



## **BUREAU VERITAS CERTIFICATION**

**Reviewer's Assurance Report for Reasonable Assurance review of EBC Rules  
on Risk Based Due Diligence in the Gold Supply Chain**

For

**Company Name: Emirates Gold DMCC**

**Site: Refinery @ Jumeirah Lakes Towers, Dubai, United Arab Emirates**

**Audit dates: 29 January 2024 to 2 February 2024**

**Reporting Period: 01/01/2023 to 31/12/2023**



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VERITAS**

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## **Independent Reasonable Assurance Report to Emirates Gold DMCC [EGD] on its Refiner's Compliance Report dated 12 January 2024 for the Emirates Bullion Market Committee Rules for Risk Based Due Diligence in the Gold Supply Chain**

**To the Board of Directors of  
Emirates Gold DMCC**

### **1. The assurance scope and level of assurance:**

We were engaged by Emirates Gold DMCC to provide Reasonable Assurance on its Refiner's Compliance Report for the year ended 31<sup>st</sup> December 2023.

The assurance scope consists of the Refiner's Compliance Report dated: 12/01/2024.

### **2. Management's Responsibilities**

The Compliance Officer and the Senior Management of Emirates Gold DMCC is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG / Version 1 / 2021) and its Annex 2 - EBC Review Protocol.

This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the directors/management as relevant for demonstrating compliance with the EBC Rules for RBDG are the activities described within the Refiner's Compliance Report and the Refiner's Supply Chain Policy .

### **3. Auditor's Responsibilities**

Our responsibility is to carry out a Reasonable Assurance engagement in order to express a conclusion based on the refiner's activities described in the Refiner's Compliance Report. Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Refiner's Compliance Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our assurance engagement in accordance with 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 EBC Rules for RBDG and the EBC Review Protocol Version 1 / 2021 and its Annex 2 - EBC Review Protocol.

This report has been prepared for Emirates Gold DMCC for the purpose of assisting the compliance officer and the Senior Management in determining whether Refiner has complied with the EBC Rules and for no other purpose. Our assurance report is made solely to Emirates Gold DMCC in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Emirates Gold DMCC for our work, or for the conclusions we have reached in the assurance report.

### **4. Reasonable assurance procedures performed**

We 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 Emirates Gold DMCC's processes and risk management protocols in place.
- Enquiries of relevant staff responsible for the preparation of the Report
- Site visits to the Refiner
- Assessing the suitability of the policies, procedures and internal controls that the Emirates Gold DMCC has in place to conform to the EBC Rules.
- Review of a selection of the supporting documentation, including gold supplier counterparty due diligence file and transaction's documentation
- Test a selection of the underlying processes and controls that support the information in the Report.
- Review of the presentation of the Report to ensure consistency with our findings.

The review procedures undertaken by us cover the following:

i. Review whether the Emirates Gold DMCC has established robust sustainable supply chain management systems as detailed in and referring to Rule 1 of the EBC rules and fulfilling objectives of the review program as detailed in the EBC review protocol.

*The Policy is well defined and robust, and the KYC requirements found adequate taking into consideration the application of Rule 1.1 to 1.19.*

*The Implementation of the Supply Chain and KYC policy and procedures were verified and found adequate in satisfying the requirements laid out under rule 1.1 to 1.19.*

ii. Review whether the Emirates Gold DMCC is able to identify and assess the risks in the supply chain as detailed in and referring to Rule 2 of the EBC Rules and fulfilling objectives of the review program as detailed in the EBC review protocol.

In respect of Rule 2, details as below verified:

(a) in relation to transactions: during 1/01/2023 to 31/12/2023

(i) % of transactions audited:

About 50% of High-Risk client's transactions and approx. 4% of low-risk suppliers transaction sampled and reviewed.

(ii) Number of customers on boarding [KYC] files reviewed:

100% KYC files of all High-risk suppliers who are supplying materials from Conflict-Affected and/or High-Risk Areas.

KYC files of about 25% of the new customers on boarded during the reporting period and 10% files of existing active customers from the previous audit periods were reviewed.

(iii) total volume of Mined Gold and/or Recycled Gold in relation to the transactions audited:

As recorded in our comprehensive management report.

(iv) the sampling rules or methods used:

Following a risk-based approach samples selected considering the high-volume transactions and high value customers / suppliers including new suppliers, COO, and material type.

(v) the total volumes of cash transactions (if any) and its usage in excess of government thresholds as applicable in the Accredited Member's place of domicile:

EGD has established a strong policy for cash payments and does not encourage the same. Any transactions above the permitted limits of Law are reported as per the AML-CFT laws of UAE.

Verified the transactions made against vouchers traceable to supply of gold and sale of gold Usage in excess of government thresholds as applicable in the Accredited Member's place of domicile was verified and found none.

(vi) the total volumes of unrelated third-party payments (i.e. cash, bank transfers and metal accounts held with bullion banks) and physical gold and/or precious metal deliveries in unusual



circumstances that are not consistent with local and/or international market practices (for example, value, quantity, quality, profit): *This was verified and found none.*

(vii) adequacy and implementation of track and trace mechanism from mine/supplier to Sale and/or physical delivery to the Accredited Member's suppliers:

*This was verified on the sampled transactions; they were found adequate and satisfactory.*

(b) in relation to geographical considerations:

(i) Gold and/or precious metal sourced from different geographical locations based on Physical form; quantity; actual or declared purity; country of origin and transportation; and as described in the country of origin.

(ii) any transaction which is related to a sanctioned and/or embargoed country, entity, Or individual:

*None. The gold for processing is received through the direct customers from UAE and other countries as identified in the COO, the documentation towards the supply was verified and was found adequate on the samples verified.*

(c) in relation to risk assessment, the alignment of the risk assessment methodology with Rule 2 and any deviations from those requirements of Rule 2:

*None. The risk assessment verified and found to be adequate.*

(d) the number of transactions and/or suppliers where enhanced due diligence was conducted during the period subject to Review:

Enhanced due diligence was conducted on the 2 High risk suppliers and 2 High risk supply chains during the Review period and followed by onsite visits.

iii. Review whether the Emirates Gold DMCC has developed and implemented a risk mitigation and/or control plan as detailed in and referring to Rule 3 of the EBC Rules and fulfilling objectives of the review program as detailed in the EBC review protocol.

*In respect of Rule 3, the adequacy and implementation of the Risk Control Plan was verified and found adequate.*

iv. Reviewed whether the Emirates Gold DMCC is reporting annually on its measures implemented for responsible supply chain due diligence and that the measures being reported are consistent with the independent third-party audit review program findings as detailed in and referring to Rule 5 of the EBC Rules and fulfilling objectives of the review program as detailed in the EBC review protocol (Annex 2).

Emirates Gold DMCC has performed the Reasonable Assurance review for the period 1<sup>st</sup> January to 31<sup>st</sup> December 2022 with Bureau Veritas as independent third-party reviewer and has reported the compliance report to the EBC.

Further the Reasonable Assurance review for the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023 has been conducted with Bureau Veritas as independent third-party reviewer and will be reporting the compliance report to the EBC annually and also make it available in their website upon receipt of the report.

v. Reviewed the Emirates Gold DMCC activities related to conducting due diligence for adherence to EBC's Review Protocol in Annex 2 and Policy as described in Rule 1.3. Anti-Money Laundering and Combating Financing of Terrorism Policy (as the minimum acceptable standard for AML/CFT due diligence policy).

Emirates Gold DMCC has established AML/CFT and a robust KYC due diligence Policy: Ref Doc: EG Compliance, Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Anti-Bribery and Corruption (ABC), and Supply Chain Management Policy and the same supported by robust procedures. The implementation of the same was verified and found to be adequate.





### **5. Any significant or inherent limitations or areas not covered:**

*Please list here any significant or inherent limitations or areas that have not been covered.*

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 Refiner and the methods used for determining such information. The methods used by Refiners to comply with the EBC Rules may differ. It is important to read the Emirates Gold DMCC Gold Supply Chain Policy available on their website.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and with "EBC Rules for Risk Based Due Diligence in the Gold Supply Chain" issued by Emirates Bullion Market Committee and in accordance with the EBC Review Protocol.

Our work has been undertaken so that we report to the Emirates Gold DMCC *to the engagement* on those matters that we have agreed to state to them in this report. Our tests are related to Emirates Gold DMCC as a whole rather than performed to meet the needs of any particular customer.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Emirates Gold DMCC for our work, for this report or for the opinions we have formed.

### **6. 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.

We confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

### **7. Emphasis of matter paragraph – None**

### **8. Assurance observations, findings, and recommendations for improvement:**

#### **Assurance observations:**

On July 7th, 2023, Emirates Gold DMCC was put on temporary suspension of their UAE Good Delivery status.

Emirates Gold DMCC has taken steps and working on to get back into UAEGD, a new CEO was appointed in October 2023 who has years of experience working in banking and precious metals sector.

Further Emirates Gold DMCC is in the process of changing its ownership and in talks with potential buyers.

