



THE
PERTH MINT
AUSTRALIA

LBMA Responsible Sourcing Programme

➤ Compliance Report FY 2022 - 2023

- Responsible Gold Guidance v9
- Responsible Silver Guidance v1



Refiner's Details

Name	The Perth Mint Refinery
Address	131 Horrie Miller Drive, Perth Airport, WA 6105
Assessment Period	1 July 2022 – 30 June 2023
Location	Perth, Western Australia
Date of Report	15 September 2023
Combined Report	This report addresses Responsible Gold Guidance (RGG) and Responsible Silver Guidance (RSG)

Compliance Report

The London Bullion Market Association's (**LBMA**) Responsible Sourcing Programme (**LBMA Programme**) is designed to:

- ensure the continuous improvement of Responsible Sourcing business practices; and
- reassure clients that all the gold and silver (**metals**) sourced from The Perth Mint Refinery (**The Perth Mint**) is free from threat financing.

The LBMA Programme also follows the five-step due diligence framework set out in the Organisation for Economic Co-operation and Development (**OECD**) Due Diligence Guidance and requires The Perth Mint to demonstrate their efforts to combat money laundering, terrorist financing and human rights abuses, and respect the environment globally.

This report summarises how The Perth Mint, part of the Gold Corporation has complied with the requirements of both the LBMA Responsible Gold Guidance version 9 (**RGG 9**) and the Responsible Silver Guidance version 1 (**RSG 1**).

Contents

Refiner's Details	2
Step 1 – Establish Strong Company Management Systems	4
1.1 Adopt and commit to a policy for gold and silver supply chain due diligence	4
1.2 Establish management structures to support supply chain due diligence	7
1.3 Establish a gold and silver traceability system	8
1.4 Strengthen company engagement with gold and silver supplying counterparties	9
1.5 Establish a confidential grievance mechanism	10
Step 2 – Identify and Assess Supply Chain Risks	11
2.1 Conduct supply chain due diligence to identify potential risks	11
2.2 Classify supply chains based on risk profiles	14
2.3 Undertake Enhanced Due Diligence measures for high risk supply chains	15
On-site Investigation / Visit	15
High Risk LSM Considerations	16
High Risk ASM	17
High Risk Recycled	17
Step 3 – Design and Implement a Management Strategy to Respond to Identified Risks	18
3.1 Devise a risk management strategy for the identified risk	19
Continue with Improvement Plan	19
Suspend Relationship	19
Terminate Relationship	20
3.2 Monitor the improvement plan.	20
3.3 Report findings to the Board Committee.	21
3.4 Continuously monitor adequacy of risk management strategies	21
Step 4 – Obtain independent Third-Party Assurance of Supply Chain Due Diligence Practices	21
Step 5 – Report annually on Supply Chain Due Diligence	23
Management Conclusion	23

Step 1 – Establish Strong Company Management Systems

Compliance Statement:

The Perth Mint has complied with Step 1.

1.1 Adopt and commit to a policy for gold and silver supply chain due diligence

The Perth Mint’s Responsible Metals and Supply Chain Policy (**Policy**) complies with the LBMA Programme, and the model set out in Annex II of the OECD Due Diligence Guidance. The Policy recognises The Perth Mint’s:

- responsibility to respect and uphold human rights;
- commitment to ensure that refining operations do not in any way facilitate conflict or related human rights violations; and
- Commitment to complying with all applicable international standards and domestic legal obligations, including environmental and sustainability requirements.

The Policy is approved by the Chief Executive Officer under delegation from the Board, is publicly available on The Perth Mint’s website, and is reviewed annually. The Policy document is dated June 2022 and a desktop review was completed in February 2023; however, no changes were deemed necessary at the time because:

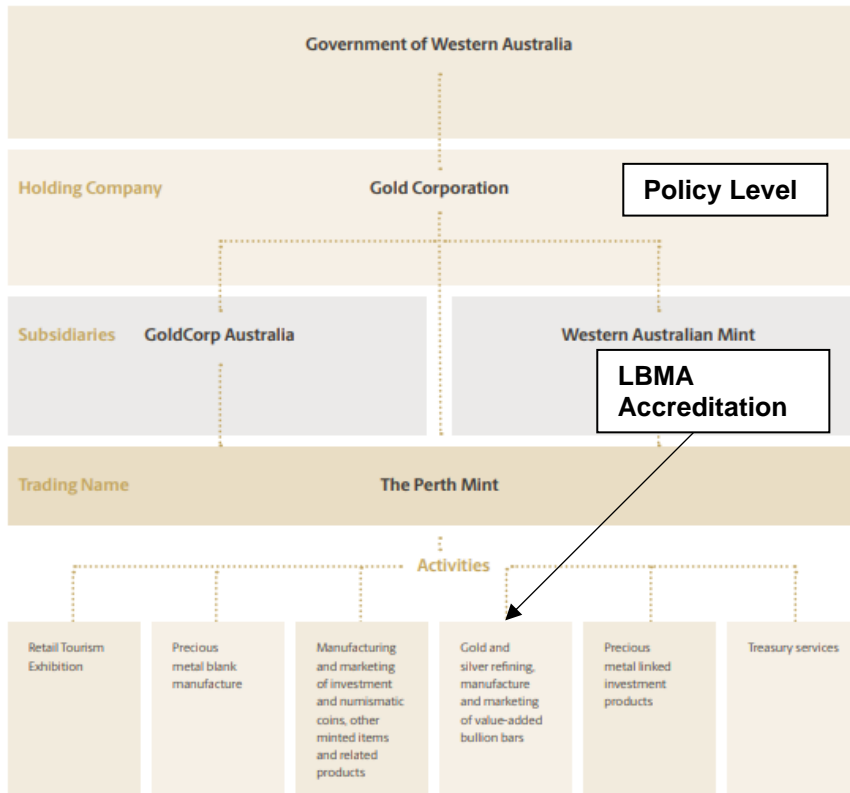
1. a current initiative will see The Perth Mint’s Responsible Sourcing Program extend beyond precious metals and the Policy will be amended to reflect the increased scope; and
2. the existing Policy is not due for a formal refresh (under our internal document control framework) until 2025, which allows for desktop reviews during interim years.

