

Fujairah Gold FZC: Compliance Report of DMCC's Rules on Risk Based Due Diligence in the Gold & Precious Metal Supply Chain

Company Name:	Fujairah Gold FZC
Location:	Fujairah Free Zone II
Reporting year-end:	1 st April 2021 to 31 st March 2022
Date of Report	01 st April 2022
Senior management responsible for this report	Name : Mr. Puneet Khurana Title : Chief Executive Officer Contact details : +971 9 22 82 454; Ext 102

Audit Team	
Team Leader:	Team Member:
Nilesh Zala	Sanjay Pandit

The aim of this report is to summarize the steps taken by Fujairah Gold FZC to achieve compliance with the "DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain" issued by Dubai Multi Commodities Center Version 2/2020

Summarized conclusion

Fully Compliant

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 DMCC Rules.

Rule 1: Supply chain managements systems

Rule 1.1. Overriding Principle

Each Accredited Member conducting business in the supply chain relating to Mined Gold and/or Precious Metals and Recycled Gold and/or Precious Metals 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.

Rule 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 and/or precious metals to the Accredited Member.

Any reference to an “ultimate beneficial owner (UBO)” shall mean any natural person holding 25% or more or more of the share capital in any corporate entity

Compliance statement: *Fully Compliant*

Demonstration of Compliance:

Rule 1.1/1.2 During the reporting year, we have established our Responsible Gold Supply Chain Policy which is consistent with the model set out in the Annex II of the OECD Due Diligence Guidance. This sets out responsibility to establish strong company management system;

To fight serious human rights abuses,
To avoid contributing to conflict over our supply chain and to comply with high standards of Anti-Money Laundering and Combating Terrorist Financing,
To conduct appropriate risk-based due diligence, screening and monitoring of transactions and governance structure in places.

The latest version of the policy is made available for the stake holders on the company website. This policy is reviewed at least once a year or as per requirement. The latest versions of the policy is issued on 01.02.2022.

Rule 1.3 Each Accredited Member must implement and maintained 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 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	<p>a. As mentioned in the policy the scope mentioned details about the Fujairah Gold commitment towards responsible sourcing of Gold & Precious Metal and having vigil against Money Laundering, terrorism financing, child labor etc.</p> <p>The Policy is applicable to all the staff related to Precious Metal Refinery, its supplier and their counter parties. The policy is shared and acknowledged by all the parties.</p> <p>FG is taking undertaking from each supplier through the vendor registration form for the compliance of the provisions of the policy.</p> <p>This policy is made available on www.fujairahgold.com.</p> <p>FG has implemented this policy with detailed procedures/Processes in place as listed below;</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Doc. No</th> <th style="text-align: left;">Document detail</th> </tr> </thead> <tbody> <tr> <td>FG/PMB/001</td> <td>Dore Anode Hand Over Record</td> </tr> <tr> <td>FG/PMB/002</td> <td>Dore Anode Weightment Record</td> </tr> </tbody> </table>	Doc. No	Document detail	FG/PMB/001	Dore Anode Hand Over Record	FG/PMB/002	Dore Anode Weightment Record
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b. Responsibilities	<p>b. Policy mentions appointment of the Supply Chain Officer and the Compliance Officer. The roles of the same has been clearly communicated on the letter issued on 1.06.2018. The Supply Chain Officer & Compliance Officer have direct reporting to the Head Operations/CEO and they have open line communication with the relevant members of the supply chain.</p> <p>All the employees in the supply chain has been identified and each has their roles mentioned in the Job description along with the key responsible areas identified.</p>																																																								
c. Criteria for supply chain due diligence	c. The Criteria for the supply chain due diligence has been clearly defined in the policy. The																																																								



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	<p>Due Diligence starts with the risk assessment of each supplier along with their counter parties. The risk assessment along with the KYC is necessary for starting any business with FG. The risk assessment captures the Risk Rating of each supplier which has been assessed on geographical based, counter parties in supply chain, transaction based, red flag etc.</p>
d. Main elements of Know-Your-Customer (KYC) process	<p>d. The Vendor registration form issued on 01.02.2019 captures all the necessary details as specifically required in the DMCC's RBD-GPM rules.</p> <p>Checklist is filled for each UBO with details like; name, identity, company information, contact details, bank details, declaration etc. World check tool has been used to check the suppliers' involvement in the crime related to AML/CFT laws. Based on the risk assessment, KYC & World Check results, the risk rating would be arrived and persons/entity with high risk would be either rejected or gone for further assessment as per the red flagged cases. Separate procedure has been laid down in the Risk Assessment procedure for the red flag category.</p>
e. Monitoring and surveillance:	<p>e. FG track each consignment separately. The shipments are handled by various departments like Logistics, Production and QA & Security.</p> <p>Records, at each stages, are maintained regarding the identification of the material along with quality & quantity.</p> <p>Daily report generated shall give overall metal balance of the entire input which is being monitored by the senior management on a daily basis.</p> <p>Internal Audits ensure the implementation of the system with the lapses being reviewed during monthly operational reviews.</p>
f. Training	<p>f. Supply Chain Officer conducts the training related to the Supply chain rules as outlined by DMCC's rule of RBD-GPM. The training is covered to the relevant persons in the supply chain. The training effectiveness is evaluated for the each session conducted.</p>

Rule 1.4 Minimum KYC requirements

For the purpose of these rules, the standards of KYC requirements set out in the Resolution shall be considered as the minimum KYC standards

Fujairah Gold's Due Diligence is strengthened with its Risk Assessment procedure & the KYC filing.



<p>(Minimum KYC Standards) to be achieved by the Accredited member.</p>	<p>The suppliers are rated based on different criteria and the risk profile of each supplier is determined.</p> <p>The KYC procedures of Fujairah Gold captures the necessity requirements of the beneficiary details, ownership details, source details as per the requirement of the DMCC.</p> <p>Please refer KYC procedure FGP/DMCC/10.</p> <p>Risk Assessment, KYC is followed with a contract for the supply material which describes the nature of the material, quantity, source and other obligations from the supplier part.</p> <p>Fujairah Gold is committed to upgrade the skills of the persons handling the DORE/Anode slime/Silver sand with necessary training.</p> <p>The compliance officer himself gives necessary inputs to upgrade the skills of the team to keep them updated with the requirements of the DMCC.</p>
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Rule 1.5 Implementation of KYC Systems & Processes	
<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.</p>	<p>The KYC format is revised as per the requirement based on amendments initiated by DMCC on the RBG-GPM rules, internal controls improvements. The latest version of the KYC is the Version 7 issued on 01.02.2019.</p> <p>The vendor registration process capture the minimum KYC requirements as laid down by the DMCC.</p>

Rule 1.6 Specifics KYC requirements	
<p>Each Accredited member shall ensure that its Policy and the implementation of its Policy shall be adequate to identify:</p>	
<p>(a) each supplier and to the extent possible each supplier's supplier; (b) each supplier's legal and operating structure; and (c) each supplier's ultimate beneficial owner(s).</p> <p>For gold and/or precious metals sourced from ASM, each Accredited member shall ensure that its Policy and the implementation of its Policy shall be adequate to identify:</p> <p>(a) the origin of each ASM's supply; (b) To the extent possible, each ASM's legal and operating structure conforming to the</p>	<p>The KYC format shall enable FG to capture the necessary requirements of the RBD-GPM rules such as the Ultimate Beneficiary Identity, any corporate entity's legal status/registration including their authorized persons, details of the each suppliers and their suppliers' details.</p> <p>The implemented KYC asks for the details of the supplier's supplier, their operating structure/registration and the details of the Ultimate Beneficial Owner (more than 5% share ownership). Also the KYC needs the party to disclose the details of the Gold generated from</p>