#### **Recommendations for improvement**

Emirates Gold DMCC *shall retain the records more formally on the details of updated KYC and transaction documents related to Taxes, fees, royalties, compensation, or other payments to governments which relate to the extraction, trade, transport, and export of gold.*



**9. Specific observations with respect to the Refiner’s Corrective Action Plan and implementation progress:**

*Please list here any specific observations with respect to the Refiner’s Corrective Action Plan and implementation progress.*

The implementation of corrective actions against the 5 recommendations raised in the Reasonable Assurance audit report date: 25/2/2023 for the period 1 January to 31 December 2022 were reviewed and found satisfactory.

The due diligence, risk assessment and the CAHRA process established was found robust and well implemented.

**10. Countries of Origin Annex for mined and recycled Precious Metal including the amounts (Gms) received from each origin**

Please refer to 8. Annex Country of Origin Mined and Recycled gold EBC 2023

**11. Other relevant information**

The refiner has established robust HSE Policies and Procedures and have implemented the same. Further the refiner has been assessed and certified since September 2014 for the Quality, Environment, and Occupational Health and Safety management system as per ISO 9001, ISO 14001 and ISO 45001.

Also, the organisation has accredited its testing laboratory to ISO 17025 since January 2022.

**Conclusion**

In our opinion, in all material respects:

i. The Emirates Gold DMCC’s Compliance Report for the year ended 31<sup>st</sup> December 2023, in all material respects, fairly describes the activities undertaken during the year to demonstrate compliance, and management’s overall conclusion contained therein, is in accordance with the requirements of EBC Rules on Risk Based Due Diligence in the Gold Supply Chain for the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

ii. The compliance controls that were tested, as set out in the attachment to this report, were operating with sufficient effectiveness for us to obtain Reasonable Assurance that the related level of compliance were achieved in the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

ASSESSMENT CONCLUSIONS					
CATEGORY	Compliance Level		Non Compliance – risk level		
	Fully Compliant	Compliant with Low risk	Medium	High	
<b>A. General Information</b>					
<b>B. Rule 1. SUPPLY CHAIN MANAGEMENT SYSTEMS</b>		X			
<b>C. Rule 2: SUPPLY CHAIN RISK IDENTIFICATION AND ASSESSMENT</b>	X				
<b>D. Rule 3: RISK CONTROL PLAN</b>	X				
<b>E. Rule 4: INDEPENDENT THIRD-PARTY AUDITS</b>	X				
<b>F. Rule 5: Report on supply chain due diligence</b>	X				



	Compliance level		Non Compliance risk level	
	Fully Compliant	Low Risk	Medium	High
Based on the assessment conclusions, the overall rating of the Refiner's performance is determined to represent:				

**Bureau Veritas**  
Location: Dubai

Date: 10/02/2024

Signature :



Company Stamp:





Company Name:	Emirates Gold DMCC
Location:	Al Sarayat Street, Jumeirah Lakes Towers, Dubai, United Arab Emirates
Reporting year-end:	1 January 2023 – 31 December 2023
Date of Report:	12 January 2024
Senior management responsible for this report:	Name: Anto Joseph Title: Director Contact details: +971 4 3679030

Audit Team	
Team Leader:	Team Member:

## Emirates Gold DMCC evaluation

The aim of this report is to summarize the steps taken by Emirates Gold DMCC (the “Company”, the “Refiner”, “Emirates Gold” or “we”) to achieve compliance during the calendar year 2023 with the Rules for Risk Based Due Diligence in the Gold Supply Chain Version 1/2021 issued by the Emirates Bullion Market Committee (the “EBC”) for a responsible supply chain of precious metals.

## Summarized conclusion

We have fully complied with each of the rules in the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain Version 1/2021 (the “EBC Rules”) during the calendar year 2023 (the “Reporting Period”) and the Company is therefore in compliance with the EBC Rules for such period.

## Evaluation

*Disclosure on the individual rating of the level of compliance or non-compliance for the sub-points of each Rules 1 -5 of the EBC Rules.*

<b>Rule 1</b>	<b>Supply Chain Managements Systems</b>
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### 1.1. Overriding Principle

Each Accredited Member conducting business in the supply chain relating to Mined Gold and Recycled Gold must implement and maintain systems and procedures which are sufficiently robust to conduct effective due diligence on the Accredited Member’s supply chain. The complexity of the management system should depend on the volume of business, location, type of supplies processed, and complexity in the supply chain. Members should evaluate the objectives of their management system against performance to ensure attainment of the expected outcome in a periodic manner.

### 1.2. Supply Chain

Any reference to the “supply chain” or “suppliers” in these Rules shall include clients, suppliers, agents, intermediaries and any other relevant entities participating in supply of gold to the Accredited Member.

Any reference to an “ultimate beneficial owner (UBO)” shall mean any natural person holding 25% or more of the share capital in any corporate entity or in the case of a publicly listed company a notifiable ownership share under the rules of relevant exchange or holding a controlling ownership interest.





**Compliance statement:** *We have fully complied with Rule 1*

**Demonstration of Compliance:**

**1.3 Policy and Process Implementation**

Each Accredited Member must implement and maintain a robust documented policy and detailed processes (Policy) to include common principles, standards and processes for responsible supply chain management. The Policy should be consistent with the standard set forth in the model supply chain policy in Annex II of the OECD Guidance and should, as a minimum, include the following:

- a. scope;
- b. responsibilities;
- c. criteria for supply chain due diligence;
- d. main elements of Know-Your-Customer (KYC) process;
- e. risk management;
- f. monitoring and surveillance; and
- g. training.

The Emirates Gold Compliance, Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Anti-Bribery and Corruption (ABC), and Supply Chain Management Policy (the "Policy") is detailed on its website <https://www.emiratesgold.ae/policies-and-procedures/> and is displayed on our internal notice announcement boards. This Policy is communicated to all our key stakeholders, including the suppliers, customers, logistics providers and employees. The Policy has been in practice and was updated latest in August 2023. It conforms to the requirement of the EBC Rules for Risk based Due Diligence in the Gold Supply Chain Version 1/2021.

- a. Emirates Gold is committed to conducting the work with the highest business and ethical standards. The scope of our policy is to ensure that our due-diligence framework is based on risk assessment and modeled on the guidance issued by the Organisation for Economic Co-operation and Development (OECD), the London Bullion Market Association (LBMA), the Responsible Minerals Initiative (RMI), the Emirates Bullion Market Committee (EBC) and the AML-CFT regulations.
- b. The responsibilities as detailed in our policy is follows:
  - (i) engage only in legitimate business abiding by all relevant rules and regulations which apply to our activities,
  - (ii) maintain the highest ethical and moral standards,
  - (iii) operate always under best practice exercising due-care and all necessary due-diligence, and
  - (iv) aim to establish long-term relationships with our clients.
- c. With regard to the criteria for supply chain due diligence in 2023, Emirates Gold DMCC employed a multi-level risk assessment criterion for all our supply chains onboarded or is active during 2023. All our supply chains are continuously monitored to ensure that we maintain the highest ethical standards in relation to sourcing.
- Conflict-Affected and High-Risk Areas (CAHRA) Assessment. Each country and the region from where the metal is sourced is ascertained with regard to:





- Conflict
- Human rights abuses
- Severe deficiencies in governance
- Lack of AML-CFT regulations
- Sanctions imposed.

- Counterparty Risk Assessment covering:
  - Origin and transit of gold of the goods
  - Supply chain transit points
  - Supplier and circumstances around it.
- Transactional Risk Assessment covering:
  - Validation of the transactions with regards to the supporting documentation available.
  - Supplier's business intention
  - Form of the metal, purity and its transit points.

#### d. Main elements of KYC process

The KYC process of the Company is very detailed and is in line with Rule 1.6 to 1.8 and the requirements of the Cabinet Decision No. 10 of 2019 and the Federal Decree Law No. 20 of 2018 on Anti-Money Laundering and Combatting the Financing of Terrorism and Illegal Organisations. Our KYC process follows the following framework:

- Establish customer identity
- Understand the nature of the customer's activities (primary goal is to satisfy that the source of the customer's funds is legitimate)
- Assess money laundering risks associated with that customer for purposes of monitoring the customer's activities
- Ultimate Beneficial Ownership of the company
- Identification of any Politically Exposed Persons (PEP) in the ownership of the company. We do perform Enhanced due diligence in such cases where there is PEP's or complex business structures are involved.

The ongoing KYC monitoring function includes oversight of transactions and accounts based on thresholds developed as part of a customer's risk profile.

Depending on the customer and risk mitigation strategy, some other factors to monitor includes:

- Increase in commercial activity
- Fund transmission modes employed
- Desktop research.

#### e. Risk Management

The risk management of the Company's policy on Compliance, Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Anti-Bribery and Corruption (ABC), and Supply Chain Management Policy is achieved through the Procedures handbook. This details the roles and responsibilities of the Compliance Officer, assurance mechanism of the Senior Management, supply chain risk





assessment, internal risk assessment, whistleblower and grievance mechanisms. The Compliance Officer directly reports to the representative of the Board of Directors to ensure complete independence. There is a close discussion before completion of the onboarding requirements and periodical risk review of existing customers between the Compliance Officer and the Board of Directors representative.

