27310HR2008PTC042218

---

### Step 3: Design and implement a management system to respond to identified risks

---

#### Compliance Statement with Requirement:

We have fully complied with Step 3 Design and implemented a management system to respond to identified risks.

**MMTC PAMP has devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade; (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk**

#### Comments and Demonstration of Compliance:

During the reporting period, we have sourced gold from the North Mara Mine in Tanzania (NMGM). The mine has been subject to allegations of personal injury claims and environmental pollution.

We have as a result

- immediately taken the measures as described in our press release available under this link: <https://mineralsgrievanceplatform.org/static/blog-assets/MMTC%20PAMP%20-%20Press%20Release.pdf>
- mandated Synergy Global to conduct an independent assessment. The assessment was conducted in November 2019 and the executive summary of resulting report is available under this link: [https://www.mmtcpamp.com/sites/default/files/North\\_Mara\\_Gold\\_Mine\\_Limited\\_Synergy\\_Assessment\\_report\\_Exec\\_Summ\\_25May20.pdf](https://www.mmtcpamp.com/sites/default/files/North_Mara_Gold_Mine_Limited_Synergy_Assessment_report_Exec_Summ_25May20.pdf)
- taken note and will follow the recommendation of Synergy to continue trading with NMGM while engaging with Barrick on the mitigation of the identified risks.

---

**Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk, and regular reporting to designated senior management**

---

#### Comments and Demonstration of Compliance:

We have engaged and will continue to engage with Barrick on the mitigation of the identified risks at NMGM, as well as regularly update senior management and take action when and if necessary.

---

### Step 4: Arrange for an independent third-party audit of the supply chain due diligence

---

#### Compliance Statement with Requirement:

We have fully complied with Step 4 and have arranged for an independent third-party audit not only on our gold and silver supply chain due diligence, but as well on all other precious metals supply chains.

#### Comments and Demonstration of Compliance:

MMTC-PAMP has engaged the services of the assurance provider Ernst & Young Limited, Switzerland to review our 2019 Compliance Report, and their independent report will be available on MMTC-PAMP's website when issued. Previous reports are available on MMTC-PAMP's website as well.

---

### Step 5: Report on supply chain due diligence

---

#### Compliance Statement with Requirement:

We have fully complied with Step 5 Report on supply chain due diligence

#### Comments and Demonstration of Compliance:

Our Responsible Precious Metals Policy is available on MMTC-PAMP's website. Our 2019 Compliance report with the independent audit report will be available on MMTC-PAMP's website when issued. Previous years Compliance reports with audit reports are as well available on our website.

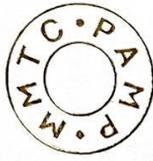
---

Regd. Office & Works :

Rojka-meo Industrial Estate | Distt. Nuh  
Haryana 122 103 | India 122103 | India

T +91 124 2868 000 | F +91 124 2868 099





Corporate Office :

**MMTC-PAMP INDIA PVT. LTD.**

A 13 | Green Park (Main) | Aurobindo Marg  
New Delhi 110 016 | INDIA

T +91 11 4968 4200 | F +91 11 4968 4201  
info@mmtcpamp.com | www.mmtcpamp.com

CIN: U27310HR2008PTC042218

## MMTC-PAMP's overall conclusion

**Table 3: Management conclusion**

**Is the Refiner in compliance with the requirements of the *LBMA Responsible Gold and Silver Guidances* for the reporting period?**

Yes In conclusion, MMTC-PAMP has implemented effective management systems, procedures, processes and practices to conform to the requirements of the *LBMA Responsible Gold and Silver Guidances* for all its precious metals supply chain, as explained above in Table 2, for the reporting year ended 31 December 2019.

**Table 4: Other report comments**

If users of this report wish to provide any feedback to MMTC-PAMP India with respect to this report, they can send an e-mail to the functional mail box: [responsiblepm@mmtcpamp.com](mailto:responsiblepm@mmtcpamp.com)

Regd. Office & Works :

Rojka-meo Industrial Estate | Distt. Nuh  
Haryana 122 103 | India 122103 | India

T +91 124 2868 000 | F +91 124 2868 099