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<p>applicable legal framework (where it exists) as well as their engagement in opportunities for formalization as they become available; and</p> <p>(c) Each ASM's third party service provider(s) (i.e. logistics, processors, transportation, intermediaries, security, etc.) ultimate beneficial owner(s) for ASM located Conflict Affected or high risk areas.</p>	<p>each of their mines. This is applicable to both the ASM and LSM.</p> <p>Fujairah Gold has only 1 supplier which is of the same group company and are public listed company and details of the same are well available in the public domain. The documentation of the related party supply is clearly mentioned in the KYC procedure.</p>
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Rule 1.7 Record Keeping and Updating of Information

Demonstrate that the company has kept records of, and continually on an ongoing basis update, the following information:

<p>(a) for every supplier or ultimate beneficial owner that is a natural person, his/her:</p> <ul style="list-style-type: none"> (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) (v) a complete and accurate copy of a valid identity card or passport (the copy should be certified); 	<p>The KYC form captures all the necessary details as mentioned in the rule 1.7 of RBD-GMP. These records shall be updated Regular basis.</p> <p>Covers the passport details as a requirement which shall address all the points.</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"> (i) its legal status and category of entity; (ii) its full name; (iii) its domicile or country of registration; (iv) a description of its principal business activities; (v) the address of its registered office and principal place of business (if different); (vi) the KYC requirements of each legally authorised representative that is a natural person (in accordance with (a) above); (vii) a copy of the instrument(s) authorising each of its legally authorised representatives; (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; (ix) a copy of its constitutional documents; (x) a copy of its valid commercial or professional licence or registration. 	<p>The KYC asks all the necessary detail like company registration, major business interests, authorized persons, plant & office address, KYC of UBO Bank details etc.</p>

Rule 1.8 KYC Requirements for Politically Exposed Persons



The image shows the official blue circular stamp of Fujairah Gold. To the right of the stamp are two handwritten signatures in blue ink. One signature appears to be 'N. Debes' and the other is a stylized signature.

<p>If a supplier or any ultimate beneficial owner 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 Resolution.</p>	<p>The Risk assessment sheet identifies the need for doing enhanced due diligence for any supplier whose beneficial owner is politically exposed person. FG shall do necessary screening of all such transactions to mitigate the risks related to doing business with PEPs.</p> <p>There has been no instances of any PEP reported as UBO during the review period.</p>
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<p>Rule 1.9 Appointment of a Dedicated Supply Chain Officer</p>
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<p>Each Accredited Member must appoint a person to carry out the role of a dedicated compliance or risk officer (Supply Chain Officer). The Supply Chain Officer must:</p> <p>(a) be a senior member of staff of the Accredited Member;</p> <p>(b) have the necessary competence, knowledge, experience and training in supply chain due diligence and KYC processes;</p> <p>(c) be provided with all resources necessary to perform his/her functions and role in accordance with these Rules; and</p>	<p>An internal management system has been set up to define the governance and roles and responsibility. Senior management retains the control and responsibility for decision related to dealing with counter parties violating human rights, money laundering and terrorist financing.</p> <p>A Supply chain officer has been assigned to manage the process, and has a direct line of reporting to Senior Management. The supply chain officer does the necessary training of the staff handling the gold. All the transactions are verified by the supply chain officer himself & any areas of concern is highlighted to the senior management. The entire process of conducting the due diligence drafting & execution of contract, tracking of each shipment etc. is handle directly by the compliance officer. He directly supervises the persons handling the Gold & ensures that all documentations are done till the sale of the material.</p> <p>Mr. Nilesh Zala handles the role of supply chain Officer. He has all the resources in relation to the implementation of the rules of RBD-GPM. He has direct line of communication to all the members of the supply chain. He is reporting directly to the Plant head thereby escalating the deviations to the senior management is done without delay. He has attended webinars conducted by DMCC in Jan'18 wherein the latest information on the responsible sourcing has been shared. Also he is in direct communication with DMCC where the updates on the changes in rules are known to him for implementation. He has the access to the World check enabling him access to the details of suppliers. He is the single point contact for sharing of the RBD-GPM rules to all the suppliers, employees etc. He facilitates to roll out internal audit</p>
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plan & the findings of the audit shall be presented to the senior management in the Operational Reviews.

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;
- (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.

Mr. Nilesh Zala's roles and responsibility has been clearly defined on his appointment as Supply chain officer.

He is the single point source to monitor the implementation of the FG's Due Diligence policy which shall be carrying risk assessment of each supplier as per the procedure ensuring the compliance is implemented & verifying the same through internal checks /Audits, ensure the key people are trained / updated with latest regulations, device & update the Due Diligence policy.

Rule 1.11 Appointment of a Compliance Officer

Each Category-A Accredited Member must appoint a "Compliance Officer" (**Compliance Officer**) in accordance with the Resolution to carry out the functions of such role as set out in the Resolution. For the purposes of these Rules, the Compliance Officer may be the same person as the Supply Chain Officer.

Each Category-A Accredited Member shall ensure that the Compliance Officer:

- (a) is able to operate and function independently from other departments and individuals within the Category-A Accredited Member's organisation structure; and
- (b) is provided with unfettered access to the board of directors of the Category-A Accredited Member.

Mr.Sanjay pandit handles the role of Compliance Officer and he is reporting directly to the plant head.

Compliance Officer shall be reporting any suspicious transactions to the relevent authorities as laid down by DMCC.

Rule 1.12 Functions and Duties of the Compliance Officer



<p>Each Category-A 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 Resolution.</p> <p>In addition to his/her requirements under the Resolution, the Compliance Officer shall:</p> <p>(a) immediately upon submitting any STR to the FIU, provide a copy of that STR to the DMCC; and</p> <p>(b) immediately upon submitting a copy of each bi-annual report (together with the notes and resolutions of the senior management in response to such report) to the FIU, provide a copy of that report and notes to the DMCC, as required under Resolution,</p> <p>(and such copy in each case will be sent to: responsiblesupplychain@dmcc.ae in accordance with Annex 1 – DMCC Whistleblowing Policy.</p>	<p>As mentioned in the Roles of the Compliance Officer Mr. Sanjay Pandit shall be reporting any STR to FIU & DMCC.</p> <p>(a) There is no STR submitted during review period.</p> <p>(b) There is no STR submitted during review period.</p>
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Rule 1.13 Records of Internal Inventory and Transactional Documentation