From governance standpoint, the Compliance Officer holds a periodic meeting to update the overall governance and compliance related updates in the Company. As the Compliance Officer is located onsite, he has the visibility to monitor transactions on a regular basis and can inspect the metal received without any prior notice. The Compliance Officer is also accessible to any employees of the Company to address their concerns with regard to compliance related issues. The Compliance Officer regular conducts training to relevant staff to ensure that the staff is adequately educated in terms of the risk involved in supply chain, human rights, AML-CFT laws.

The Procedures handbook is ISO certified under ISO 9001: 2015 and is a controlled document. All regular suppliers and customers are screened on an ongoing basis to ensure that we meet our standards governing the responsible sourcing under LBMA, RMI and EBC rules.

f. Monitoring and surveillance

Emirates Gold has a robust monitoring system which combines the customer KYC data, historical information and current transactions to ensure conformity with our standards on responsible sourcing and AML-CFT regulations. Any suspicious activity will be flagged by the Compliance Officer to the Senior Management and to the Financial Intelligence Unit (FIU) as required by the applicable law. We have in place a process for screening existing and prospective business relationships and customers against relevant sanctions lists and for conducting sufficient checks to identify any potentially adverse information, including associations with PEPs, or financial or other crimes.

g. Training

The Senior Management and a few employees attended several events during 2023 including the India Silver Conference held at Jaipur in April, JCK trade event in Las Vegas in June, LBMA Global Precious Metals Conference in Barcelona in October, AML-CFT Coaching with the Ministry of Economy of UAE in October. They also participated in Dubai Precious Metals Conference in November which provided them with deep insights on the compliance embedded governance. Due to the Senior Management's commitment in compliance matters, they regularly meet with industry experts and professionals to enhance their knowledge of applicable regulations.

Our Compliance Officer participated in various webinars and in-person sessions during the reporting year, including:

- OECD Forum on Responsible Supply Chains in April





	<ul style="list-style-type: none"> <li>• DMCC Training on Responsible Sourcing Guidance on Gold in May</li> <li>• Certificate Program on Anti Money Laundering by the BSE Institute Limited in August and September</li> <li>• RMI Assessee Training in September</li> <li>• Operational Analysis of Suspicious Transaction Reports, Terrorist Financing, Open-source Intelligence, Visualise Cases and Flows of Money by Basel Institute on Governance in September</li> <li>• Public and Private Consultation with the Ministry of Economy, Executive Office of AML-CFT, Executive Office of Control and Non-Proliferation in October and November.</li> </ul> <p>Our Compliance Officer utilizes their expert knowledge to train staff regarding new regulations on AML-CFT and responsible gold sourcing. Planned sessions are held throughout the year, covering team members and providing hand-holding sessions during the employee onboarding process. The Compliance Officer has also trained business associates and other team members on responsible gold sourcing practices, AML-CFT, and the alerts that need attention during the supplier onboarding process. This ensures that the entire ecosystem of Emirates Gold's operations is well-educated in terms of the expected code of conduct, maintaining the highest level of integrity in operations, in confirmation with the regulatory framework of the organization.</p>
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<p><b>1.4. Minimum KYC Requirements</b></p> <p>For the purposes of these Rules for RBDG, the standards of KYC requirements set out in the Applicable Laws and Regulations shall be considered as the minimum KYC standards (Minimum KYC Standards) to be achieved by the Accredited Members.</p>	<p>Emirates Gold follows a KYC process in line with RBDG requirements and collects the information as required by the applicable laws. The KYC process incorporates all details of the customer, the Ultimate Beneficial Owner (UBO) and the likewise. If the UBO is a PEP, then Enhanced Due Diligence (EDD) is conducted to ensure the reliability of the transaction and that the counterparty is free from any issues. During the KYC stage, any complex business structures are analyzed and documented to ensure compliance.</p>
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<p><b>1.5. Implementation of KYC Systems and Processes</b></p> <p>Each Accredited Member shall ensure that its Policy and the implementation of its Policy shall fully satisfy the Minimum KYC Standards and any other KYC requirements set out in these Rules for RBDG.</p>	<p>Emirates Gold collects all requisite information as per requirements of risk based due diligence rules of the EBC. Additionally, we gather supplementary information necessary to internally verify the authenticity of the counterparty and establish the legitimacy of the transactions.</p>
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**1.6 Specific KYC Requirements**

Each Accredited Member shall ensure that its Policy and the implementation of its Policy shall be adequate and shall be completed before commencing the first transaction and identify:

- (a) each supplier's including
  - i. financial structures;
  - ii. legal and operating structure;
  - iii. UBO(s)
- (b) each supplier's suppliers (where applicable)
  - iv. financial structures;
  - v. legal and operating structure; and
  - vi. UBO(s)

For gold sourced from ASM, each Accredited Member shall ensure that its Policy and the implementation of its Policy shall be adequate to identify:

(a) ASM supplies originating from non-Conflict-Affected or High-Risk Areas identifying and the area from where the supply originated with, at least, the following information:

- (i) KYC on the immediate counterparty
- (ii) the export license/permit for the aggregator who exports the supply
- (iii) proof of the supply being legally exported from the origin country with appropriate weight, purity and adequate tax/royalty being paid and
- (iv) the mine location.

(b) the origin of each ASM's supply
 

- (i) to the extent possible, each ASM's legal and operating structure conforming to the applicable legal framework (where it exists) as well as their engagement in opportunities for formalization as they become available; and

(c) the origin of each ASM's supply from Conflict-Affected or High-Risk Areas

- (i) each ASM's legal and operating structure conforming to the applicable legal framework as well as their engagement in opportunities for formalization as they become available; and
- (ii) each ASM's third party service provider(s) (i.e. logistics, processors, transportation, intermediaries, security, etc.) UBO(s) for ASM located in Conflict Affected or High-Risk Areas.

The specific KYC requirements are satisfied before onboarding customers. Our Compliance Officer is the final decision-maker on whether to open a customer account in the accounting software, enabling transactions. Customer screening is conducted on Dow Jones to ensure sanction and PEP screening. Complex legal and financial structures, if any, are analyzed, documented, and form the basis for the decision to onboard a prospective client. If sufficient answers or explanations are not provided at this stage, the customer will not be onboarded.

Regarding the sourcing of mined materials, the LBMA Refiner's Toolkit is provided to prospective clients to analyze whether they can be onboarded. Prospective suppliers of ASM and LSM materials are onboarded based on the stringent Responsible Gold Guidance of LBMA, and the origin of gold is validated using supplementary information collected during field visits, customer interactions, and discussions with industry experts and consultants. Thorough desktop research on the origins and sources of gold is conducted before any conclusion is reached on prospective clients. The supply chain and transit information are also taken into account to validate the understanding of prospects. In terms of ASM and LSM, a detailed study is done on the physical flow of the metal from the originating country to the refinery.

**Rule 1.7 Record Keeping and Updating of Information**

Each Accredited Member shall keep records of, and continually on an ongoing basis update, the following information:

(a) for every supplier or ultimate beneficial owner that is a natural person, his/her:

- (i) full name (as shown on a national identity card or passport);
- (ii) nationality;
- (iii) place of residence and original domicile;
- (iv) employer details (if any);

Emirates Gold keeps all records pertaining to customers' KYC as required by the law. The details of individuals and corporates, as required by the above rule, are kept safe and periodically monitored to identify any potential issues that may arise during the course of the business relationship.





<p>(v) a complete and an accurate copy of a valid identity card or passport; copy should be certified;</p> <p>(b) for every supplier or ultimate beneficial owner of a supplier that is a corporate entity:</p> <ul style="list-style-type: none"> <li>(i) its legal status and category of entity;</li> <li>(ii) its full name;</li> <li>(iii) its domicile or country of registration;</li> <li>(iv) a description of its principal business activities;</li> <li>(v) the address of its registered office and principal place of business (if different);</li> <li>(vi) the KYC requirements of each legally authorised representative that is a natural person (in accordance with (a) above);</li> <li>(vii) a copy of the instrument(s) authorising each of its legally authorised representatives;</li> <li>(viii) the KYC requirements of each ultimate beneficial owner (in accordance with (a) above for natural persons and in accordance with this (b) for corporate entities); except for government entities and publicly listed companies for which such information is publicly available;</li> <li>(ix) a copy of its constitutional documents;</li> <li>(x) a copy of its valid commercial or professional licence or registration.</li> </ul>	
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<b>Rule 1.8 KYC Requirements for Politically Exposed Persons</b>	
<p>If a supplier or any UBO of a supplier is considered to be a politically exposed person (PEP), each Accredited Member must document and follow specific internal escalation procedures to ensure that the matter is addressed at the appropriate internal authority level and dealt with in accordance with the Minimum KYC Standards.</p> <p>In addition to meeting the Minimum KYC Standards, each Accredited Member must establish the source of wealth of PEPs and their families and associated persons and are required to implement adequate transaction monitoring systems for the transactions of PEPs, as further described in the Applicable Laws and Regulations.</p>	<p>Emirates Gold screens prospective customers and takes action in cases where the Ultimate Beneficial Owner (UBO) is a Politically Exposed Person (PEP). Adequate enhanced due diligence, in accordance with the standards, is performed with the aim of analyzing whether these individuals can be onboarded. The source of funds of the PEPs is analyzed and documented to ensure that we do not deal with illegitimate funds. As part of enhanced due diligence, customers are also screened on a transactional basis if they fall within the high-risk category.</p>