The Policy is supported by a Responsible Sourcing of Metals Program (**Program**) which provides greater clarity on specific policy requirements. The following table describes how the Policy, and our commitment to the Policy are demonstrated through both documents.

Policy minimum criteria (as per RGG9)	
Scope	<p>Policy: <i>Extends scope to cover all metals sourced from all countries.</i></p> <p>Program: <i>The Program further defines the scope by specifying the types of precious metal, the reasons for sourcing, and the main business units with The Perth Mint who are internal stakeholders.</i></p>
Organisation and responsibilities	<p>Policy: <i>Sets out commitment to managing stakeholders, mitigating human rights risks, corporate social responsibility, and responsible sourcing.</i></p> <p>Program: <i>Detailed health and safety procedure, customer onboarding process and customer deposit process available.</i></p>
Identification and assessment of threat finance risks and consideration of Environmental Social and Governance (ESG) factors	<p>Policy: <i>Commitment to LBMA, OECD standards and the Anti-Money Laundering and Counter-Terrorism Financing (AML / CTF) Act 2006 (Cth) outlined.</i></p> <p>Program: <i>Further explained in Anti-Bribery and Corruption Policy, AML / CTF Program, Modern Slavery Policy, Responsible Sourcing of Metals Program and Bullion Trading Room Procedure.</i></p>

Policy minimum criteria (as per RGG9)	
Detailed and meaningful Know Your Counterparty (KYC) and supply chain due diligence processes that, at a minimum, meet RGG Step 2.1 requirements	<p>Policy: Identifies the risks within supply chain. Due diligence by conducting site visits and not tolerating illegal or high-risk sourcing.</p> <p>Program: Describes Counterparty due diligence process including jurisdiction risk, environmental risk, ESG, Artisanal or Small-Scale Mines (ASM) risk and risk assessment.</p>
Transaction monitoring processes that, at a minimum, meet RGG Step 2.1 requirements	<p>Policy: Refers to transaction monitoring and record keeping.</p> <p>Program:</p> <ol style="list-style-type: none"> 1. The AML / CTF Program covers transaction monitoring. 2. Changes to the Progress system permits additional retrospective monitoring to confirm metal categories (Monthly monitoring).
Criteria for high-risk supply chains that, at a minimum, meet RGG Step 2.2 requirements	<p>Policy: Identification and no tolerance of high-risk customers. Immediately suspend or discontinue engagement.</p> <p>Program: Highlighted under counterparty KYC and risk assessment, risk assessment methodology and due diligence obligations.</p>
KYC and supply chain due diligence record maintenance requirements	<p>Policy: Directs that appropriate records must be maintained to an auditable standard.</p> <p>Program: Clarifies that all records must be managed in accordance with The Perth Mint's Record Keeping Plan, which is a state based legislative requirement.</p>
Employee training program	<p>Policy: Directs that adequate training be provided to all applicable staff.</p> <p>Program: Provides further clarity on the training cadence, training platform and high-level objectives.</p>

Company Structure



1.2 Establish management structures to support supply chain due diligence

Board Level Oversight

As a Committee of the Board, the Audit and Risk Management Committee (**ARMC**) supervises internal and external audits, with their minutes tabled for Board consideration. The Responsible Sourcing of Metal Program was reviewed by the Board in June 2023.

The Board members assigned to this Committee are:

- John O'Connor (Chair)

Appointed in January 2016, John is a former audit partner of PricewaterhouseCoopers having held the role of Managing Partner and head of the assurance practice during his tenure. John has extensive audit experience within the resources sector and holds several non-executive director roles. He is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, Institute of Chartered Accountants in England and Wales, and Australian Institute of Company Directors.

- Anthony Barton

Appointed in September 2022, Anthony has extensive experience in capital markets, corporate finance, funds management and venture capital. Anthony has held advisory roles in the incorporation and listing of many Australian-based resource companies and has more than 40 years of commercial experience, having acted in senior executive and director capacities for two leading Australian stockbroking firms. Anthony is executive chair of Australian Heritage Group and chair of ASX-listed exploration company King River Resources Limited.

