



Corporate Office :

MMTC-PAMP INDIA PVT. LTD.  
C-27, 3rd. Floor | Qutab Institutional Area  
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 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.

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) 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 Guidance* to other group companies around the world which are involved in the precious metals business in addition to its refineries and to apply as well the requirements not only to gold sourcing but to all other precious metals sourced.

As a result, all precious metals feedstock sourced and refined by MMTC-PAMP comply fully with the LBMA Responsible Gold Guidance requirements. MMTC-PAMP has decided voluntary to include in the scope of the audit, all 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, 2016  |
| Precious metals in the scope of the LBMA Responsible Gold Guidance audit | Gold, Silver   |
| Date of Report   | February 23 <sup>rd</sup> , 2017   |
| Senior Management responsible for this report                            | Rajesh Khosla, Managing Director   |

Mehdi Barkhordar, Chairman

This report summarizes how MMTC-PAMP India Private Limited ("MMTC-PAMP India") complied with the requirements of the LBMA Responsible Gold Guidance during the year 2016 for all type of precious metals sourced. MMTC-PAMP India applies the version 6 of Guidance, issued in August 2015.

### 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.

Regd. Office & Works :

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

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



---

**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 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 the financing of terrorism (CFT), to perform appropriate due diligence on a risk basis over our counterparties and precious metal supply chain and to ensure appropriate scrutiny and monitoring of transactions on a risk based approach.

---

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

---

**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.

---

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

---

**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 precious metals.

---

**MMTC-PAMP India 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:**

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 precious metals supplying counterparties or prospects to improve their responsible supply chain practices. In particular, all MKS PAMP GROUP's Relationship Managers, who are properly trained, are responsible promoting responsible sourcing practices throughout the supply chain. Therefore, they take advantage of all on site visits to explain the regulatory environment, our expectations and provide them with help or guidance so as to continuously improve their own practices.

---

**MMTC-PAMP India 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 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. All relevant enquiries are treated directly by 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 India 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. 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 India 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 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. We source from recycled and mined gold supply chains. Regarding the mined gold supply chain, we exclusively source from well-established industrial mines located in North America, South America, Africa and Asia and do not work with artisanal mines. With respect to recycled metal, recycled materials represent insignificant part of our gold supply chain.

---

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

---

**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 with these business relationships categorised as high risk. The Compliance Officer prepares a report on high risk suppliers to Senior Management on yearly basis in order for them to perform these duties. Senior Management retains the ultimate control and responsibility for the gold supply chain.

---

**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 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**

---

**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 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:**

The procedure for risk mitigation is described in our adopted group guidance and is strictly applied when and where 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 supply chain due diligence, but as well on all other precious metals supply chains.

---

**Comments and Demonstration of Compliance:**

MMTC-PAMP India has engaged the services of the assurance provider S. R. Battiboi & Co. LLP to audit its 2016 Compliance Report, and their independent report will be available on MMTC-PAMP India'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 India's website. Our 2016 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.

---

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

---

**Table 3: Management conclusion**

---

**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 <i>LBMA Responsible Gold Guidance</i> for all its precious metals supply chain, as explained above in Table 2, for the reporting period ended 31 December 2016. |
|-----|---|

---

**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)

---