<b>Rule 1.9 Appointment of a Dedicated Supply Chain Officer</b>	
<p>Each Accredited Member must appoint a person to carry out the role of a dedicated compliance or risk officer (<b>Supply Chain Officer</b>). The Supply Chain Officer must:</p> <ul style="list-style-type: none"> <li>(a) be a senior member of staff of the Accredited Member;</li> <li>(b) have the necessary competence, knowledge, experience and training in supply chain due diligence and KYC processes;</li> <li>(c) be provided with all resources necessary to perform his/her functions and role in accordance with these Rules for RBDG; and</li> </ul>	<p>Emirates Gold has a dedicated supply chain officer who is well versed with the supply chain analysis with regard to EBC, LBMA and RMI guidelines. He is independent to the operations and directly reports to the Board of Director representative. He has sufficient experience and knowledge in this field to quickly point out and action any red flags in the supply chain analysis.</p>





(d) be able to communicate critical information to senior management, staff and suppliers.

**Rule 1.10 Functions and Duties of the Supply Chain Officer**

The Supply Chain Officer shall:

- (a) review and sign off on each gold and/or precious metals supply chain due diligence exercise;
- (b) continually monitor and assess the Accredited Member's supply chain due diligence processes;
- (c) ensure that the Policy and each associated due diligence exercise carried out by an Accredited Member are adequate for the purposes of these Rules for RBDG;
- (d) train staff and promote awareness within the Accredited Member's organisation with respect to responsible supply chain due diligence, the Accredited Member's Policy, KYC requirements and applicable laws; and
- (e) update the Policy and related processes as and when required.

The supply chain officer reviews every supply chain attributable to a customer before onboarding. If any supply chain is added during the course of the relationship, it will also be assessed as a new supply chain, documented, and signed before accepting transactions. The supply chain officer is also a point of contact for the front staff to ascertain and validate the legitimacy of any transactions on an ongoing basis. Additionally, the supply chain officer trains the staff in the organization about supply chain risks.

**Rule 1.11 Appointment of a Compliance Officer**

Each Accredited Member may be required to appoint a "compliance officer" (Compliance Officer) to carry out the functions of such role as set out in the Applicable Laws and Regulations. For the purposes of these Rules, the Compliance Officer may be the same person as the Supply Chain Officer.

The Compliance department at Emirates Gold is well-equipped with a dedicated Compliance Officer who is an integral part of our payroll and is consistently available onsite on a full-time basis. This Compliance Officer serves as a direct link to the Senior Management, providing essential communication and ensuring seamless coordination between the compliance functions and the highest levels of the organizational hierarchy.

**Rule 1.12 Functions and Duties of the Compliance Officer**

Each Accredited Member shall ensure that its Compliance Officer is familiar with and carries out its role and function in accordance with the requirements of the applicable laws and regulations.

The Compliance Officer is adequately experienced and trained in their field, staying up-to-date with the applicable rules and regulations of EBC, LBMA, RMI, and AML-CFT regulations. They discharge their duties exceptionally to ensure zero penetration of illegitimate transactions.

**Rule 1.13 Records of Internal Inventory and Transactional Documentation**

Each Accredited Member must develop and maintain internal documentation and records of supply chain due diligence to cover internal inventory and transactional documentation which shall include:

- (a) details of physical form, type (i.e. Mined Gold and/or Recycled Gold) and physical description of gold including any imprints and/or hallmarks;
- (b) details of weight and purity of gold and/ after proper internal verification and/or third party verification; through assaying (X-Ray / Fire / Wet). It is encouraged that facilities used by third-parties be certified by international certification bodies / standards (e.g., ISO, etc);
- (c) full KYC due diligence of all suppliers including their due diligence practices, e.g. information on suppliers' due diligence process and KYC requirements. Accredited Members shall encourage their suppliers to, adopt processes

Each gold bar produced at Emirates Gold is assigned a serial number and a corresponding certificate. This system enables us to track and trace each gold bar back to its original lot using our internal database and procedures. Our internal process helps in identifying any inconsistencies in supplies, allowing us to highlight and address the reasons behind them. Supply chain actors are identified in accordance with the rules, and we conduct due diligence on these actors to ensure no illicit supplies.

Transactional documents are maintained in our internal databases and are retrieved and provided as required by regulations. These documents are actively monitored by the Compliance Officer on a daily basis. According to the





<p>and policies similar to the Policy and the Minimum KYC Standards;</p> <p>(d) the unique reference number of each entry/input and exit/output;</p> <p>(e) the name, stamp and logo of the refiner/producer/manufacture (if applicable);</p> <p>(f) the year of refining/production (if applicable);</p> <p>(g) the dates of applicable purchases and sales including financial transaction information (such as payment amount, currency, mode of payment, etc);</p> <p>(h) an inventory list classified as per supplier;</p> <p>(i) a "Track and Trace" mechanism for tracing products back to purchased material, which shall include where applicable:</p> <p>(i) shipping/transportation documents;</p> <p>(ii) sales documents with specific lot numbers;</p> <p>(iii) mining licence(s) and related permissions;</p> <p>(iv) proof of payment of all dues in the producing country (royalties/export taxes);</p> <p>(v) import/export licence(s) and form(s);</p> <p>(vi) reconciliation of documentation.</p> <p>Accredited Members shall avoid, where practicable, cash purchases and ensure that all unavoidable cash purchases of minerals are supported by verifiable documentation and preferably routed through official banking channels. Cash purchases shall, in any event, be made in compliance with Applicable Laws and Regulations.</p>	<p>rules, transaction documents are kept for a minimum period of 5 years.</p> <p>The Company discourages cash transactions, and any transactions above the threshold prescribed by the law are reported as per the requirements applicable to the Dealers in Precious Metals and Stones (DPMS) sector under AML-CFT regulations in the UAE. Throughout the calendar year 2023, the Company traded less than 0.36 kilogram of gold in cash, with the majority being local sales of investment products, such as bars and coins, to its own staff.</p>
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<p><b>Rule 1.14 Record Keeping</b></p>	
<p>Each Accredited Member must keep relevant records, files, documents, papers, communications and forms related to its compliance with these Rules for RBDG and its KYC obligations for at least five (5) years from the latest of:</p> <p>(a) the date of the most recent transaction in respect of the latest material intake from a supplier;</p> <p>(b) the date of conclusion of a complete inspection by an EBC approved reviewer;</p> <p>(c) the date of closing of the account of the supplier or termination of the relationship with the supplier; and</p> <p>(d) date of closing of an investigation on a particular transaction or supplier.</p> <p>Each Accredited Member is advised to keep relevant records, files, documents, papers, communications and forms related to relations with potential suppliers that were not entered into or progressed due to a high-risk evaluation by the Accredited Member, for at least two (2) years from the date the decision was taken not to enter into or progress the relationship.</p>	<p>The Company meticulously maintains a comprehensive record-keeping system, preserving documents related to Know Your Customer (KYC) procedures, due diligence, and transactions for a minimum duration of five years. This practice not only aligns with regulatory requirements but also ensures the availability of a thorough and historical documentation trail, facilitating transparency, accountability, and adherence to industry standards over an extended timeframe.</p>

<p><b>Rule 1.15 Enhanced Relationships with Suppliers</b></p>	
<p>Each Accredited Member must continually attempt to enhance communications and relationships with each of its suppliers and encourage each supplier to commit to a supply chain policy consistent with the Rules for RBDG and Annex II of the OECD Guidance. This can be achieved through the following means:</p>	<p>Right from the beginning of the relationship with any prospective supply chains, there is active communication between the suppliers and their supply chains by the Compliance Officer. The Compliance Officer educates them on the importance of responsible sourcing and looks for a commitment towards the same. Communication is</p>