<p>Each Accredited Member must develop internal documentation and records of supply chain due diligence to cover internal inventory and transactional documentation which shall include:</p> <p>(a) details of physical form, type (i.e. Mined Gold and/or Precious Metals, or Recycled Gold and/or Precious Metals) and physical description of gold and/or precious metals including any imprints and/or hallmarks;</p>	<p>FG has a robust Precious Metal receipts process. Specific and relevant transactional documents must be received as per our internal guidelines and same will be verified before we process the gold-bearing material.</p> <p>Each consignment reaching Fujairah Gold is tracked separately which includes, weighment, assaying, lot wise treatment records till the final product is made.</p> <p>The final product is tracked with separate identification numbers which could be easily back tracked till the feed. Also each consignment of the anode slime/Silver sand is followed with necessary documents which are like the provisional assay, country of origin certificate, Bill of Lading , packing list & the necessary customs documents.</p> <p>Fujairah Gold has revised a KYC form to capture the relevant information of the supplier which includes the quality, identification, ownership, location, etc.</p> <p>Each supplier need to confirm in the KYC for their acceptance to the Fujairah Gold policy regarding due diligence which is drafted in line with the DMCC/OECD guidance. Fujairah Gold shall retain all documents related to each transactions at least for 5 years.</p> <p>(a) FG receives anode slime and silver sand as input to refinery. For the review period Anode slime and silver sand are the input.</p>
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<p>(b) details of weight and assay of gold and/or precious metals after proper internal verification and/or third party verification;</p>	<p>(b) For each consignment the documents like packing list, assay report, Country of origin certificate, BL shall be accompanying. Each input to the plant is weighed and sampled to identify the content in them.</p>
<p>(c) full KYC due diligence of all suppliers including their due diligence practices, which must conform to the Policy and the Minimum KYC Standards;</p>	<p>(c) KYC procedure is necessary to enter in to business relation with FG. The KYC form designed by FGF confirms to the minimum KYC standrads as laid in the RBD-GPM rules.</p>
<p>(d) the unique reference number of each entry/input and exit/output;</p>	<p>(d) For anode slime/Silver sand the lot number as identified by the supplier shall be followed for the tracking of metal till the finished good. Where as for Silver sand separate lot identification is given. For Silver sand the seller shall be entitled to represent through a third party. For Anode slime/silver sand sampling is done at both the seller side & FG. Assays are analysed on samples drawn as per the contract. The metal flow in the system is tracked with unique refernce numbers like (Dore BatchID,Dore Anode no, Cell chaging ID, Leaching ID, Finished good ID). The Bar track and trace mechanism explains the process of tracking each lot of anode slime / silver sand till it's sold. The finished good lots are identified with unique numbering and the weight and assay of the same is recorded in SAP.</p>
<p>(e) the name, stamp and logo of the refiner/producer/manufacture (if applicable);</p>	<p>(e) FG identifies each finished goods with respect to Bar No, Logo, Purity and weight. Each product is followed with an assay certificate mentioning the issue date, quality & Bar No. Each product can be traced back to the receipt through track and trace procedure.</p>
<p>(f) the year of refining/production (if applicable);</p>	<p>(f) Each Finish Products coming from Fujairah Gold are stamped with serial number based on lot batch size and shall be track through production log sheet/flow for related production period.</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>(g) The Raw Material which has been sampled would be assayed by both the buyer and seller. On a mutually agreed date the assays shall be exchanged and final content would be arrived as per the contract with the supplier. Each lot would be priced for its content and the payment shall be made through TT by FG as per the contract. Each</p>



	<p>sales transaction is also traced w.r.t Quantity, Price and Currency.</p> <p>All are compiled for related Review period.</p>
(h) The mode of Payment	
(i) an inventory list classified as per supplier;	(i) The Stock statement of the finished goods, raw materials are recorded on a daily basis in SAP. Metal verification on daily basis is witnessed by the security along with production team.
<p>(j) a "Track and Trace" mechanism for tracing products back to purchased material, which shall include:</p> <p>(i) shipping/transportation documents;</p> <p>(ii) sales documents with specific lot numbers;</p> <p>(iii) mining licence(s) and related permissions (for mined gold and / or precious metals);</p> <p>(iv) import/export licence(s) and form(s); and</p> <p>(v) 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 the provisions of the DMCC's Anti Money Laundering and Combating Financing of Terrorism Policy.</p>	<p>(j) A track and trace mechanism of each lot of the Anode slime/ Silver sand / DORE Metal is made. For Anode slime/Silver sand the following documents shall ensure the track and trace mechanism.</p> <p>Anode slime/Silver sand weighment register, DORE Log sheet, PMR anode receipt Register, Silver refining logbook, Gold refining logbook and Gold Bar casting logbook.</p> <p>i. Anode slime/Silver sand shipments are accompanied with Invoice, Packing list, Assay Certificate, Country of Origin Certificate, Insurance Copy, BL, Dubai Customs Exit, Fujairah Custom entry etc.</p> <p>ii. Each shipment of anode slime/Silver sand is accompanied by packing list which mentions the Lot numbers/drum numbers. Approx 2 - 4 drums of anode slimes/silver sand consists of 1 lot/consignemnt and is sampled lotwise /drumwise to assess the content in the same.</p> <p>iii. There has been no cases of purchase of mined metal. Hence no mining license is envisaged.</p> <p>iv. Business code of import for FG is available.</p> <p>v. FG performs the Physical verification on a monthly basis to reconcile the metal input Vs Actual Metal supply. The observations of the Physical verification is being reviewed on a monthly basis in Operationsal review. Each consignment is accepted on submission of complete set of documentation. In case of inconsistency in the declared documents, the material shall be kept on hold till the clarification is received from the supplier. There is no such case reported review period. The</p>