- Richard Watson

Appointed in February 2019, Richard is the Assistant Under Treasurer of Agency Budgeting and Governance in the Department of Treasury. He is responsible for the oversight and governance of Government Trading Enterprises within Western Australia and supports the State's financial management framework, legislative and accounting standards. From 2014 to 2018 he held the position of Executive Director of the Economic Business Unit in the Department of Treasury.

Internal Resources

During the reporting period, key due diligence processes were supported by the:

- Refinery Commercial Team – Consisting of the General Manager, Commercial, Responsible Sourcing Risk Analyst and a Contract Specialist, this team conducts due diligence with a focus on new clients and changing contractual arrangements, in addition to supporting Ongoing Customer Due Diligence (**OCDD**).
- Refinery Balance Room – This team ensures that appropriate shipping and declaration documentation is in order and records details of all lodgements in line with metal type categorisation and country of origin (**CoO**)

- Refinery Remediation Team – This team was formed under the AML Remediation Project to focus on the Customer Due Diligence (**CDD**) for Refinery clients. The new Centralised Operations Team will manage this function going forward.
- Financial Crime Compliance Team – This team supports the CDD process with relevant advice, escalations, and support for Enhanced Customer Due Diligence (**ECDD**).

Training

Relevant staff across The Perth Mint are required to undertake mandatory responsible sourcing of precious metal training. Initial training is required within six weeks of the staff member commencing at The Perth Mint with refresher training required every 12 months thereafter.

The training provides an overview of the Responsible Sourcing of Metals Program and the Responsible Metal and Supply Chain Policy. Further, the training provided discusses why The Perth Mint is required to implement the Program.

The training is provided via The Perth Mint's Online Training Platform and all training records are maintained by the Training Coordinator and can be accessed as required.

All staff required to undergo training during the reporting period have completed their allocated training modules.

Payments to Suppliers

The Perth Mint does not permit cash transactions. All payments are made through official banking channels.

Cooperation with Government Authorities

The Perth Mint cooperates transparently with government authorities (national or international law enforcement agencies and customs officials) by providing access to records and information as appropriate.

Maintaining Records

Records are kept in accordance with The Perth Mint's Record Keeping Plan, as stipulated under the *State Records Act 2000* (WA), which requires The Perth Mint to report on and communicate conduct within the Annual Report.

1.3 Establish a gold and silver traceability system

All materials lodged for refining are traced through a 'refinery' account set up within The Perth Mint's Progress system. Accounts are set up under client names and are designated as either primary or recycled (with an additional option for non-GST registered entities).

Subcategories for primary and recycled were created in July 2023 to capture individual lodgement as follows:

- primary (Large or Medium Scale (LSM) Mines, ASM Mines, or Mining By-Product); and

- recycled (Melted, Unprocessed, Mixed Material, Industrial By-Product, Grandfathered¹).

Country of Origin Declarations are provided at each lodgement, regardless of type. This allows the aggregation of all sourced precious metals for the country-of-origin reports to be produced as required.

Note: *Clients can have multiple accounts covering different deposit types if required.*

All precious metal delivered to The Perth Mint Refinery for processing is receipted through the Refinery Balance Room where it is logged into the Progress system, weighed, and allocated an exclusive deposit number. This deposit number allows tracking of the counterparty's metal through the refining process until the point of chlorine refining. All metals receipted through the Refinery Balance Room require a Country of Origin Declaration Certificate.

The Perth Mint Refinery also receives a small portion of feed stock from The Perth Mint Shop in East Perth, which holds a Second-Hand Dealer's Licence to allow buybacks of jewellery and other forms of metal. As part of their Second-Hand Dealer's Licence, the Shop must tag all jewellery buybacks in a system managed and used by the Western Australian Police.

For traceability purposes, The Perth Mint Shop has an internal account with the Refinery designated as 'Recycled'.

1.4 Strengthen company engagement with gold and silver supplying counterparties

Policy

When onboarding, all metal suppliers receive a copy of the **Policy** via email for contracted customers and in hard copy at time of lodgement for walk in customers.

Contracts (Refining Agreements)

The Perth Mint's proposal and refining agreement templates reference LBMA Good Delivery and contain clauses which detail the responsible metal requirements of The Perth Mint and the supplier. The refining agreement responsible metals clause requires the supplier to assess their business practices in accordance with LBMA Standards and, if necessary, improve measures to ensure compliance. It also ensures that the country of origin is provided and prohibits any suspect materials from being processed. Failure to comply with the LBMA Standards is considered a breach of contract.

These clauses are included in both mined metal and scrap material contracts.

¹ It is recognised that Grandfathered stock is not Recycled, however if received, it can be easily extracted and reported appropriately.

