Response to Forbidden Stories Articles

28th June 2019

Further to recent press articles with regards to Acacia Mining’s North Mara Mine, where MMTC-PAMP has been mentioned, we would like to draw your attention to the following facts:

MMTC-PAMP performs enhanced due diligence on every supply chain before entering into a new commercial relationship and monitors it on an on-going basis in the course of the relationship. Such procedures are an integral part of our Responsible Precious Metals Policy, for which fighting serious abuses of human rights, avoiding contribution to conflict over the supply chain, complying with the highest standards of anti-money laundering (AML) and combating terrorist financing (CFT), as well as addressing environmental and sustainability responsibilities are central tenets.

We also rigorously follow the LBMA Responsible Gold/Silver guidance, which is the industry program to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). We are audited by independent accredited auditors on an annual basis for our compliance with such guidance and the audit reports, certifying our conformity to such standard, are publicly available.

During our due diligence performed on North Mara, we took the NGO’s reports very seriously and challenged the mine on the issues raised. We have assessed the measures taken by the mine to remediate the human rights claims, which are largely historical and related to the activities of the State police force operating in the area of the mine. North Mara’s parent company, Acacia Mining plc, has adopted and implemented the World Gold Council’s Conflict-Free Gold Standard (industry standard developed to comply with the OECD guidance), which confirms that the gold produced at North Mara mine has been extracted in a manner that does not fuel unlawful armed conflict or contribute to serious human rights abuses or breaches of international law.

We would immediately suspend or discontinue engagement with the North Mara mine if we had identified a reasonable risk that they were committing serious abuses or supporting public or private security forces committing human rights abuses. We are engaging with the North Mara mine about this on an ongoing basis and have completed a site visit to North Mara previously, to corroborate information provided by the mine and to appreciate the net positive impact on the local community. We have also observed examples in practice of the mine’s active commitment to the Voluntary Principles on Security and Human Rights (VPs) as suggested in the OECD Guidance. For example, the mine has a Memorandum of
Understanding with the Tanzanian Police Force which incorporates and elaborates upon the model clauses for agreements between government security forces and companies’ human rights standards published by the VPs Initiative. Furthermore, we have seen in practice the mine’s commitment to the United Nations Guiding Principles on Business and Human Rights (UNGPs). The mine operates a Community Grievance Process, as required by the UNGPs, information about which is available on Acacia’s website. Progress has been recognized so much so that the mine won in 2015 a national CSR award for its activities.

Acacia has issued a press release refuting the various claims published in the recent press articles as well as explaining the factual background and context where appropriate. For more information about the action taken by the mine, please consult the response by Acacia, available on https://www.acaciamining.com/media/press-releases/2019/2019-06-26.aspx

As part of our ongoing compliance monitoring, we take any new allegation very seriously and immediately contacted the mine to ensure that the allegations refer to known historical facts, except for the recent environmental claim. As a result, we have done an in-depth analysis and are satisfied that the information and explanations on measures taken by the mine with regards to the NGO’s allegations remain satisfactory. We have also obtained confirmation from the mine that they are addressing the environmental claim promptly. Never the less and for an abundance of caution, we are currently organizing a new site visit, together with an independent expert, to verify on site that the measures taken by the mine comply with our Responsible Sourcing Policy as well as the internationally recognized responsible sourcing standards. Should we not be satisfied with the result of this visit, we will take appropriate action, including immediately suspending or discontinuing our engagement with the North Mara mine if necessary.

Finally, it goes without saying that should there be any additional information or allegation that is brought to our attention, we will investigate the same and take the necessary action immediately.