<p>(a) maintaining adequate KYC due diligence processes for suppliers in accordance with these Rules for RBDG, and reviewing suppliers' own due diligence practices</p> <p>(b) establishing long-term relationships with each supplier;</p> <p>(c) sharing with each supplier the Rules for RBDG and the Accredited Member's obligations under the Rules for RBDG;</p> <p>(d) communicating expectations that each supplier commits to the compliance and undertakes mineral supply chain due diligence and risk management consistent with the Rules for RBDG and Annex II of the OECD Guidance including managing environment and social risks in their operations;</p> <p>(e) incorporating the provisions of the Rules for RBDG and audit and monitoring rights into contracts and/or agreements and KYC forms with each supplier; and</p> <p>(f) considering ways to support and build capabilities of suppliers to ensure compliance with the Accredited Member's Policy and the Rules for RBDG.</p>	<p>intensified during the KYC process, crucial to ensuring that the supplier provides all available information. Additionally, the operating model of the supplier, quantitative information, and seasonal patterns are discussed to gain an understanding of the business and expected outcomes. Site visits are also conducted by the Compliance Officer in recommended jurisdictions. This helps gather firsthand information about the mines, the physical flow of the metal, supply chain risks, and other attributes. Operational representatives also maintain a regular channel of communication with the suppliers to obtain firsthand, up-to-date information.</p>
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<p><b>Rule 1.16 Uncooperative Suppliers</b></p>	
<p>If any Accredited Member reasonably concludes that a supplier is not providing a sufficient degree of cooperation to enable it to carry out its obligations under the Rules for RBDG (Uncooperative Supplier), the Accredited Member is recommended to seek disengagement from such supplier and is required to:</p> <ul style="list-style-type: none"> <li>(a) document the Accredited Member's efforts in accordance with these Rules (including Rule 1.15);</li> <li>(b) report the matter to the Executive Office of the EBC, upon request by the Executive Office of the EBC; and</li> <li>(c) details of such disengagement of suppliers should be included in the management report by the EBC approved reviewer.</li> </ul>	<p>The Company is committed to the principle that uncooperative suppliers will not be entertained. If any information requested by the Compliance Officer is not provided, they have the authority to suspend the relationship and report it to the Senior Management and the FIU. It is at the sole discretion of the Compliance Officer to lift the suspension if the underlying matters are cleared by the supplier.</p>

<p><b>Rule 1.17 Security Requirements</b></p>	
<p>Each Policy must include adequate security requirements to ensure compliance with these Rules for RBDG, in particular, in relation to material sourced from LSM or ASM mining companies. These requirements must include the following:</p>	
<ul style="list-style-type: none"> <li>(a) using identifiable sealed security boxes for each shipment to avoid any tampering or removal of content;</li> <li>(b) physically segregating different shipments until verification is adequately completed and confirmed in accordance with Rule 1.13;</li> <li>(c) reporting any inconsistencies to senior management, the Supply Chain Officer and/or the Compliance officers (as appropriate);</li> </ul> <p>In addition to the above points, each policy may include any or all of the following:</p> <ul style="list-style-type: none"> <li>(a) regarding any supplier with whom problematic issues recur as an Uncooperative Supplier in accordance with these Rules for RBDG;</li> <li>(b) ensuring that any assessor of a shipment is independent from any conflict of interest.</li> <li>(c) if applicable, verify a supplier's participation in the Extractive Industry Transparency Initiative (EITI).</li> </ul>	<p>The Company ensures the highest security standards for the receipt of metals at the factory premises. We have a security system that monitors the receipt of gold. In the case of LSMs and ASMs, we collect transactional documents detailing the transit of metals through intermediaries. We track and trace based on the original shipment details, ensuring there is no mixing of metals right from the origin.</p>





<b>Rule 1.18 Cooperation with law enforcement agencies</b>	
<p>Each Accredited Member must cooperate fully and transparently at all times with law enforcement agencies and customs officials (Officials) regarding gold transactions. Each Accredited Member must provide any necessary access to information required by Officials, regarding shipments that cross international borders, or shipments to which an Official has jurisdiction, in compliance with applicable laws.</p>	<p>The Company engage in collaborative efforts with supervisory bodies during periodic inspections, demonstrating a commitment to transparency and adherence to regulatory standards. Additionally, it fosters cooperation with various regulatory agencies, ensuring a proactive approach to compliance and regulatory requirements in its operations. This ongoing collaboration underscores the Company's dedication to maintaining a high level of oversight, accountability, and alignment with industry regulations.</p>

<b>Rule 1.18 Training of staff and KYC</b>	
<p>Each Accredited Member must perform a KYC check on its relevant staff for example the compliance/supply chain officer, members of operations directly involved in the intake of material etc. during the staff on-boarding process and thereafter an update, on an on-going basis, at least every twelve months. Such KYC checks shall include checking an employee's full name, date and place of birth, nationality, residence, contact details, previous activities and occupations, copy of identity document and searches on sanctions list.</p> <p>Each Accredited Member must implement a training programme (Training Programme) for all persons involved in the responsible supply chain due diligence, which shall include regular training for new staff and refresher sessions for existing staff to be conducted based on the level of risks and job profiles in engaging with the supply chain participants. This training can be provided either internally or external professional bodies.</p>	<p>The staff undergoes thorough identity screening, and any issues noticed during onboarding or throughout their tenure with Emirates Gold are promptly escalated by the Compliance Officer. Continuous training on AML-CFT regulations and responsible sourcing standards of the LBMA, RMI, and EBC is provided to the staff. During the onboarding of new staff, a detailed induction is conducted based on the scope of work and areas of operations. The staff is encouraged to discuss any concerns or red flags directly with the Compliance Officer without involving their line managers.</p>

<b>Rule 1.19 Grievance Mechanism</b>	
<p>Each Accredited Member must establish a grievance mechanism for internal and external stakeholders who are impacted by the Accredited Member's operations to enable those stakeholders to voice concerns relating to an Accredited Member's risk management processes and supply chain policy to the senior management. The grievance lodging points should be accessible for internal and external stakeholders and must include the ability for anonymous reporting.</p>	<p>Employees have access to physical copies of the Grievance Reporting Form and to a sealed box in which they can drop their forms anonymously. Stakeholders can contact the Company using the email address <a href="mailto:compliance@emiratesgold.ae">compliance@emiratesgold.ae</a> or via telephone +971 4 367 9030 asking for compliance. This is clearly mentioned on our website and at the end of our Policy.</p>

<b>Rule 2</b>	<b>Supply Chain Risk Identification and Assessment</b>
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**2.1 Overriding Principle**

Each Accredited Member conducting business in the gold supply chain is required and must be individually responsible for applying and implementing its Policy and management system and mapping its supply chain in order to identify and assess the risks of contributing to conflict, Money Laundering, Terrorism Financing serious Human Rights abuses or environmental and social issues associated with gold which they produce, distribute, transport, export, sell and/or purchase.

If the Accredited Member can reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold mined, transported or traded in a Conflict-Affected and High-Risk Area, no additional due diligence is required.





The management systems established in Rule 1 should be maintained and regularly reviewed and the Member is expected to improve its due diligence practices and risk assessment process over time.

If the Accredited Member is not able to reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold mined, transported or traded any in a Conflict-Affected and High-Risk Area, it is mandatory to carry out an additional, more in-depth due diligence in accordance with Rule 2.

**Compliance statement: We have fully complied with Rules 2**

**Demonstration of Compliance:**

<p><b>Rule 2.2 Risk-based Approach</b></p> <p>Each Accredited Member must conduct an internal risk assessment carried out on a risk-based approach (Risk Assessment) on each party, included or third parties involved in the supply chain for gold from the mine(s) to the Accredited Member including third party service providers (i.e. logistics, transporters, processors and intermediaries).</p>	<p>Emirates Gold conducts a detailed risk-based approach on each and every internal assessment with regard to its new and existing supply chains and its actors to ensure that actual or potential risks in order to prevent or mitigate adverse impacts associated with activities or sourcing decisions. The three major elements of our risk-based approach are as follows:</p> <ul style="list-style-type: none"> <li>• Conflict-Afflicted and High-Risk Area (CAHRA) assessment</li> <li>• Supply chain risk assessment</li> <li>• Transactional Risk Assessment.</li> </ul>
<p><b>Rule 2.3 Considerations of Risk Assessments</b></p> <p>In carrying out any Risk Assessment, each Accredited Member shall consider the following considerations (as applicable to the circumstances of the Risk Assessment):</p> <p>(a) the geographical origin and location of gold, based on reasonable and good faith efforts, including consideration of:</p> <ul style="list-style-type: none"> <li>(i) the origin, location and transportation;</li> <li>(ii) the level of government regulation and supervision;</li> <li>(iii) the extent of cash transactions used in the country;</li> <li>(iv) the level of conflicts or human rights abuses in any location comprising part of the supply chain;</li> <li>(v) the progressive reduction and phasing out of mercury usage in line with the commitments of Minamata Convention;</li> <li>(vi) payment systems used;</li> <li>(vii) the level of involvement or potential involvement of any criminal organisation;</li> <li>(viii) the level of involvement or potential involvement of any high risk businesses (such as gaming and casinos, etc.);</li> <li>(ix) the level of access from a location comprising part of the supply chain to nearby markets or processing operations that are termed as conflict and/or high risk areas;</li> <li>(x) the level of enforcement of laws addressing significant criminal activity; and</li> <li>(xi) the existence of sanctions and/or embargoes that have been directed against the country and/or individuals/entities in that country;</li> <li>(xii) the level of environmental and social issues due to mining activities including loss of vegetation cover, mass destruction of water bodies, loss of biodiversity, land-use changes, food insecurity, air pollution, mercury pollution, child labour, gender-based violence, forced labour etc.</li> </ul>	<p>The Company conducts a detailed risk assessment for each supply chain and its respective suppliers. A Conflict-Afflicted and High-Risk Areas (CAHRA) assessment is undertaken at both the country and regional levels to evaluate the risk associated with:</p> <ul style="list-style-type: none"> <li>• Conflict,</li> <li>• Human rights abuse,</li> <li>• Severe deficiencies in governance,</li> <li>• Lack of AML-CFT regulations,</li> <li>• Sanctions.</li> </ul> <p>The overall rating from this assessment automatically categorizes a country as either CAHRA or not. Countries falling under Section 1502 of the Dodd Frank Act and the EU CAHRA list are automatically classified as CAHRA.</p> <p>The Supply Chain Risk assessment is conducted in relation to each supplier, considering factors such as</p> <ul style="list-style-type: none"> <li>• Location (including origin and transit)</li> <li>• Supplier</li> <li>• Circumstances.</li> </ul> <p>This, combined with the CAHRA assessment, helps clearly identify and differentiate the treatment of high-risk supplies.</p> <p>Transactional risk assessment is conducted concerning the consistency assessment of the metal. This assessment is based on the knowledge of the team, taking into account factors such as the suppliers' business intention, documentation, form of the metal, and any inherent risks in the aforementioned categories. Upon identifying risks, a risk evaluation form is completed, and risk mitigation strategies are initiated.</p>