Capacity Building

The Perth Mint has a strong supplier base built over many years of engagement, trust, and mutual recognition. By providing guidance to suppliers, The Perth Mint encourages and supports the improvement of mining and sourcing practices. This ongoing development is evidenced through our Assay Team's work with suppliers to lower contamination in their deposits and practices and through regular discussion of supplier management and opportunities for engagement at leadership team meetings.

The Perth Mint assists in reducing harmful and toxic metals and compounds within shipments through conducting Inductively Coupled Plasma Mass Spectrometry scans which enable analysis of all materials entering our supply chain. This process highlights any elevated levels of elements that may be potentially hazardous to operators. Any identified issues are communicated to the Refinery General Manager who assesses the risks and raises the issue with the supplier. Identification of harmful elements such as mercury in the supply may result in removal of the metal feed.

The Perth Mint is also a member of the Gold Industry Group, and the General Manager of Commercial Development sits on their Board. The Perth Mint also provides sponsorship arrangements to assist the Gold Industry Group to provide events and education opportunities for Industry participants.

Continual Improvement Opportunities

The Refining Contract has recently been reviewed and updated (outside of the fiscal year) to better align with The Perth Mint's strategy for responding to high-risk scenarios and to better capture requirements for ESG. Implementation will be monitored over the next 12 months to assist with identifying opportunities to engage in capacity building with our clients.

1.5 Establish a confidential grievance mechanism

The Perth Mint is committed to a culture of respect and ethical conduct. This is supported by encouraging staff and third-party disclosures regarding potential corruption or improper conduct relating to responsible metals and supply chain management.

The Perth Mint does not condone the victimisation of anyone who intends to disclose or has disclosed misconduct. Our Whistle-blower Policy allows employees and external stakeholders to anonymously voice concerns about identified risks.

To facilitate disclosures being made in a safe and confidential manner, a report can be made:

- internally to a nominated Disclosure Officer or a Proper Authority; or
- via the independent Whistle-blower 24/7 service provider 'Your Call' at <https://www.yourcall.com.au/report> or 1300 790 228 to external authorities in accordance with the *Public Interest Disclosure Act 2003* (WA).

Detailed information about The Perth Mint's Whistle-blower Policy and public interest disclosure requirements, including information about misconduct and protections provided to whistle-blowers, is publicly available.

In addition to the Whistle-blower Policy, employees are encouraged to report any concerns to management. Concerns can be raised with an employee's direct supervisor, the Production Manager, or the General Manager. Reporting is encouraged by The Perth Mint's internal policies, at team meetings and at annual responsible metals training sessions. Responsible sourcing concerns or issues can also be reported to the Compliance Officer.

During the reporting period there were no grievances reported.

Step 2 – Identify and Assess Supply Chain Risks

Compliance Statement:

The Perth Mint has complied with Step 2.

2.1 Conduct supply chain due diligence to identify potential risks

Overview

The Perth Mint's due diligence process assesses:

1. Location Risks: based on origin, transport route and incorporation;
2. Material / Mine Type: considered against The Perth Mint's Risk Appetite; and
3. site (or client) operations, management, and related parties.

Due diligence is performed upon initial engagement and periodically based on indicators of risk including changes to expected volumes, ownership or structural changes to client operations or other external factors.

In accordance with the refinery lodgement process, Refining Contracts apply when volumes are expected to be greater than 5,000oz per annum, while general terms and conditions will otherwise be applicable.

The Perth Mint takes two broad approaches to supply chain due diligence:

1. mine related operators and second-hand dealers that regularly lodge deposits for refining are assessed after collecting relevant information using the LBMA's KYC Questionnaire. This assessment determines overall risk factor and provides a client profile to review against ongoing lodgements; and
2. one off, or 'walk-ins' that do not regularly lodge deposits will typically consist of the public or small operators in primary or recycled markets. These clients are assessed each time they present to confirm their identification status, and the origin and type of metals lodged for refining. Although a very low percentage of Perth Mint metal is sourced through these clients, due diligence is undertaken through Customer Risk Assessments and collection of origin-based Declarations and metal types made through the Lodgement Form.

Location Risks

The Perth Mint considers three components in assessing location risks:

1. origin of the precious metal refers to the mine site or the point in the supply chain where the metal is returned for recycling;

2. transport routes: understanding the route from origin to refinery ensures that responsible sourcing risk identification is not restricted to the point of origin only; and
3. client domicile / incorporation: ownership structures can be multinational, so being aware of client structures ensures jurisdictional factors are incorporated into the risk assessment.

Whilst there are other factors impacting location risks, there is no tolerance for breaching international sanctions or engaging with mine sites (including their transport routes) that impact World Heritage Sites.

Material / Mine Type Risk Profiles

Understanding the inherent risks presented by mining or material type assists in achieving an informed assessment of factors in the overarching risk assessment. Risk Acceptance is documented in the Responsible Sourcing of Metals Program.