	material verification on receipt is done through weighment (Direct Capturing in SAP) and sampling.
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Rule 1.14	Record Keeping
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<p>Each Accredited Member must keep relevant records, files, documents, papers, communications and forms related to its compliance with these Rules and its KYC obligations for at least five years from the latest of:</p> <ul style="list-style-type: none"> (a) The date of the most recent transition in respect of the latest material intake from a supplier (b) the date of conclusion of a complete inspection by the DMCC; (c) the date of closing of the account of the supplier or termination of the relationship with the supplier; and (d) the date of closing of an investigation on a particular transaction or supplier. <p>Each Accredited Member must 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 (2) years from the date the decision was taken not to enter into or progress the relationship.</p>	<p>FG shall maintain all the records related to the transactions for a period of 5 years as mandated in the DMCC rules.</p> <p>In case of any potential buyers rejected on evaluation, the records shall be kept for 2 years from the evaluation date.</p> <p>There is no such instance during review period.</p>
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Rule 1.15	Enhanced Relationships with Suppliers
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<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 DMCC Rules for RBD-GPM and Annex II of the OECD Guidance. This can be achieved through following means:</p> <ul style="list-style-type: none"> (a) maintaining adequate KYC due diligence processes for suppliers in accordance with these DMCC Rules for RBD-GPM, and reviewing suppliers' own due diligence practices; 	<p>The vendors are appraised with the DMCC requirement for the responsible sourcing.</p> <p>The process of business engagement with any supplier starts with the KYC. KYC seeks necessary data on the source of the supply, beneficiary details, informing the DMCC requirements, Fujairah gold due diligence policy acknowledgment etc.</p> <p>Subsequent to the KYC a detailed contract is drafted which mentions terms, document requirement, etc. Fujairah gold has the majority of the supply from the industrial byproduct (anode slime / silver sand) as the raw material input, which is supplied by own group company.</p> <p>The relation is maintained with weekly calls with the Supplier apprising the supply/quality status.</p> <p>As a measure of building relationship there is a system of review of the supply chain within the group, headed by the senior most persons.</p>
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	<p>For other suppliers visiting the supplier premises is being followed to guide them to follow the DMCC rules on RBG- GPM, in addition to have a check on their due diligence. Each visit is documented & any shortfalls are addressed on the visits.</p> <p>As during the reporting period there was no addition of Suppliers, there has been no site visits during the year.</p> <p>(a) The KYC procedure of includes sharing the guidelines of the DMCC, getting the KYC form filled which has the minimum KYC standards as mentioned in the DMCC Rules, Checking the back ground through World Check. The KYC form is renewed on a yearly basis with each Supplier & the supplier gives declaration on the compliance to the DMCC / OECD guidelines on responsible sourcing of Gold.</p> <p>The KYC form mandates the supplier to identify the source of each gold, the type/nature of gold, ownership of the organization, payment methods, third party details etc.</p>
(b) establishing long-term relationships with each supplier;	<p>(b) FG's source of supply is only from own group companies which supplies industrial byproduct (anode slime, silver sand) for the recovery of Gold. The communication with Supplier is maintained through mails, weekly calls, monthly calls wherein the issues related to supply is highlighted and discussed.</p>
(c) sharing with each supplier the DMCC Rules for RBD-GPM and the Accredited Member's obligations under the DMCC Rules for RBD-GPM;	<p>(c) The updated rules and guidelines of the DMCC RBD- GPM in supply chain has been communicated to Hindustan Zinc Limited through mail.</p>
(d) communicating expectations that each supplier commits to the compliance and undertakes mineral supply chain due diligence and risk management consistent with the DMCC Rules for RBD-GPM and Annex II of the OECD Guidance;	<p>(d) The compliance commitment is taken in the undertaking in the KYC form to comply and adhere to FG's responsible Gold sourcing policy and DMCC Rules for RBD-GPM and Annex II of the OECD Guidance.</p>
(e) incorporating the provisions of the DMCC Rules for RBD-GPM and audit and monitoring rights into contracts and/or agreements and KYC forms with each supplier; and	<p>(e) FG shall have the rights to audit the Supplier as envisaged in the procedure of Gold purchase.</p> <p>The KYC form capture all the necessary minimum KYC Standards of the DMCC</p>



	rules & the supplier gives a declaration of the same.
(f) supporting and building capabilities of suppliers (if required) to ensure compliance with the Accredited Member's Policy and the DMCC Rules for RBD-GPM.	(f) FG keeps aprising the suppliers on the developments in the DMCC rules. Since FG has only 1 supplier which is from own group companies, there is no risk of non-compliance. Moreover the raw materials for the FG is Industrial byproduct & not mined metal.

Rule 1.16 Uncooperative Suppliers	
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 DMCC Rules for RBD-GPM (Uncooperative Supplier), the Accredited Member is recommended to seek disengagement from such supplier and is required to: (a) document the Accredited Member's efforts in accordance with these Rules (including Rule 1.15) and (b) report the matter to the DMCC, upon request by DMCC. (c) details of such disengagement of suppliers should be included in the management report.	In case of uncooperative suppliers & repetitive lapsers, Fujairah Gold shall start disengaging the business as laid down in the Risk assessment procedure There has been no such cases during the review period.

Rule 1.17 Security Requirements	
Each Policy must include adequate security requirements to ensure compliance with these DMCC Rules for RBD-GPM, in particular, in relation to material sourced from LSM or ASM mining companies. These requirements may include any of the following:	
(a) using identifiable sealed security boxes for each shipment to avoid any tampering or removal of content;	We have internal controls in place such that each consignment is tracked, monitored & processed separately. Main raw material anode slime/silver sand is received in sealed drums & is being stored in separate ware house. Tracing of each lot/drum is monitored & documented in the logs. Any deviations is monitored, reviewed, corrective actions taken on a continual basis. The senior management is updated with the progress, deviations through monthly review, daily reports etc. Each consignment is assessed with the



	<p>suppliers' representative presence unless the same is waived off by them.</p> <p>And until the documents are in place the same would be kept secured separately.</p> <p>Bar tracking methodology is documented for quick reference & is linked to the operator log books.</p> <p>(a) Each Consignment of anode slime/silver sand transported through Sea & reaching Jebel Ali Port, Dubai. The consignment is transported in land from Jebel Ali to Fujairah & accompanied by company security along with the logistics in charge. Each container once arrived at Fujairah Free zone is inspected by FG staff & the Fujairah Customs ensuring that the Container seals are intact. Once customs inspection is over the material is offloaded in to a separate ware house where it would be monitored & kept under lock and key. Each drums in the consignment is sealed with suppliers seal.</p>
<p>(b) physically segregating different shipments until verification is adequately completed and confirmed in accordance with Rule 1.13;</p>	<p>(b) Each consignment on arrival is weighed for their quantity & summary report is given to the supply chain officer along with the supplier. Any deviations are highlighted for corrections. Each drum is identified with a drum number & a lot number. Each lot/consignemnt which comprises of 3-4 drums are then taken for sampling purpose by the QC person along with the chemist from the supplier side. Samples are prepared for each lot for finalizing the final metal receipt. The samples are then analyzed by both supplier & the buyer & the assays are exchanged on a mutually agreed date. Based on the contract terms the assays are finalized for each consignment. Occasionally the samples are assayed with third party in case of huge difference between the buyer assay & the seller assay after mutual discussion.</p>
<p>(c) reporting any inconsistencies to senior management, the Supply Chain Officer and/or the Compliance Officer (as appropriate);</p>	<p>(c) The records of the material receipt, assays reported, final assays for the payment etc. are being communicated through the supply chain officer. He shall take up any inconsistencies to the appropriate person for necessary corrections.</p>
<p>(d) regarding any supplier with whom problematic issues recur as an Uncooperative Supplier in accordance with these Rules;</p>	<p>(d) FG's risk assessment procedure mentions clearly the disengagement process in case of repeated inconsistencies of the suppliers.</p>



	There has been no cases of disengagement during the reporting year.
(e) ensuring that any assessor of a shipment is independent from any conflict of interest.	(e) The sampling of the raw material (anode slime/silver sand) is done by the buyer. No third party assessor is engaged. The assays are done on the sample collected as described in the contract.
(f) if applicable, verify supplier's participation in the Extractive Industry Transparency Initiative (EITI).	(f) The raw material supply is from the group company itself for current review period so the requirement of using EITI report hasn't raised.