(b) counterparties in the supply chain, including consideration of:

- (i) KYC information of the Accredited Member's suppliers as identified under Rule 1 (including information about the origin and transportation of the gold );
- (ii) any Red Flags (as defined in Rule 2.4 below) identified in any part of the entire supply chain;
- (iii) the number of participants in the supply chain (i.e. the greater the number, the higher the risk);
- (iv) the level of control that a counterparty has over its own suppliers;
- (v) the level and adequacy of the due diligence practices of a counterparty;
- (vi) whether a counterparty's due diligence practices have been audited by a qualified third party auditor;
- (vii) for how long the counterparty has been carrying out activities in the gold business;
- (viii) a counterparty's willingness to disclose its beneficial owners;
- (ix) a counterparty's attempts to be or remain anonymous (e.g. through the use of third party intermediaries such as lawyers, accountants, etc.);
- (x) the scale of mining operations of a supplier (ASM or LSM), if applicable; and
- (xi) the involvement of any PEPs that have been entrusted with prominent public functions or individuals who are closely related to such persons;

(c) applicable transactions, including consideration of:

- (i) the proportionality of the due diligence to the identified risks and severability and probability of adverse impacts of the applicable transaction;
- (ii) gold and/or precious metals that are transported and/or exported which are not reasonably reconciled with the declared location of the origin;
- (iii) unexplained geographic distance in the supply chain;
- (iv) the nature of the underlying assets (for example melted recyclable gold transactions may be higher in risk than unprocessed recyclable gold);
- (v) the level of concentration of gold;
- (vi) any unusual circumstances that are not consistent with the local or market practices (amount, quality, potential profit, etc.);
- (vii) the use of cash in excess of government thresholds;
- (viii) payment by cash and/or physical delivery to unrelated third parties; and
- (ix) transaction structuring to make payments in smaller multiple transactions to avoid government thresholds.

Emirates Gold adheres to strict risk assessment criteria for every supply chain, considering factors detailed under Rule 2.3. Before initiating any supply chain engagement, a careful analysis and in-depth discussions are conducted with the counterparty. Furthermore, we analyze country-specific information, including duties and taxes in the origins, and specific controls imposed at the country level concerning ASM's and LSM's. We have observed that individual justifications and banks implement specific controls related to fund repatriation, providing additional assurance in the process. The supply chain officer is equipped with such information, which corroborates the legitimacy of a supply chain. Specific country-related information, such as gold production and the supply chain's market share in the overall country's exports, is considered during the assessment of the supply chain.





<p><b>Rule 2.4 Red Flags</b></p> <p>For the purposes of these Rules, a Red Flag shall be any (including a combination or aggregate of more than one) of the following:</p> <ul style="list-style-type: none"> <li>(a) Location-based Red Flag, as further described below;</li> <li>(b) Supplier-based Red Flag, as further described below; or</li> <li>(c) Circumstances-based Red Flag, as further described below.</li> </ul>	<p>Emirates Gold has a proactive system to alert on (a) location-based, (b) supplier-based, and (c) transaction-based red flags. This is facilitated by our dynamic supply chain database, which remains vigilant in response to the changing macro-economic environment.</p> <ul style="list-style-type: none"> <li>(a) Location based red flags: The assessment of our counterparties and transactions involves a comprehensive review of the location and transport routes of precious metals. Each country from which sourcing occurs undergoes an evaluation for the presence of conflict or other high risks, including inhumane treatment, forced labor, and the worst forms of child labor. Additionally, the country risk assessment determines whether the origin is considered a transit point for conflict minerals by referencing reports published by the UN, OECD, or any credible and reliable NGO. The assessment also takes into account the presence of sanctions on the origin country.</li> <li>(b) Supplier based red flags: The Compliance Officer meticulously assesses suppliers by thoroughly reviewing the information gathered during the onboarding process. Any identified risks that may potentially contribute to irresponsible sourcing are promptly identified and addressed in accordance with established protocols.</li> <li>(c) Circumstances based red flags: While onboarding clients and processing transactions, the collected information is thoroughly reviewed to ascertain whether the source or the counterparty presents any circumstance-based red flags.</li> </ul>
<p><b>Rule 2.5 Location-based Red Flags</b></p> <p>A Location-based Red Flag shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) the gold originates from or have been transported through a Conflict-Affected and High-Risk Area;</li> <li>(b) the gold is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold (for example where the declared volumes of gold from that country are in excess of its known reserves and/or expected production levels);</li> <li>(c) the gold is claimed to originate from a country through which gold from Conflict-Affected and High-Risk Areas are known or reasonably suspected to transit;</li> <li>(d) the gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from Conflict-Affected and High-Risk Area is known or reasonably suspected to transit; or</li> <li>(e) the gold originating from countries under sanction or embargos.</li> </ul>	
<p><b>Rule 2.6 Supplier-based Red Flags</b></p> <p>A Supplier-based Red Flag shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) a supplier or other participant in the supply chain of gold operates in any location that could give rise to a Location-based Red Flag, or has a shareholder or other interests in any supplier of gold from one of the above-mentioned locations; or</li> <li>(b) a supplier or other participant in the supply chain of gold is known to have sourced gold from any location that could give rise to a Location-based Red Flag in the twelve (12) months previous to the applicable transaction. give rise to a Location-based Red Flag in the twelve (12) months previous to the applicable transaction.</li> </ul>	
<p><b>Rule 2.7 Circumstances-based Red Flags</b></p> <p>A Circumstances-based Red Flag shall be the occurrence of any anomalies or unusual circumstances that are identified through the information collected under Rule 1 to give rise to reasonable suspicion that the gold applicable to any transaction of the Accredited Member may contribute to any conflict or serious abuses associated with the extraction, transportation of and/or trading in gold.</p>	





<p><b>Rule 2.8 Procedures relating to Red Flags</b></p>	
<p>(a) Accredited Members must review all Red Flags in an in-depth and detailed manner;</p> <p>(b) if an Accredited Member has reasonable grounds to suspect that a prospective transaction with a supplier may result in a Red Flag, it must conduct enhanced research prior to engaging in and concluding the transaction. Such enhanced research is aimed at obtaining evidence of any factual circumstances of the supply chain in order to determine any risks. Such research should include the research methods specified below taking into account the risk-based proportionalities to the level of the risks identified in Rule 2.3 to 2.7;</p> <p>(c) the research methods that shall comprise Desk Research, On-Site Visits and Random Sample Verification;</p> <p>(d) Desk research includes (where available):</p> <ul style="list-style-type: none"> <li>(i) identifying each company in the supply chain;</li> <li>(ii) identifying the UBO(s) of each company in the supply chain;</li> <li>(iii) obtaining financial information (such as balance sheets, annual reports, rating agencies' reports, insolvency information) on each company in the supply chain;</li> <li>(iv) ensuring that each company in the supply chain holds the necessary permits and licences;</li> <li>(v) ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list; and</li> <li>(vi) reviewing research reports including those from governments, international organisations, NGOs and media, maps, UN reports and UN Security Council sanctions, industry literature relating to mineral extraction and its impact on conflict, Human Rights or environmental harm in the country of potential origin, or other public statements (e.g. from ethical pension funds).</li> </ul> <p>(e) On-Site Visits includes individual visits to gold suppliers, or joint on-the-ground assessment teams, teaming up with industry or multi-stakeholder mechanisms or initiatives, or using suitably qualified, knowledgeable and independent assessors, to generate and maintain information on the circumstances and processes of the following activities listed in the OECD Guidance. Though the on-site assessment can be completed in reasonable timeframe (documented, reviewed and approved by management) the EDD process should commence immediately if any red flags are identified:</p> <ul style="list-style-type: none"> <li>(i) gold extraction (for LSM whether mined by medium and large-scale mining in red flagged operations or LSM gold purchased from other sources), physical access to mines, mine</li> </ul>	<p>Emirates Gold carefully evaluate each red flag generated during the supply chain assessment. The senior management thoroughly examines the findings of the supply chain officer, updating their understanding through commercial discussions with the supplier and insights into the supplier's market reputation. This information, combined with onsite visits, helps comprehend the claims made by the supplier. Site visits provide an in-depth understanding of the extraction process, controls implemented by local authorities, and any human rights or child labor-related issues, as well as environmental concerns. Desktop research is performed to gain insight into the overall supply chain and its market reputation. Subsequent site visits offer opportunities to discuss the information gathered during the desktop research. Once the supply chain risk assessment and its findings are concluded, the same undergoes vetting by the senior management, who must specifically approve high-risk supply chains. Often, the information collected on the supply chain goes beyond the rules and may include additional details on a case-by-case basis, ensuring accurate risk classification, especially for ASM and LSM suppliers. Enhanced due diligence, incorporating all risk factors along with KYC of the suppliers, is also reviewed and reassessed annually to ensure that all dynamic factors are captured in our assessments.</p>