Other Notes

- As an Australian Government trading entity, The Perth Mint provides a service to the local mining community and frequently engages with Australian clients wishing to utilise the refining service.
- The Perth Mint has multiple divisions that source or use precious metals in operational settings. Where the metals (either in full, or as an output of production) are likely to be sent to the refinery, they must first have satisfied The Perth Mint's responsible sourcing obligations.
- The assessment of mining by-products must incorporate the supply chain up to the smelter where the precious metals are separated. Due diligence must capture, consider, and assess the responsible sourcing policies and practices, and show that they are effective in identifying threat financing risks.
- Recycled (General) operations present alternative risk factors for consideration. To manage these effectively, the following components are considered:
 - the products, markets, and any customer segments of the client;
 - clients' footprint and operational locations;
 - the origin of the precious metals supplied for refining;
 - any processing operations of the metals prior to lodgment;
 - licenses and other regulatory obligations; and
 - appropriate ESG factors such as anti-bribery and corruption, anti-money laundering and responsible sourcing policies or practices.

Site (or Client) Operations

In assessing site (or client) operations, The Perth Mint considers:

- Customer Risk Assessment (CRA): an overarching assessment based on the location risks, entity type, engagement channel, business unit, PEP status and adverse media findings;

- Artisanal Risk (where relevant): assesses the risk factor posed by the population of artisanal miners in each country. The Perth Mint has a low appetite to receive precious metals originating from countries of higher risk for ASM mining, so it is necessary to assess ASM risks as a part of the Responsible Sourcing Assessment. Ratings are aligned with artisanalmining.org, which is based on the ASM population in each country; and
- KYC Questionnaire Response: with the exception to triggers that drive a High-Risk rating, the responses provided are assessed based on the scale and scope of the client operations. Where necessary, 'flags' are identified for specific consideration as to whether they are acceptable, potentially alter the risk profile or require some form of remediation.

Final Risk Assessment

The final risk assessment (rating) is determined through a combination of:

- CRA outcome: this must always be calculated using a holistic view of the 'group.' It is always preferable to rate high and make justifications as to why it should be acceptable;
- Location Risk outcomes: includes the location of operation and incorporation. Incorporation refers to the incorporation location of the controlling 'entity;' and
- Mining Type Risk: based on appetite, however from a rating perspective the appetite and inherent risk are interchangeable.

The highest risk rating from the above will determine the core rating. The rating may be increased if other factors identified in the due diligence process warrant a higher rating (e.g., emerging issues on environmental management obligations).

The overall rating will determine the acceptance criteria to be applied.

Risk ratings are completed by the:

- Refinery Commercial Team – for new or larger contracted clients;
- Refinery Balance Room Team – for general walk-ins and lower volume clients; and
- Refinery Remediation Team (transitioning to the Centralised Operations Team) – for all current CDD requirements.

Risk ratings of 'low' or 'medium' can be approved by individuals within the above Teams, however ratings of 'high' and above must be forwarded to the Financial Crime Compliance Team for approval.

Monitoring

The collection and assessment of due diligence information provides The Perth Mint with profiles of our clients and the expected transactional relationship that will continue. This allows monitoring of transactions against those profiles to detect any unusual behaviour.

2.2 Classify supply chains based on risk profiles

The classification of risk acceptance criteria ranges from 'low' through to 'very high' risk and includes instructions for when direct approval is required. The Perth Mint's Responsible Sourcing of Metals Program details the internal obligations and actions required under each risk profile.

On-site Audits are only mandatory for mine sites with a 'high' or 'very high' jurisdictional (whether AML or ASM driven) risk rating.

Zero Tolerance

The Perth Mint will not engage with new clients where:

1. mined material is sourced from World Heritage Sites; or
2. metals are sourced in breach of international or domestic sanctions; or
3. adverse findings occur, which includes:
 - money laundering, fraud, or terrorism related activities; and
 - human rights abuses or providing support to illegitimate non-state armed groups.

These adverse findings may be in respect of the client, upstream intermediaries, parent entities, Ultimate Beneficial Owners (**UBO**) or related senior managing officials.

In circumstances where these factors are identified in existing clients, The Perth Mint will apply the Response Management Strategy (section 3).

High Risk

A client will automatically be designated high risk or above if:

- material originates (or is claimed to originate) from or is transported via Conflict Affected and High-Risk Areas (**CAHRA**); or
- material originates (or is claimed to originate) from a country with limited known reserves, likely resources or expected production levels; or
- there is significant unexplained geographical routing from the original supplier; or
- the client operates in a money laundering high risk country; or
- shareholders, UBO's or other interests are located in a high risk location; or
- UBO's are identified as a Politically Exposed Person (**PEP**); or
- the client conducts activities in other high risk industries such as arms, gaming and casino, antiques, art or religious sects or cults; or
- the client has previously sourced metal from high risk countries in the last 12 months; or
- there are material discrepancies or inconsistencies in the documentation provided or the client has refused to provide requested documentation; or

- precious Metals are sourced from ASM which are produced with the use of Mercury or there are significant adverse findings on ESG factors; or
- material is sourced from an intermediary refinery (excluding LBMA accredited Refineries) or trader with a high risk supply chain.

Risk Assessment Outcomes – please refer to section 3.3 for details on specific assessments that identify zero tolerance or high risk clients.