Rule 1.18 Cooperation with law enforcement agencies	
Each Accredited member must cooperate fully and transparently at all times with law enforcement agencies and customs officials regarding gold / or precious metals 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.	
Training of staff and KYC	
<p>Each Accredited member must perform a KYC check on its relevant staff for e.g. teh compliance/supply chain officer, members of operations directly involved in the intake of material, etc.</p> <p>during the staff on- boarding process and thereafter an update, on an on-going basis, every six calendar 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.</p> <p>Each Category-A Accredited Member must incorporate the training obligations of the Compliance Officer set out in the Resolution into its own Training Programme.</p> <p>Each Category-B Accredited Member is required to incorporate the training obligations of the Compliance Officer set out in the Resolution into its own Training Programme.</p>	<p>FG follows all the laws of the land for the import/export of the precious metals. Fujairah Gold has been registered with the customs for the import / export, chamber of commerce, free zone etc. All the requirements of the above entities have been met & we provide all support for their access to our system whenever any need arises.</p> <p>KYC Details of all employees are available as part of their joining process itself. Also their Data is maintained and updated for any renewal/expiry of the identity etc. on a continuous basis.</p> <p>Each employee on boarding the precious Metals business is being checked for their back ground. No addition during review period.</p> <p>During the review period one training sessions was carried out by the supply chain officer covering 09 people in the supply chain.</p> <p>Also each employee in the process goes through a review mechanism, half yearly and yearly wherein their key responsibilities are reviewed and assessed as per the company policy.</p>



Rule 1.19: Grievance Mechanism

Each Accredited Member must establish a grievance mechanism for internal external stakeholders who are impacted by the Accredited members operations to enable those stakeholders to voice concerns relating to an Accredited members risk management processes and supply chain policy to the senior management.

Any member in the supply chain mechanism both internal/external can share their grievances at compliance@fujairahgold.com regarding concerns arising out of the supply chain system.

The grievances would be directed to the senior management & shall be dealt with seriousness & complete confidentiality.

Rule 2: Supply Chain Risk Identification and Assessment

Rule 2.1 Overriding Principle

Each Accredited Member conducting business in the gold and/or precious metals supply chain is required and 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 or serious Human Rights abuses, associated with gold and/or precious metals 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 and/or precious metals mined or 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.

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 and/or precious metals 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: *Fully Compliant*

Demonstration of Compliance:

We identify and assess risks in the supply chain. For every supplier, we have established our criteria for high-risk categories and applied them for any precious metal supplying counterparties and conduct due diligence following a risk-based approach. To follow due diligence process, we allocated a risk profile according to our risk profile criteria. The process is formal requirement before entering any business relationship with supplying counterparty.

The details of the risk assessment procedure is laid down in the SOP Risk Assessment procedure Revision 02/Version 02 dated 01.02.2022 and the risk assessment was carried out for each new supplier addition & has been reviewed for each party if there is any changes in laid down SOPs.

Also the risk assessment is backed up with the SOP for gold sourcing which inculcates FGs principles and policies.



FG's sourcing of gold with any Vendor is followed with a contract which carries the essence of the responsible gold sourcing.


The Risk assessment matrix of Fujairah gold handles the necessary elements of the DMCC guidelines like Supplier location, payment methods, the counter parties, ownership details etc.

The KYC of Fujairah gold address the business history of supplier, gold source/purity, ownership, beneficiary, etc. Risk assessment uses the help of world check to identify the high risk countries/persons/organizations in the supply chain. Fujairah Gold shall use the help of third party for checking the due diligence of the suppliers for the cases where it has limited resources to verify the genuinely of the supplier/documentation.

<p>Rule 2.2 Risk-based Approach</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 and/or precious metals from the mine(s) to the Accredited Member including third party service providers (i.e. logistics, transporters, processors and intermediaries).</p>	<p>FG purchases Anode Slime & Silver sand from own group entity. The transportation is done through approved vendor which has to go through the vendor onboarding process. The relevant documents like transport contract, license, insurance of the transporter is made available. Each consignment is accompanied by FG's employee till the receipt of material at plant to mitigate risk.</p>
<p>Rule 2.3 Considerations of Risk Assessments</p> <p>In carrying out any Risk Assessment, each Accredited Member shall take into account the following considerations (as applicable to the circumstances of the Risk Assessment):</p> <p>(a) the geographical origin and location of gold and/or precious metals, based on reasonable and good faith efforts, including consideration of:</p> <p>(i) the origin, location and transportation;</p> <p>(ii) the level of government regulation and supervision;</p> <p>(iii) the extent of cash transactions used in the country;</p> <p>(iv) the level of conflicts or human rights abuses in any location comprising part of the supply chain;</p> <p>(v) payment systems used;</p> <p>(vi) the level of involvement or potential involvement of any criminal organisation;</p> <p>(vii) the level of involvement or potential involvement of any high risk businesses (such as gaming and casinos, etc.);</p> <p>(viii) 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;</p> <p>(ix) the level of enforcement of laws addressing significant criminal activity; and</p> <p>(x) the existence of sanctions and/or embargoes that have been directed against the country and/or individuals/entities in that country;</p>	<p>The Risk assessment procedure defines the grading of risk of each party based on the source of the material. The High risk areas has been given higher risk rating & it would reflect in the decision whether to do business, whether to go for higher scrutiny etc.</p> <ol style="list-style-type: none"> i) Each consignments received at FG is backed with the Country of Origin certificate along with other inward customs documents which shall ensure the compliance of the same. ii) The location based risk screening covers this point. iii) The location based risk screening covers the this point iv) The location based risk screening covers the this point v) The risk assessment categorised the risk factors based on the type of payment used like TT, Cash, Cheque & the risk is rated accordingly vi) The world check screening of the supplier covers the this point. vii) The world check screening of the supplier covers the this point viii) The location based risk screening covers the this point ix) World check screening ensures non-criminal origin of supply. World check screening ensure



	the sanctioned countries/persons profile is checked properly.
<p>(b) counterparties in the supply chain, including consideration of:</p> <p>(i) KYC information of the Accredited Member's suppliers as identified under Rule 1 (including information about the origin and transportation of the gold and/or precious metals);</p> <p>(ii) any Red Flags (as defined in Rule 2.4 below) identified in any part of the entire supply chain;</p> <p>(iii) the number of participants in the supply chain (i.e. the greater the number, the higher the risk);</p> <p>(iv) the level of control that a counterparty has over its own suppliers;</p> <p>(v) the level and adequacy of the due diligence practices of a counterparty;</p> <p>(vi) whether a counterparty's due diligence practices have been audited by a qualified third party auditor;</p> <p>(vii) for how long the counterparty has been carrying out activities in the gold and/or precious metals business;</p> <p>(viii) a counterparty's willingness to disclose its beneficial owners;</p> <p>(ix) a counterparty's attempts to be or remain anonymous (e.g. through the use of third party intermediaries such as lawyers, accountants, etc.);</p> <p>(x) the scale of mining operations of a supplier (ASM or LSM), if applicable; and</p> <p>(xi) the involvement of any PEPs that have been entrusted with prominent public functions or individuals who are closely related to such persons;</p>	<p>i) The KYC form designed as per the requirement of the DMCC minimum KYC requirements covers the portion of the third party details, which includes third party suppliers, transporters, Banks etc.</p> <p>ii) The Risk assessment sheet includes separate procedure to assess any red flags, repeated inconsistencies & the final outcome of the same shall decide on whether to continue business with the party, to reduce the volume of business till the issues are corrected, to suspend the business till the issue is corrected etc.</p> <p>Various methods being used in case of red flag assessment are Desk top research, third party verification, site visit & internal verification of the Suppliers documentation etc.</p> <p>iii) The risk assessment has the criteria to categories the risk based on direct supply from miner, or through various supply chain mechanism.</p> <p>iv) The third party due diligence done along with KYC covers the point</p> <p>v) The third party due diligence done along with KYC covers the point.</p> <p>vi) In case of red flag party's due diligence is done for third party directly by FG through an agency.</p> <p>vii) KYC of counter party covers the point</p> <p>viii) KYC of counter party covers the point</p> <p>ix) KYC of Counter party covers the point</p> <p>x) KYC of supplier covers the point</p> <p>xi) The World check of the Beneficial Owners covers the above point. Also for PEP enhanced due diligence is done as per risk register.</p>
<p>(c) applicable transactions, including consideration of:</p> <p>(i) the proportionality of the due diligence to the applicable transaction;</p> <p>(ii) gold and/or precious metals that are transported and/or exported which are not</p>	<p>i) Enhanced due diligence is done for high risk transactions as per the Risk assessment Procedure</p> <p>ii) The location based due diligence covers the above point. Risk rating is more for the countries near to high risk countries. The KYC identifies</p>



