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## MMTC-PAMP India LBMA Responsible Gold Guidance Compliance Report

The *LBMA Responsible Gold Guidance* has 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 practices.

**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 period	August 1, 2013 - December 31, 2014
Date of Report	February 6, 2015
Senior Management responsible for this report	Rajesh Khosla, Managing Director

Mehdi Barkhordar, Chairman

This report summarizes how MMTC-PAMP India complied with the requirements of the LBMA Responsible Gold Guidance during the period August 1, 2013 – December 31, 2014.

### MMTC-PAMP India's evaluation

The following table lists the minimum requirements that must be satisfied by Refiners in accordance with the LBMA Responsible Gold Guidance 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 India has adopted a policy regarding due diligence for supply chains of gold

##### 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 perform appropriate due diligence on

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a risk basis over our counterparties and to ensure appropriate scrutiny and monitoring of transactions on a risk based approach.

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

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**Comments and Demonstration of Compliance:**

MMTC-PAMP India 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 and avoiding contribution to conflict over the supply chain. The Compliance Officer has been assigned to manage the process, and has a direct line of reporting to Senior Management.

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

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**Comments and Demonstration of Compliance:**

MMTC-PAMP India has a robust traceability system database that records supply chain information and documents for each lot refined. Specific and relevant transactional documentation as per our internal guidelines must be received and verified before we process the gold-bearing material.

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**MMTC-PAMP India has strengthened company engagement with gold supplying counterparties, and where possible, assist gold supplying counterparties in building due diligence capabilities**

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**Comments and Demonstration of Compliance:**

Our General Terms and Conditions for the Refining of Materials make reference to our Responsible Precious Metal Policy and the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas.

Where possible, we assist our gold supplying counterparties or prospects to improve their responsible supply chain practices.

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

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**Comments and Demonstration of Compliance:**

The Company has a mechanism allowing any employee, supply chain actor or stakeholder to voice any concerns over the gold 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.

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

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**Compliance Statement with Requirement:**

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

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

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**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. 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.

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

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**Comments and Demonstration of Compliance:**

Supply chain due diligence following a risk based approach is performed before entering into a business relationship

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and on an on-going basis with any gold supplying counterpart. 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.

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

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##### **Comments and Demonstration of Compliance:**

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 categorized as high risk. The Compliance Officer 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.

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

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##### **Compliance Statement with Requirement:**

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

**MMTC-PAMP India 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**

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##### **Comments and Demonstration of Compliance:**

During the reporting period, MMTC-PAMP India has properly executed the required strategy to respond to identified risk.

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

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##### **Comments and Demonstration of Compliance:**

The procedure for risk mitigation is described in our adopted group guidance and is strictly applied when and where necessary.

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

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##### **Compliance Statement with Requirement:**

We have fully complied with Step 4 and have arranged for an independent third-party audit of our supply chain due diligence.

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##### **Comments and Demonstration of Compliance:**

MMTC-PAMP India has engaged the services of the assurance provider S. R. Batliboi & Co. LLP to review its 2014 Compliance Report, and their independent report will be available on MMTC-PAMP India's website when issued.

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

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##### **Compliance Statement with Requirement:**

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

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##### **Comments and Demonstration of Compliance:**

Our Responsible Precious Metals Policy is available on MMTC-PAMP India's website. Our 2014 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.

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**MMTC-PAMP India's overall conclusion**

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**Table 3: Management conclusion**

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

Yes

In conclusion, MMTC-PAMP India has in place effective management systems, procedures, processes and practices to conform to the requirements of the *LBMA Responsible Gold Guidance*, as explained above in Table 2, for the reporting period August 1, 2013 - December 31, 2014.

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**Table 4: Other report comments**

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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).

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