2.3 Undertake Enhanced Due Diligence measures for high risk supply chains

ECDD is required for all high risk clients and supply chains. The ECDD process involves an onsite investigation / visit at the location of metal origin. The investigation shall:

- substantiate documented KYC information;
- investigate threat financing risks;
- be conducted before any transactions occur, or within at the least 6 months of the relationship commencing, and then annually thereafter unless the risk level reduces, or the relationship is terminated;
- be completed by Perth Mint staff or outsourced to an appropriate consultancy, who are free of any conflict of interest with the client; and
- consult with all relevant stakeholders (including local or central authorities, upstream companies, international or civil society organisations, or affected third parties) where applicable.

On-site Investigation / Visit

On-site audits consist of:

1. A desk-based review of mine related documentation, including:
 - relevant corporate policies and management procedures;
 - Environmental and Social Impact Assessment (**ESIA**) studies of the mine site and country risk assessments undertaken by the company; and
 - pre-assessment and KYC information from The Perth Mint.
2. A minimum two-day site visit at the mine site, where activities will include:
 - interviews with management, including personnel responsible for gold production, gold transport, security, government relations, health safety and environment (**HSE**), and community relations;
 - tour of the mine site and production facilities to observe operating conditions and understand controls for gold production, security, and logistics;
 - (Where possible) interview with gold transport provider to understand controls for ensuring security of gold shipments whilst in the country;

- (Where possible) interview with representative(s) of local community to understand company-community relations;
 - verification that mining location (operation) agrees with the concession, license, or other form of government sanction of the operation;
 - assessment of capabilities including staffing, equipment, transportation routes; and
 - validation of material source by sampling at mine site or other method of verification.
3. Preparation of a site visit report for The Perth Mint which will include observations relating to the key risk areas defined in the RGG for on-site assessments and any relevant recommendations for follow-up with the counterparty.

The Perth Mint will share the findings and recommendations with the counterparty, communicate the expectations, and discuss improvements. The findings of the on-site investigation and the counterparty's improvement plan will be assessed to determine whether The Perth Mint will continue or terminate the relationship (in accordance with the Terms and Conditions of our contracts).

High Risk LSM Considerations

Additional components are incorporated into the ECDD for all high risk LSM clients, including:

- proportionate KYC on each company involved in the conflict location-based high risk supply chain from the mine to the refinery (including gold producers, intermediaries, gold traders and exporters, and transporters);
- understanding the nature of public or private security services provided at the mine sites and through the supply chain (including the screening and training of security personnel in line with the Voluntary Principles on Security and Human Rights);
- considering the risks of militarisation of mine sites and transportation routes, and direct or indirect support to illegitimate non-state armed group, or public or private security forces;
- determining the risk of serious human rights abuses committed by any party at mine sites, on transportation routes and gold trading and/or export locations;
- estimating the number of ASM Miners (if any) on the producer's concession, and:
 - Confirming their status as legitimate ASM;
 - considering risks of gold from third-party sources unknowingly being introduced into the producer's operations;
 - considering the relationship between producer and ASM actors to identify instances of conflict or tension;
- complete self-declaration of taxes and royalties' compliance, as applicable;

- understanding payments or compensation made to government agencies and officials, public or private security forces, or other armed groups at all points in the supply chain from extraction onwards, unless prohibited by law; and
- considering compliance with regulations, policies and good practices concerning environment, health, safety, labour, community, and business integrity for issues identified in the initial due diligence.

High Risk ASM

Additional components must be incorporated into the ECDD for all high risk ASM clients, including:

- proportionate KYC on each company involved in the location-based high risk supply chain from the ore processing plant or gold aggregator to the Refiner (including cooperatives, gold traders, exporters, and transporters);
- collecting information on government, political or military affiliations of ASM suppliers, including any reported instances of affiliation with non-state armed groups, or public or private security forces;
- collecting evidence of any serious human rights abuses committed by any party at mine sites, transportation routes and gold trading and/or export locations;
- considering the militarisation of mine sites and transportation routes, and the risk of direct or indirect support to illegitimate non-state armed groups, or public or private security forces;
- considering any conflict or tensions in the relationship between LSM and ASM;
- considering the risk, suspicions, or reports that gold from other sources is being unknowingly introduced into the gold supply chain and/or fraudulently represented;
- considering the storage, handling and usage of mercury and the impacts on the environment and workers' health;
- evaluating the appropriateness of other ESG risk management practices pertaining to issues identified in the initial due diligence; and
- understanding payments or compensation made to government agencies and officials, public or private security forces, or other armed groups at all points in the supply chain from extraction onwards, unless prohibited by law.

High Risk Recycled

Additional components must be incorporated into the ECDD for all high risk Recycled clients:

Intermediate Refiners

- An independent Assurance Report on the Intermediate Refiners' responsible sourcing practices on a comply or explain basis. The assurance should:
 - include conformance with an OECD aligned responsible sourcing scheme;
 - be commissioned by the Intermediate Refiner; and

- be completed before the start of a new business relationship or within a reasonable timeframe of the Refiner implementing this Guidance.
- The identity of the UBOs of the Intermediate Refiners.