<p>reasonably reconciled with the declared location of the origin;</p> <p>(iii) unexplained geographic distance in the supply chain;</p> <p>(iv) the nature of the underlying assets (for example melted recyclable gold and/or precious metals transactions may be higher in risk than unprocessed recyclable gold and/or precious metals);</p> <p>v) the level of concentration of gold and/or precious metals;</p> <p>(vi) any unusual circumstances that are not consistent with the local or market practices (amount, quality, potential profit, etc.);</p> <p>(vii) the use of cash in excess of government thresholds;</p> <p>(viii) payment by cash and/or physical delivery to unrelated third parties; and</p> <p>(ix) transaction structuring to make payments in smaller multiple transactions to avoid government thresholds.</p>	<p>the quantity of the gold from each region which is cross checked with third party too.</p> <p>iii) The location based due diligence covers the above point.</p> <p>iv) Risk assessment rate is higher for recycle gold.</p> <p>v) The location based due diligence covers the above point</p> <p>vi) The location based due diligence covers the above point. Risk assessment clearly demarcates cases where in business shouldn't be initiated.</p> <p>vii) The risk assessment based on the money transfer covers the above point</p> <p>viii) The risk assessment based on the money transfer covers the above point</p> <p>ix) The risk assessment based on the money transfer covers the above point</p>
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<p>Rule 2.4 Red Flags</p>	
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<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> <p>(a) Location-based Red Flag, as further described below;</p> <p>(b) Supplier-based Red Flag, as further described below; or</p> <p>(c) Circumstances-based Red Flag, as further described below.</p>	<p>Fujairah Gold has two main suppliers and process the gold generated through industrial byproduct.</p> <p>While being said so, the instances of red flagging of the supplier is rare or not possible at all. Never the less FG has put in place procedure in case of onboarding new vendors where in the chances of high risk transaction arises. FG's onboarding process details the risk assessment, followed by KYC & contracting. A separate procedure is laid down for assessing the high risk category suppliers. It includes desktop search, on site visits, etc. The risk mitigation process is reviewed & updated based on circumstances.</p> <p>As per laid down in the risk assessment procedure in case of red flagged customers FG shall avail the help of third party investigators to assess the risk related to the supply chain while onboarding new suppliers.</p> <p>The Supply chain officer conducts the risk assessment of each party when they are being considered for business. The Risk assessment is being reviewed on a year! Basis to address any changed scenario, any lapses in between etc. FG has 1 vendor, whose risk assessment has been reviewed during the reporting period. Vendor is of group company supplying the industrial byproduct of Copper / Silver refining to recover the gold.</p> <p>There has been no instances of reflagging, high risk supply during the review period.</p>
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<p>Rule 2.5 Location-based Red Flags</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> <p>(a) the gold and/or precious metals originate from or have been transported through a Conflict-Affected and High-Risk Area;</p> <p>(b) the gold and/or precious metals are claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold and/or precious metals (for example where the declared volumes of gold and/or precious metals from that country are in excess of its known reserves and/or expected production levels); or</p> <p>(c) the gold and/or precious metals are claimed to originate from a country through which gold and/or precious metals from Conflict-Affected Areas are known or reasonably suspected to transit; or</p> <p>(d) the gold and/or precious metals are claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold and/or precious metals from Conflict-Affected and High-Risk Areas is known or reasonably suspected to transit</p>	<p>Risk Assessment procedure devised by FGF categorized the Risk of each supplier based on the Location.</p> <p>a) Which includes</p> <p>Conflict affected area, Nearby countries of conflict affected area.</p> <p>b) The third party audit of the supplier ensures the availability of the gold in the particular mine/country.</p> <p>C, d) The recyclable gold is categorized under high risk category. Additional due diligence is performed for gold routed /originated through high risk areas.</p> <p>Any origin claimed as high risk shall be dealt with enhanced due diligence.</p> <p>The red flag procedure has to be followed for due diligence risk assessment as indicated in the Risk assessment sheet for the red flagged categories</p> <p>There has been no instance of reflagging for FGF for the reporting period.</p>
<p>Rule 2.6 Supplier-based Red Flags</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> <p>(a) A supplier or other participant in the supply chain of gold and/or precious metals 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 and/or precious metals from one of the above-mentioned locations; or</p> <p>(b) a supplier or other participant in the supply chain of gold and/or precious metals is known to have sourced gold and/or precious metals from any location that could give rise to a Location-based Red Flag in the twelve (12) months previous to the applicable transaction.</p>	<p>a) Risk assessment defines high risk category for suppliers from high risk locations.</p> <p>b) World check search throw light on nefarious deals of the UB, in which case red flag risk assessment procedure is used to mitigate.</p>
<p>Rule 2.7 Circumstances-based red flags</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 and/or precious metals 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 and/or precious metals.</p>	<p>Risk assessment sheet identifies various repetitive deviations as circumstance based red flagging. Few other cases of various circumstances are also identified for further deliverance in the assessment.</p>



Rule 2.8 Procedures relating to Red Flags

- (a) Accredited Members must review all Red Flags in an in-depth and detailed manner;
- (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 research should include some or all of the research methods specified below taking into account a cost-benefit analysis in proportion to the level of the risks identified in Rule 2.3 to 2.7;
- (c) the research methods that may be employed are Desk Research, On-Site Visits and Random Sample Verification;
- (d) **Desk research** includes:
- (i) identifying each company in the supply chain;
 - (ii) identifying the ultimate beneficial owner(s) of each company in the supply chain;
 - (iii) obtaining financial information on each company in the supply chain;
 - (iv) ensuring that each company in the supply chain holds the necessary permits and licences; and
 - (v) ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list.
 - (vi) reviewing research reports including those from governments, international organizations, 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].
- (e) On site visits include visits to gold and/or precious metals suppliers and/or keeping independent or joint on-the-ground assessment teams to generate and maintain information on the circumstances and processes of the following activities:
- (i) gold and/precious metals 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 capacity against recorded mine production and discrepancies);
 - (ii) gold and/or precious metals 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);
 - (iii) handling of gold and/or precious metals (inventory, trans-shipment, relabeling, etc.);
 - (iv) transportation of gold and/or precious metals;

FGF Risk assessment procedure rates individual suppliers on Risk scale of 25 points. Any score of Risk above 20 is considered as high Risk & a Red flag procedure is used for the Risk assessment & mitigation.