<p>capacity against recorded mine production and discrepancies);</p> <ul style="list-style-type: none"> <li>(ii) gold processing (consolidation, blending, crushing, milling, smelting, refining, etc. and recording any discrepancies in the processing and/or production and related capacity of the facility to perform relevant activities);</li> <li>(iii) handling of gold (inventory, trans-shipment, relabelling, etc.);</li> <li>(iv) transportation of gold;</li> <li>(v) trading of gold (including importing and exporting); and</li> <li>(vi) the weight and assayed quality characteristics of the gold that are used in the above-mentioned activities;</li> <li>(vii) taxes, fees, royalties, compensation or other payments to governments which relate to the extraction, trade, transport and export of gold;</li> <li>(viii) where applicable, request information from mining suppliers about their participation in the EITI, if the countries is a member of EITI;</li> <li>(ix) payments made to public or private security forces or other armed groups;</li> <li>(x) use or presence of security services, training of security personnel in accordance with the Voluntary Principles on Security and Human Rights, associated risks;</li> <li>(xi) evidence of serious abuses of Human Rights;</li> <li>(xii) relationships between LSM and ASM, information on ASM operating on the sites of, or selling through LSM;</li> <li>(xiii) for ASM gold only, identification of the suppliers of ASM gold, mine of origin, transportation, processing, taxes, royalties and other payments to governments, KYC information, evidence of serious abuses of Human Rights, information on any direct or indirect support to non-state armed groups or public or private security forces;</li> <li>(xiv) for recyclable gold, value and place of transaction, type of material, type and organisation of supplier, manufacturing facilities, and unusual circumstances; and</li> <li>(xv) review of environmental and social practices associated with extraction, processing and handling processes. Random Sample Verification involves the verification of transactional records.</li> </ul>	
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<p><b>Rule 2.9 Policy Updating and Suitability</b></p>	
<p>Each Accredited Member's Policy should contain suitable systems, procedures and processes for risk identification and assessment (including suitably addressing Red Flags) and such systems, procedures and processes should be updated continually on an ongoing basis upon the occurrence of the change of any relevant circumstances.</p>	<p>Emirates Gold carefully evaluates each red flag generated during the supply chain assessment. The Senior Management delves into the findings of the Supply Chain Officer, updating their understanding through commercial discussions with the supplier and an assessment of the supplier's reputation in the market. This information, along with onsite visits, helps to comprehend the claims made by the supplier. The onsite</p>





	<p>visits provide an in-depth understanding of the extraction process, controls imposed by local authorities, human rights or child labor issues, and any environmental concerns. Desktop research is performed to gain an understanding of the overall supply chain and its reputation in the market. Subsequent onsite visits offer opportunities to discuss the insights gathered during desktop research.</p> <p>Once the supply chain risk assessment and its findings are concluded, the information undergoes vetting by Senior Management, who must specifically approve high-risk supply chains. Often, the information collected on the supply chain goes beyond mere compliance with rules, including additional details on a case-by-case basis. This approach is crucial for accurate risk classification, particularly in the case of ASM and LSM suppliers. Enhanced due diligence, combining all risk factors with Know Your Customer (KYC) information of the suppliers, is also reviewed and reassessed annually to ensure that all dynamic factors are captured in our assessments.</p>
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<b>Rule 3</b>	<b>Risk Control Plan</b>
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**3.1. Overriding Principle – Development of Risk Control Plan**

Each Accredited Member must develop and implement a plan and policy to evaluate and control any identified risk(s), including emerging risks and incident reporting, and mitigate against any adverse implications of such risk(s) (Risk Control Plan). The Risk Control Plan is designed to assist Accredited Members in making informed decisions in respect of:

- a. continuing to trade but with measurable risk mitigation for low risk situations;
- b. temporarily suspending trade while mitigation is implemented for medium risk situations; or
- c. ceasing to trade with a concerned supplier for high risk situations in accordance with the OECD Guidance.

Members are encouraged to consider the potential social and economic impacts of risk mitigation. Members should engage and support relevant industry programmes while understanding the impact that this may have on developing countries and the relevance to other existing international recognized standards.

**Compliance statement:** *We have fully complied with Rule 3*

**Demonstration of Compliance:**

<p><b>Rule 3.2 Alignment with International Standards</b></p> <p>Each Accredited Member must develop or adapt on a continuing basis its Risk Control Plan to include internationally accepted common principles, standards and processes for responsible supply chain management. In particular, Accredited Members should carry out at least one annual review of the Policy and management systems, and a further review when there is a major change in circumstances, their business, operations or supply base, risk nature, or a major change in applicable rules and regulations. In developing Risk Control Plans, each Accredited Member should engage in or support, where appropriate, industry or other programmes on responsible supply chain management. For instance, Refiners are encouraged to support legitimate ASM producers to build secure, transparent and verifiable gold supply chains (consistent with the OECD Guidance).</p>	<p>Based on the risk factors identified in the supply chain assessment, Emirates Gold has a risk control plan aligned with international standards, which is continuously reviewed and enhanced based on the requirements or flags noticed at each level, whether it be location, supplier, or circumstances. The Supply Chain Officer communicates this plan to Senior Management. Emirates Gold's management is committed to sharing information and is consistently supportive of the efforts made by the local government, EBC, LBMA, and RMI to enhance the quality of our deliverables.</p> <p>The risk control plan is comprehensive, considering risk mitigation measures as soon as a red flag is identified. If there are any issues with non-cooperative suppliers, the relationship will be suspended, and further processing of the material will be avoided to ensure standards. If the matter falls within the high-risk category, the Company reserves the right to</p>
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<p><b>Rule 3.3 Minimum Content Requirements</b></p>	
<p>Each Risk Control Plan should include the following (Content Requirements):</p> <ul style="list-style-type: none"> <li>(a) reporting mechanisms for identified risks to the Accredited Member's senior management, Supply Chain Officer and Compliance Officer;</li> <li>(b) enhanced engagement with the internal functions of the Accredited Member, in charge of transparency, information collection and control over the supply chain;</li> <li>(c) enhanced engagement with suppliers through establishing a chain of custody and/or traceability system where a Red Flag has been identified;</li> <li>(d) enhancement of the physical security practices as referred to in Rule 1.17;</li> <li>(e) physical segregation and security of shipments where a Red Flag has been identified;</li> <li>(f) incorporation of rights of the Accredited Member to conduct additional checks on any supplier or UBO where a Red Flag has been identified;</li> <li>(g) continuity of trading activities while developing risk mitigation controls (including measurable steps, monitoring, review of performance, and reporting to senior management), such as:             <ul style="list-style-type: none"> <li>i. building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks;</li> <li>ii. temporarily suspending trading activities with a specific supplier where a Red Flag has been identified; and</li> <li>iii. disengaging for at least 3 months, with a specific supplier who fails to comply with the mitigating controls within a period of 6 months, and/or disengaging entirely if such controls are not feasible and/or unacceptable in light of the cost-benefit analysis and the capabilities of the Accredited Member conducting the due diligence;</li> </ul> </li> <li>(h) consulting with suppliers and affected stakeholders and agreeing on the risk mitigation controls which should be adapted to the Accredited Member's specific suppliers and the contexts of their operations, state clear performance objectives and provide for sufficient time for affected stakeholders to review and implement;</li> <li>(i) reviewing on a regular basis the results of the mitigation measures, undertaking additional fact and risk assessment for risks requiring mitigation or after a change of circumstances, as per Rule 2;</li> <li>(j) communicating to senior management.</li> </ul> <p><b>Note:</b> Where a Red Flag has been identified, the Accredited Member may consider the following as an</p>	<p>disengage the relationship as well. Emirates Gold does not encourage cash payments, restricting them to a minimum. Formal banking channels are utilized to repatriate funds to the beneficiary, serving as a robust gatekeeping mechanism to prevent money laundering and potential risks. The control mechanism for red flags is well-documented by the Compliance Officer.</p>





indicative measure of an approach to activities with the relevant supplier:

Risk Level	Control Mechanism
Low	Start or continue trading activities
Medium	Start or continue trading activities whilst mitigating the identified risks
High	Suspend trading activities whilst mitigating the identified risks by obtaining additional information/data confirming or refuting the adverse risk assessments; OR disengage from the source(s) of the risk within a reasonable time frame (to be assessed on a case by case basis).