Other sources

- Checking government watchlist information for each company located in high risk locations for recycled gold and involved in the supply chain from the counterparty to the refinery (including transporters).
- Interviews with select management and site personnel to determine and corroborate the supply chain due diligence practices, purchasing and AML / CTF procedures.
- Considering the counterparty's competence and capacity for supply chain due diligence proportionate to risk.
- Considering the appropriateness of the counterparty's risk classification methodology.
- Assessing due diligence records to confirm that procedures are being undertaken as per the counterparty's supply chain due diligence policy with due considerations for commercially sensitive information.
- Assessment of on-site visit methodology to the counterparty's high-risk supply chains, with due consideration for commercially sensitive information.

Step 3 – Design and Implement a Management Strategy to Respond to Identified Risks

Compliance Statement:	<i>The Perth Mint has complied with Step 3.</i>
------------------------------	---

The Perth Mint's response strategy contains four core responses to identified risks:

1. continue with the relationship following standard ongoing due diligence requirements where no risk factors have been identified to require additional consideration;
2. continue with the relationship but implement an improvement plan where minor issues have been identified in the ECDD process. The Perth Mint must be satisfied that the client is using reasonable and efforts in good faith to remediate the discrepancies;
3. suspend the relationship where inappropriate activity is suspected. The Perth Mint may distance itself from the client until they can adequately remediate the situation; and
4. terminate the relationship in circumstances where The Perth Mint's zero tolerance risk appetite has been breached.

At close of the reporting period, The Perth Mint accepted metal lodgements from 448 entities, of which:

- 59 are considered large scale mining counterparties who account for approximately 99% of supplied Gold and 30% supplied Silver;
- Approximately 50% of Silver was supplied by one Australian based smelter;

- Where the assessment of the Country of Origin Declaration for a metal lodgement by a counterparty results in a High or Very High jurisdictional risk rating, The Perth Mint engages an independent party to conduct an onsite audit to confirm compliance with the requirements of RGG. Where current issues are identified, the counterparty is required to submit an improvement plan to address any findings/observations; and
- In the reporting period, The Perth Mint deemed lodgements from three sites to be High or very High Risk as per the jurisdictional risk rating. Onsite audits were conducted at each of those sites. The audits did not identify any findings which required improvement plans. However, the audits did identify various potential risks, e.g., mine site closure plans. The Perth Mint has engaged with relevant counterparties to discuss these potential issues and ensure appropriate mitigating activities are in place. The Perth Mint will continue to work with these counterparties to monitor the effectiveness of the ongoing mitigating activities.

3.1 Devise a risk management strategy for the identified risk

Continue with Improvement Plan

The Perth Mint may continue to refine for a client where the ECDD is not fully satisfactory, or where it concludes that the client is using reasonable and good faith efforts despite instances of:

- bribery; or
- non-fraudulent misrepresentation of the origin of minerals; or
- non-compliance with taxes, fees, and royalties due to government; or
- material breaches of environmental, health, safety, labour, and community-related local legislation, and/or ESG risks that have the high likelihood to result in highly adverse impacts.

In these cases, The Perth Mint will require the client to adopt an improvement plan which is:

- devised with The Perth Mint's input and engagement;
- clearly documented, including performance objectives and quantitative and/or qualitative performance measurement indicators; and
- approved by the Enterprise Risk Committee (**ERC**) and ratified by the ARMC.

Suspend Relationship

The Perth Mint will suspend refining where ECDD concludes that:

- there is a founded suspicion of:
 - money laundering or terrorism financing; or
 - serious human rights abuses; or
 - direct or indirect support to illegitimate non-state armed groups; or
 - fraudulent misrepresentation of the origin of minerals.

- There are reported catastrophic ESG impacts as defined in The Perth Mint's classification criteria.

Refining may resume once additional information/data refuting the preliminary suspicions or a timely and appropriate response addressing the ESG impacts has been obtained from the supplier.

This must be approved by the ERC and ratified by the ARMC.

Terminate Relationship

The Perth Mint will immediately stop refining where its ECDD concludes that there are known instances of:

- money laundering; or
- terrorist financing; or
- serious human rights abuses; or
- direct or indirect support to illegitimate non-state armed groups; or
- fraudulent misrepresentation of the origin of minerals.

The Perth Mint will report such instances to the appropriate authorities and to the LBMA where applicable, and in accordance with local and international legal requirements.

3.2 Monitor the improvement plan.

The risk monitoring strategy will:

- identify significant and measurable improvements towards eliminating the risk within six months from the adoption of the improvement plan;
- define additional measures in a revised improvement plan based on the progress achieved within the first six months; and
- formally assess performance to determine that measures have been properly undertaken by the deadline (e.g., through independent audits, a follow-up on-site visit or remote review).

To facilitate monitoring activities, where appropriate The Perth Mint will consult with relevant stakeholders such as local or central authorities, upstream companies, international or civil society organisations and affected third parties to validate improvements.