- a) Separate red flag assessment procedure is drafted in Risk assessment process of FG.
- b) Enhanced risk assessment is done for higher risk categories.
- c) Risk assessment procedure includes desk search of company, UBO, each third parties KYC, ensuring permits of all suppliers including third parties, World check on all UB, Supply chain, On site visit of the supplier, third party audit of the supplier, auditing of the transportation, documents of supplier etc.
- d) Desktop research covers all the relevant : requirements as listed by DMCC. Also third party would be engaged for desktop research in case of high risk purchases.
- e) Onsite visits are recommended for high risk purchases to verify the documents/facility/compliance.
- f) Random sampling of the documents shall be carried out on on site visits.

There is no red flag instance during review period.



<p>(v) trading of gold and/or precious metals (including importing and exporting); and</p> <p>(vi) the weight and assayed quality characteristics of the gold and/or precious metals that are used in the above mentioned activities.</p> <p>(vii) taxes, fees, royalties, compensation or other payments to governments which relate to the extraction, trade, transport and export of gold and / or precious metals;</p> <p>(viii) where applicable, request information from mining suppliers about their participation in the EITI;</p> <p>(ix) payments made to public or private security forces or other armed groups;</p> <p>(x) use or presence of security services, training of security personnel, associated risks;</p> <p>(xi) evidence of serious abuses of Human rights;</p> <p>(xii) relationships between LSM and ASM, information on ASM operating on the sites of, or selling through LSM;</p> <p>(xiii) for ASM gold only, identification of the suppliers of ASM Gold and / or precious metals, 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; and</p> <p>(xiv) for recyclable gold and / or precious metals, value and place of transaction, type of material, type and organization of supplier, manufacturing facilities, and unusual circumstances.</p> <p>(f) Random Sample Verification involves the verification of transactional records.</p>	
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<p>Rule 2.9 Policy Updating and Suitability</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>Fujairah Gold commit to the compliance of the rules as laid down by DMCC on RBD-GPM supply chain. As committed the Policies, procedures, related to the Supply Chain are reviewed on a yearly basis or need basis. The latest policy as published by FG is Due diligence Policy Rev 02/Version 02 dated 01.02.2022.</p>



The image shows a blue circular stamp with the text 'FUJAIH GOLD LLC' around the perimeter and 'FUJAIH' in the center. To the right of the stamp is a handwritten signature in blue ink.

Rule 3: Risk Control Plan

Rule 3.1 Overriding Principle – Development of Risk Control Plan

Each Accredited Member must develop and implement a plan and policy to control any identified risk(s) including emerging risks and incident reporting, and 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:

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

Members are encouraged to take into account 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: Fully Compliant.

Demonstration of Compliance:

All the transactions from the sourcing, contracting, risk assessment etc. is handled directly by the Supply Chain officer. Supply Chain officer is empowered to take suitable decision deemed necessary to make the sourcing in compliance to the DMCC requirement.

Supply Chain has the direct line of reporting to the senior management enabling quick decision.

The risk assessment devised by FG enables to take decisions based on the level of risk & review the business continuation based on the criticality.

During the reporting period, Fujairah Gold has properly implemented required strategy to respond to the identified risk. As a Compliance Officer the Supply chain officer shall be empowered with direct access to the Board & he shall be reporting any Suspicious activity as per the requirement to the relevant authorities.

As a risk mitigation each supplier is reviewed for their activities on an annual basis where by issues of reflagging, noncooperation are identified & necessary actions are taken as laid down in the risk assessment procedure.

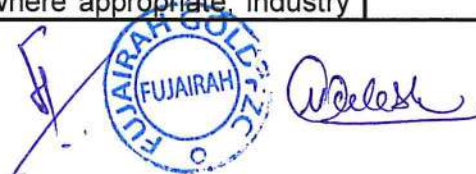
The senior management is committed to the guide lines & commit to taking decision in line with the policy.

Rule 3.2 Alignment with International Standards

Each Accredited Member must develop or adapt continually on an ongoing 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 nad regulations. In developing Risk Control Plans, each Accredited Member shpuld engage in or support, where appropriate, industry

The KYC details asked to cover the basic requirements internationally accepted like company registration details, Certifications, Ownership details etc.

The Due Diligence policy, Risk Assessment procedures are reviewed every year for its adequacy.



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).	
Rule 3.3 Content Requirements	Review meeting like daily morning meeting, Monthly Operational review etc. highlights any exceptions. Also weekly call/monthly review with supplier ensures the compliance of the system is followed.
Each Risk Control Plan should include the following (Content Requirements) : (a) reporting mechanisms for identified risks to the Accredited Member's senior management and Supply Chain Officer and Compliance Officer;	
(b) enhanced engagement with internal functions of the Accredited member, in charge of transparency, information collection and control over supply chain.	Track and trace mechanism ensures the traceability of each lot. Weekly calls updates the status of each shipment with the suppliers. Each receipt is mailed across to supplier in case of deviations for correction.
(c) enhanced engagement with suppliers through establishing a chain of custody and/or traceability system where a Red Flag has been identified;	As explained any shipments would be treated once all the documentations are cleared. Also traceability is ensured for each lots.
(d) enhancement of the physical security practices as referred to in Rule 1.17;	Involvement of multiple people for verification of the receipts are ensured the correct reporting. Movements of the precious metal into the plant & treatment of the same at various processes are tracked through logbooks & monitored through the CCTV is ensured. Security is involved in the tracking of the precious metals & in the accounting of the same too.
(e) physical segregation and security of shipments where a Red Flag has been identified;	Each consignment is cleared off any discrepancies before treating. For anode slime/silver sand the sampling is done with sellers representative/approval as per the contract terms & for other material mail confirmation from seller is taken before proceeding.
(f) incorporation of rights of the Accredited Member to conduct additional checks on any supplier or ultimate beneficial owner where a Red Flag has been identified;	Right to audit is ensured in any supplier contract with third party other than related party.
(g) continuity of trading activities while developing risk mitigation controls such as: (i) building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks; (ii) temporarily suspending trading activities with a specific supplier where a Red Flag has been identified; and	Ensured as per the Risk assessment procedures. The risks are reviewed every year on a conitnual basis.



<p>(iii) disengaging with a specific supplier who fails to comply with the mitigating controls, and/or disengaging 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.</p>	
<p>(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;</p>	<p>Execute Risk control plan which shows the risk mitigation with specific time frame.</p> <p>No such instance during review period.</p>
<p>(i) reviewing on a regular basis the results of the mitigation measures, undertaking additional fact and risk assesment for risks requiring mitigation or after a change of circumstances, as per Rule 2;</p>	<p>Risk control plan is reviewed on yearly basis with additional information which shall change risk level.</p>
<p>(j) communicating to senior management.</p>	<p>High risk transaction are reported to senior management with identified risk.</p> <p>No such instances during review period.</p>



A blue circular stamp with the text 'FUJAIRAH GOLDFINANCIAL SERVICES' around the perimeter and 'FUJAIRAH' in the center. A blue checkmark is drawn over the stamp. To the right of the stamp is a handwritten signature in blue ink.