**Rule 4 Independent Third-Party Audits**

**4.1. Overriding Principle**

Each Accredited Member is required to ensure its own compliance with these Rules for RBDG and arranging at their own cost for this compliance to be reviewed by an independent third-party reviewer as stipulated in Rule 4.2.

**Compliance statement: We have fully complied with Rule 4**

**Demonstration of Compliance:**

**Rule 4.2 EBC Review Protocol**

EBC Review Protocol (Annex 2) sets out the methodology EBC requires each auditor (when acting as a "reviewer" in the meaning given to that term in the EBC Review Protocol) (Reviewer) to comply with when conducting any independent third-party audit (if instructed to do so) of an Accredited Member (Review).

**Rule 4.3 Minimum Review Requirements**

In carrying out any Review, each Reviewer must verify the following:

- (a) the adequacy of the related policies and processes to implement these Rules for RBDG (as well as the obligations stemming from the Resolution);
- (b) the adequacy of external and internal controls to mitigate risks;
- (c) the conformity to and compliance with these Rules for RBDG in all communications with participants across the entire supply chain;
- (d) the establishment of the chain of custody and traceability of information for all activities; and
- (e) the implementation of on-going risk assessment using a risk-based approach including the adequacy (considering both timing and method) of the Accredited Member's response to the outcome(s) of the risk assessments.

**Rule 4.4 Minimum Requirements of Reviewers**

Each Reviewer must have the following characteristics: independence from the Accredited Member subject to the relevant Review;

- (a) no conflict of interest between the Reviewer and the Accredited Member subject to the relevant Review;

Bureau Veritas conducts verification assessments according to the rules defined by the EBC in the Third-Party Audit Guidance for EBC Rules for Risk-Based Due Diligence in the Gold Supply Chain Version 1/2021 requirements (according to the ISAE 3000 standard). Bureau Veritas – Dubai was accredited by DMCC/EBC in 2015 through "Inspectorate," a Bureau Veritas Company. The Company can rely on its experience in metal and minerals inspection, as well as its expertise in reviewing compliance with AML-CFT regulations and responsible sourcing standards.

The scope of work agreed upon with Bureau Veritas is considered and compliant with the minimum review requirements of the EBC Rules.

Emirates Gold confirms that Bureau Veritas has met the requirements of reviewers as per the EBC Rules. There is no conflict of interest in the arrangement, and Bureau Veritas has also signed the confidentiality clause to ensure non-disclosure of information unless required by law. The audit was conducted onsite at Emirates Gold offices in DMCC.

The composition of the review is detailed and agreed upon by the refiner and Bureau Veritas, following the terms of engagement in line with Rule 4.5. The auditor provides a detailed report and recommendations in accordance with rules 4.6 and 4.7.





- (b) no specific services being provided by the Reviewer to the Accredited Member in relation to any due diligence exercise (other than general related guidance); and
- (c) the competence to carry out the relevant Review.

Each Reviewer must keep confidential the confidential information of the Accredited Member, subject to any legal requirements of disclosure or any other reasonable requirements of the Accredited Member, taking into account all circumstances (including the nature and ownership of the information and any previous dissemination of such information).

Any auditing entity that wishes to become a Reviewer must submit a completed EBC Approved Reviewer Application Form (Annex 1) and meet the minimum criteria for Reviewers as set out in EBC Review Protocol. Such application is subject to the terms and conditions of an EBC Approved Reviewer Application Form.

#### **Rule 4.5 Composition of the Review**

The following activities shall be included in each Review:

- (a) sufficient preparation of the Review, including the development of a detailed audit plan;
- (b) on-site investigations of the Accredited Member, including:
  - (i) review of the Accredited Member's facilities; and
  - (ii) review of a list of the Accredited Member's suppliers;
- (c) consultations with the Accredited Member's risk assessment team, Supply Chain Officer and Compliance Officer (as applicable);
- (d) audit conclusion, including the validation, reporting and recording of findings that determine the level of conformity of the Accredited Member's supply chain due diligence with the Rules for RBDG; and
- (e) provide recommendations to the Accredited Member to improve its due diligence practices.

#### **Rule 4.6 Annual Report on Supply Chain Due Diligence**

Each Accredited Member shall produce an annual report. This shall include a summary of the Review in accordance with Step 5 of the OECD Guidance and Sections 16 and Section 19 (as applicable) of EBC Review Protocol (Annex 2).

#### **Rule 4.7 Review Programmes of Accredited Members**

Each Accredited Member must demonstrate its compliance with these Rules for RBDG to the Executive Office of the EBC. In carrying out such obligation, each Accredited Member must implement an audit programme, which shall include:

- (a) ensure conformity with these Rules for RBDG;
- (b) selecting and engaging its Reviewer(s) in conformity with these Rules for RBDG;
- (c) observing and fully cooperating with each Reviewer;
- (d) implementing all recommendations provided by any Reviewer; and





(e) upon request, providing a copy of any Review report to the Executive Office of the EBC or any authority that regulates or otherwise governs the Accredited Member.	
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<b>Rule 5</b>	<b>Independent Annual Reporting On Responsible Supply Chain Due Diligence</b>
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**5.1. Overriding Principle**

Each Accredited Member is required to publicly report annually on its supply chain due diligence in compliance with Step 5 of the OECD Guidance, in order to generate public confidence in the measures that it has implemented.

**Compliance statement: We have fully complied with Rule 5**

**Demonstration of Compliance:**

Rule 5.2	Minimum Requirements of Public Reporting
At minimum, each Accredited Member shall: <ul style="list-style-type: none"> <li>(a) publicly acknowledge its requirements under these Rules; and</li> <li>(b) comply with Rule 4.6.</li> </ul>	The management of the Company emphasizes its commitment to transparency by assuring stakeholders that once the assurance report is issued, it will promptly and publicly make the report available for access.

**AN OVERVIEW OF THE MANAGEMENT ASSESSMENT OF ALL THE RULES OF THE EBC RULES**

FRAMEWORK STEPS	RATING
<b>Rule 1: Supply Chain Managements Systems.</b>	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low Risk Deviations <input type="checkbox"/> Non-compliance: Medium Risk Deviations <input type="checkbox"/> Non-compliance: High Risk Deviations
<b>Rule 2: Supply Chain Risk Identification And Assessment</b>	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low Risk Deviations <input type="checkbox"/> Non-compliance: Medium Risk Deviations <input type="checkbox"/> Non-compliance: High Risk Deviations
<b>Rule 3: Risk Control Plan</b>	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low Risk Deviations <input type="checkbox"/> Non-compliance: Medium Risk Deviations <input type="checkbox"/> Non-compliance: High Risk Deviations
<b>Rule 4: Independent Third-Party Audits</b>	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low Risk Deviations <input type="checkbox"/> Non-compliance: Medium Risk Deviations <input type="checkbox"/> Non-compliance: High Risk Deviations





<p><b>Rule 5: Annual Reporting On Responsible Supply Chain Due Diligence</b></p>	<p><input checked="" type="checkbox"/> Fully compliant</p> <p><input type="checkbox"/> Compliant with Low Risk Deviations</p> <p><input type="checkbox"/> Non-compliance: Medium Risk Deviations</p> <p><input type="checkbox"/> Non-compliance: High Risk Deviations</p>
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**Emirates Gold's overall Management conclusion**

Table 3: Management conclusion	
<p><b>Is the Refiner in compliance with the requirements of the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain Version 1/2021, for the reporting period?</b></p>	
<p>Yes</p>	<p>In conclusion, Emirates Gold has successfully implemented effective management systems, procedures, processes, and practices to align with the requirements of the EBC Rules for Risk-Based Due Diligence in the Gold Supply Chain Version 1/2021, as elaborated in Table 2 above, for the reporting year ending on December 31, 2023.</p> <p>Emirates Gold remains steadfast in its commitment to continuous improvement, ensuring that any identified corrective actions are regularly monitored internally. Corrective Action Plans are communicated separately to the EBC Executive, which serves as the administrator of the EBC Rules for Risk-Based Due Diligence in the Gold Supply Chain Version 1/2021.</p>

Table 4: Other report comments
<p>If users of this report wish to provide any feedback to Emirates Gold with respect to this report, they can contact our Compliance Officer at <a href="mailto:compliance@emiratesgold.ae">compliance@emiratesgold.ae</a></p>

**Location:** Dubai, United Arab Emirates

**Date:** 12 January 2024

**Sign and Company Stamp:**