Following the six-month time frame, The Perth Mint will consider:

- suspending the relationship where limited or no measurable improvement can be demonstrated, until the supplier responds to the improvement plan; or
- terminating the relationship after failed attempts at risk mitigation and performance improvement.

Where Improvement Plans have been implemented, progress will be reported to the ERC and the ARMC.

Standard ongoing due diligence will continue with the client following the successful completion of any improvement plan ensuring that similar or other issues do not repeat or arise.

3.3 Report findings to the Board Committee.

In the first instance, the ERC is informed of any high-risk issues identified from the ‘Responsible Sourcing’ reportable information. The ERC is an internal risk committee whose members include the Executive Team and key General Managers across the organisation with other members invited as required.

Reports regarding high-risk issues are tabled at the ERC for review and discussion. Outcomes may include but are not limited to:

- retaining relationships with further action required;
- retaining relationships with no further action required;
- suspension of a relationship pending further action; and
- discontinuing a relationship.

3.4 Continuously monitor adequacy of risk management strategies

The risk management strategy in relation to the responsible sourcing of metals is currently undergoing a refresh as a component of the annual review process. Assessments completed in 2023 incorporated the existing strategy factors in addition to a broader scope of review in compliance with LBMA requirements. Due to the number of exceptions (or high risk issues) each case was considered on its own merits and in accordance with the existing and under development methodology.

Step 4 – Obtain independent Third-Party Assurance of Supply Chain Due Diligence Practices

Compliance Statement:	<i>The Perth Mint has complied with Step 4.</i>
------------------------------	---

The selection process involved:

1. issuing a Request for Proposal (**RFP**) on 15 May 2023 to several LBMA Approved Service Providers in our geographic remit; and
2. evaluating responses in line with The Perth Mint procurement policies, which align with the WA Procurement Rules (2020) in accordance with the State Government Entity regulatory requirement.

Whilst full details of the evaluation process are unable to be disclosed, they include (but are not limited to) the evaluation of:

- compliance with conditions of proposal;
- compliance with conditions of contract;
- compliance with and understanding the scope of services;
- organisational capability and structure;
- relevant experience of allocated personnel;

- quality assurance, standards, and compliance;
- pricing; and
- referee feedback.

The RFP stipulated that:

- the engagement is for an independent assurance, where the auditors are invited on site to review related documents, systems, and other information in addition to interviewing relevant staff;
- auditor reports must state that the engagement was performed in accordance with this Internal Standard on Assurance Engagements (**ISAE**) 3000 revised Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (**ISAAB**); and
- auditors must evidence how they plan and perform assurance procedures to obtain sufficient appropriate evidence to form a conclusion.

The outcome of this process resulted in The Perth Mint engaging the services of RCS Global, to provide limited assurance over this report.

Progress on Previous Audit Non-Conformance

The following table provides an overview of the progress on outstanding previously reported non-conformances.

Previous year Non-Conformance	Current year Status
Management System document which describes the program was reviewed shortly after the end of the financial year, rather than within the reporting period.	The Management System document was reviewed and tabled for Board discussion during the reporting period. Whilst conceptually accepted, formal adoption was postponed taking advantage of any potential changes to The Perth Mint’s governance review currently underway.
One (1) on-site visit was not performed during the reporting period.	Onsite audits for all relevant sites were completed within the reporting period.
Improve systems and processes to support record keeping, due diligence, KYC, transaction monitoring, risk assessment and other AML/CTF compliance.	<p>The AML Remediation Program is well underway and is allocated across three key interdependent Projects. The three projects, planned to conclude at the beginning of 2025, include the:</p> <ul style="list-style-type: none"> • Customer Process Uplift Project; • Customer Data Remediation Project; and • Customer Lifecycle Technology and Data Project. <p>The program incorporates the delivery of technology solutions to enforce record keeping and support ongoing due diligence and improving analytical capability as well as documenting and understanding the risk factors for Gold Corporation and improving employees overall</p>

	<p>understanding of AML/CTF risks through training and accountability management.</p> <p>The program is supported by external advisers, includes a Quality Assurance process and the scope and delivery has also been audited as part of the audit required by the Australian regulator, AUSTRAC.</p>
--	---

Step 5 – Report annually on Supply Chain Due Diligence

Compliance Statement:	<i>The Perth Mint has complied with Step 5.</i>
------------------------------	---

The Perth Mint continues to publish its LBMA Compliance Reports and Independent Assurance Reports on its website. [Ethically sourced gold and silver | The Perth Mint Refinery](#)

Management Conclusion

The Perth Mint is committed to abiding by the Responsible Gold Guidance and Responsible Silver Guidance set by the LBMA and the standards described in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Effective policies, management systems, procedures and practices have been implemented to ensure conformance to these requirements.

The Perth Mint also conforms to the framework established by the World Gold Council’s Responsible Gold Mining Principles in relation to assessment of primary gold suppliers globally.

The Perth Mint is committed to continuous improvement of its responsible sourcing obligation and business practices. Any audit recommendations identified will be implemented in the following reporting period.



James Sawyer
Chief Financial Officer (Acting Compliance Officer)