Rule 4: Independent Third-Party Audits

Rule 4.1 Overriding Principle

Each Accredited Member is required to ensure its own compliance with the DMCC Rules for RBD-GPM 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: *Fully Compliant*

Demonstration of Compliance:

Rule 4.2 DMCC Review Protocol	
<p>The DMCC Review Protocol (Annex 2) sets out the methodology the DMCC requires each auditor (when acting as a "reviewer" in the meaning given to that term in the DMCC Review Protocol) (Reviewer) to comply with when conducting any independent third-party audit (if instructed to do so) of an Accredited Member (Review).</p>	<p>FG ensure the compliance of DMCC rules for RBD-GPM by the following means</p> <ol style="list-style-type: none">1. Documented procedures are made for the compliance as per the requirement2. The effectiveness of compliance is verified through 2 internal audits conducted in a year.3. The Outcomes of the internal audit is discussed with Senior Management and issues are addressed.4. FG appointed Bureau Veritas as a third party reviewer for verifying its systems.
Rule 4.3 Minimum Review Requirements	
<p>In carrying out any Review, each Reviewer must verify the following:</p> <ol style="list-style-type: none">(a) the adequacy of the related policies and processes to implement the DMCC Rules for RBD-GPM (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 the DMCC Rules for RBD-GPM 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 (taking into account timing and method) of the	<p>Reviewer has been appointed from the DMCC's approved list. It has been looked for any conflict of interest while appointing the same.</p>



<p>Accredited Member's response to the outcome(s) of the risk assessments.</p>	
<p>Rule 4.4 Minimum Requirements of Reviewer</p>	
<p>Each Reviewer must have the following characteristics:</p> <p>(a) independence from the Accredited Member subject to the relevant Review;</p> <p>(b) no conflict of interest between the Reviewer and the Accredited Member subject to the relevant Review;</p> <p>(c) 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</p> <p>(d) the competence to carry out the relevant Review.</p> <p>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).</p> <p>Any auditing entity that wishes to become a Reviewer must submit a completed DMCC Approved Reviewer Application Form (Annex 2) and meet the minimum criteria for Reviewers as set out in the DMCC Review Protocol. Such application is subject to the terms and conditions of the DMCC Approved Reviewer Application Form.</p>	<p>Minimum requirements of the reviewer;</p> <ul style="list-style-type: none"> ▪ Independent from FG. ▪ Conflict of interest verified before appointment. ▪ Approved reviewer of the DMCC.
<p>Rule 4.5 Composition of the Review</p>	
<p>The following activities shall be included in each Review:</p> <p>(a) sufficient preparation of the Review, including the development of a detailed audit plan;</p> <p>(b) on-site investigations of the Accredited Member, including:</p> <p>(i) review of the Accredited Member's facilities; and</p> <p>(ii) review of a list of the Accredited Member's suppliers;</p> <p>(c) consultations with the Accredited Member's risk assessment team, Supply Chain Officer and Compliance Officer (as applicable);</p> <p>(d) audit conclusion, including the validation, reporting and recording of findings that determine the level of conformity of the Accredited Member's</p>	<p>(a) Sufficient preparation was provided by BV with detailed audit plan in advance.</p> <p>(b) On-site investigation will be conducted on 23rd April'20.</p> <p>(i) Access to Plant facilities.</p> <p>(ii) List of suppliers will be given to the reviewer</p> <p>(c) Open for consultation.</p> <p>(d) FG understand the composition of the review consists of audit conclusion, including the validation, reporting and recording of findings that determine the level of conformity of the Accredited</p>



supply chain due diligence with the DMCC Rules for RBD-GPM; and (e) provide recommendations to the Accredited Member to improve its due diligence practices.	Member's supply chain due diligence with the DMCC Rules for RBD-GPM. (e) Accept recommendation for improvement.
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 the DMCC Review Protocol (Annex 3).	Fujairah Gold publish a compliance report annually based on the reporting period and in accordance with the DMCC requirements.
Rule 4.7 Review Programmes of Accredited Members	
Each Accredited Member must demonstrate its compliance with these DMCC Rules for RBD-GPM to the DMCC. In carrying out such obligation, each Accredited Member must implement an audit programme, which shall include: (a) ensure conformity with the DMCC Rules for RBD-GPM; (b) selecting and engaging its Reviewer(s) in conformity with the DMCC Rules for RBD- GPM; (c) observing and 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 DMCC or any authority that regulates or otherwise governs the Accredited Member.	FG conducts internal audit as per the requirement which shall ensure the compliance of the RBD-GPM rules of DMCC. The Reviewer is appointed as per the approved list of DMCC. The audit observations during the internal audit & during the reviewers audit is being taken for necessary corrections & always go for continual improvement in the existing system. The reviewers report is made available on the website & to DMCC once ready.

Rule 5: Annual Reporting On Responsible Supply Chain Due Diligence

Rule 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: *Fully Compliant.*

Demonstration of Compliance:

Rule 5.2 Minimum Requirements of Public Reporting	
At minimum, each Accredited Member shall: (a) publicly acknowledge its requirements under these Rules; and (b) comply with Rule 4.6	Fujairah Gold's Gold & Precious Metal policy is available on www.fujairahgold.com Our compliance report with the audit report will be available on Fujairah Gold's website when issued.



AN OVERVIEW OF THE MANAGEMENT ASSESSMENT OF ALL THE RULES OF THE DMCC RULES

FRAMEWORK STEPS	RATING
<i>Rule 1: Supply Chain Managements Systems.</i>	<input checked="" type="checkbox"/> <i>Fully compliant</i> <input type="checkbox"/> <i>Compliant with Low Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: Medium Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: High Risk Deviations</i>
<i>Rule 2: Supply Chain Risk Identification And Assessment</i>	<input checked="" type="checkbox"/> <i>Fully compliant</i> <input type="checkbox"/> <i>Compliant with Low Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: Medium Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: High Risk Deviations</i>
<i>Rule 3: Risk Control Plan</i>	<input checked="" type="checkbox"/> <i>Fully compliant</i> <input type="checkbox"/> <i>Compliant with Low Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: Medium Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: High Risk Deviations</i>
<i>Rule 4: Independent Third-Party Audits</i>	<input checked="" type="checkbox"/> <i>Fully compliant</i> <input type="checkbox"/> <i>Compliant with Low Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: Medium Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: High Risk Deviations</i>
<i>Rule 5: Annual Reporting On Responsible Supply Chain Due Diligence</i>	<input checked="" type="checkbox"/> <i>Fully compliant</i> <input type="checkbox"/> <i>Compliant with Low Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: Medium Risk Deviations</i> <input type="checkbox"/> <i>Non-compliance: High Risk Deviations</i>



Management conclusion

Table 3: Management conclusion	
Is the Refiner in compliance with the requirements of the DMCC Rules for RBD GPM (DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain Version 2/2020) ,for the reporting period?	
<i>[Yes/No]</i>	<p>Fujairah Gold implemented effective management systems, procedures, processes and practices to conform to the requirements of the DMCC Rules for RBD GPM, as explained above in Table 2, for the reporting year ended 31st March 2022.</p> <p>Fujairah Gold is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis. Corrective Action Plans are communicated separately to the DMCC Executive, in its role as administrator of the DMCC Rules for RBD GPM.</p>

Table 4: Other report comments
<p><i>If user of this report wish to provide any feedback to Fujairah Gold with respect to this report, they can contact on compliance@fujairahgold.com</i></p>

Location: Fujairah, United Arab Emirate.

Date: 01.04.2022

Sign and Company Stamp: