

Company Name:	FUJAIHRAH GOLD FZC
Address :	PO BOX 3992, Fujairah Free Zone II, Fujairah, UAE
Location:	FUJAIRAH
Reporting year-end:	1.4.2024 – 31.3.2025
Date of Report	1.4.2025
Senior management responsible for this report	Name : PUNEET KHURANA Title : CEO Contact details : 092282454

Audit Team	
Team Leader:	Team Member:
Siddharth	Bhuvish Aggarwal

Fujairah Gold's evaluation

The following table lists the minimum requirements that must be satisfied by Refiners in accordance with the MOE_Due Diligence Regulations for Responsible sourcing of Gold V1 requirements to demonstrate compliance. Refiners should complete the table and provide reasons for their responses in the space provided.

Summarized conclusion : fully complaint.

Evaluation

Disclosure on the individual rating of the level of compliance or non-compliance for the sub-points of each Step 1 -5 of the MOE Regulations

STEP 1: ESTABLISHING AN EFFECTIVE GOVERNANCE FRAMEWORK

Compliance statement:

Demonstration of Compliance:

1.1. Adopt and commit to a policy for managing risks in gold from CAHRAs Regulated Entities must adopt a documented gold Supply Chain policy that incorporates the risks and risk mitigation measures. The policy and any supporting procedures should include details on the gold Supply Chain Due Diligence which the company	As mentioned in the policy the scope covers details about the Fujairah Gold commitment towards responsible sourcing of Gold & Precious Metal and having vigil against Money Laundering, terrorism financing, child labor etc. 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.
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will assess itself and the activities and relationships of suppliers.

The policy should at least contain the following elements, which are consistent with OECD model Supply Chain policy as listed in Annex II of OECD Guidance.

a) Scope

FG is taking undertaking from each supplier through the vendor registration form for the compliance of the provisions of the policy.

This policy is made available on www.fujairahgold.com.

FG has implemented this policy with detailed procedures/Processes in place as listed below.

Doc. No	Document detail
FG/PMB/001	Dore Anode Hand Over Record
FG/PMB/002	Dore Anode Weighment Record
FG/PMB/003	Silver Crystal/Grain Weight Record
FG/PMB/004	Sample Record
FG/PMB/005	Recycle Material PMR-Dore Record
FG/PMB/006	Strong Room Material Movement Record
FG/PMB/007	Gold casting Record
FG/PMB/008	Gold Grains vs. Bars
FG/PMB/009	Mint section Record
FG/PMB/010	QC Register
FG/PMB/011	Daily PV Register
FG/PMB/012	Silver Refining Area Log Book
FG/PMB/013	Gold Mud Details
FG/PMB/014	Gold refining Log Book
FG/PMB/015	Cell Charging Details
PMRLAB/33	QC register
PMRL:43	Daily Lab Report
FG:LOG:07	Anode slime weighment Register
FG:LOG:08	Strong Room Register
FG:LOG:09	Gold Bar weighment Register
FGP/MOE/01	Due Diligence and AML CFT policy
FGP/MOE/02	Risk Assessment Procedure
FGP/MOE/03	Vendor registration Form
FGP/MOE/04	SOP For Gold Purchase
FGP/MOE/05	Roles & responsibilities for Compliance Officer
FGP/MOE/06	SOP Internal Audit
FGP/MOE/07	Risk Assessment Sheet
FGP/MOE/08	SCO Competency mapping
FGP/MOE/09	Supply Chain Officer
FGP/MOE/10	KYC Procedure




b) Roles and responsibilities of employees, management and Board of Directors	<p>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 1.6.2022 for supply chain officer and on 10.1.2023 for compliance officer. The Supply Chain Officer & Compliance Officer have direct reporting to the Chief commercial officer and the chief executive officer respectively and they have open line communication with the relevant members of the supply chain.</p> <p>All the employees in the supply chain have been identified and each has their roles mentioned in the Job description along with the key responsible areas identified.</p>
c) Know Your Counterparty (KYC) and Customer Due Diligence measures	<p>The Criteria for the supply chain due diligence has been clearly defined in the policy. The 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) Supply Chain risk assessment and risk mitigation process	<p>The Vendor registration form issued on 02.10.2023 captures all the necessary details as specifically required in the MOE's rules.</p> <p>Checklist is filled for each UBO with details like; name, identity, company information, contact details, bank details, declaration etc.</p>
e) Ongoing monitoring measures	<p>FG track each consignment separately. The shipments are handled by various departments like Logistics, Production and QA & Security.</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>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</p>

	<p>seller shall be entitled to represent through a third party.</p> <p>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 reference 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.</p> <p>The finished good lots are identified with unique numbering and the weight and assay of the same is recorded in SAP.</p> <p>Fujairah Gold has a KYC form to capture the relevant information of the supplier which includes the quality, identification, ownership, location, etc.</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) Independent audit mechanism	<p>FG has appointed Bureau veritas as the independent auditor to carry out audit in line with MOE guidelines. Bureau veritas is not having any conflict of interest with FG.</p>
g) Record retention requirements	<p>Fujairah Gold retains all documents related to each transactions at least for a period 5 years.</p>
h) Training program	<p>Supply Chain Officer conducts the training related to the Supply chain rules as outlined by MOE guidelines for responsible supply chain. The training is covered to the relevant persons in the supply chain. The training effectiveness is evaluated for each session conducted</p>




<p>1.2.1 The board of directors, or equivalent, should acquire the necessary knowledge and experience, or utilise external expert advisors, to:</p> <ul style="list-style-type: none"> a. provide oversight of the Supply Chain Due Diligence framework and outcomes; b. ensure that effective structures and communication processes are in place for critical information sharing; c. assess the effectiveness of the Supply Chain Due Diligence policies and processes on an ongoing basis; d. ensure that the compliance officer's responsibilities include gold Supply Chain Due Diligence matters; e. ensure the availability of required resources to manage the Supply Chain Due Diligence process; f. delegate authority and assign responsibility to staff whom are equipped with the necessary competence, knowledge and experience to manage the Supply Chain Due Diligence process; and put in-place an organizational structure that can effectively communicate critical information, including the Supply Chain Due Diligence policies and procedures, to relevant employees 	<p>Senior management of the company are well versed with the requirements of responsible sourcing and are also participating in the internal trainings conducted annually. They are also aware and apprised with the company's due diligence policy and AML policy.</p> <p>Further supply chain and due diligence policies are reviewed each year and the same has been uploaded on the company website as well.</p> <p>Senior management has ensured there is sufficient manpower including compliance officer and supply chain officer reports directly to the senior management are available and are also experienced and capable of managing supply chain due diligence process.</p>
<p>1.2.2 Regulated Entities must appoint a compliance officer, who must be a senior person in the organization, reporting directly to the Chief Executive Officer (CEO) (or equivalent) and has access to the board of directors, or equivalent.</p>	<p>Mr.Bhuvish Aggarwal handles the role of Compliance Officer and has been appointed from 10.01.2023 and he is reporting directly to the cheif executive officer.</p> <p>Compliance Officer shall be reporting any suspicious transactions to the relevent authorities as laid down by MOE.</p> <p>Mr. Siddharth handles the role of supply chain officer and has been appointed from 10.6.2022 and he is reporting to the chief commercial officer.</p>




<p>The compliance officer should be responsible for the overall management of the Supply Chain Due Diligence process, including:</p> <ol style="list-style-type: none"> Monitor the Supply Chain Due Diligence process; improve the Supply Chain Due Diligence framework including by reviewing and updating the Supply Chain policy and procedures; manage and implement a training and awareness program with regard to due diligence; collaborate with the relevant Supervisory Authority and the FIU by providing all requested data, and allow their authorised employees to view the necessary records and documents that will allow them to perform their duties 	<p>FGP/MOE/05 document covers the roles and responsibilities of the compliance officer, FGP/MOE/09 document covers the roles and responsibilities of the supply chain officer.</p> <p>The requirements below are covered in both the documents.</p>
<p>1.2.3 Regulated Entities shall perform a fit & proper test and conduct KYC checks of the compliance officer, and other employees involved in the procurement process, during recruitment and on annual basis</p>	<p>All the employees involved in the supply chain process have their KYC performed by the company. The process has been done on an annual basis.</p>

<p>1.2.4 Regulated Entities must develop and implement a training program for all persons involved in the responsible Supply Chain Due Diligence process.</p>	
<p>1.2.4 Regulated Entities must develop and implement a training program for all persons involved in the responsible Supply Chain Due Diligence process.</p> <p>The training program:</p> <ol style="list-style-type: none"> Should be provided during staff recruitment and on an ongoing basis; includes a mixture of topics between generic Supply Chain Due Diligence training and role-specific matters; should be provided at least on bi-annual basis via face to face or digital channels; effectiveness should be assessed through questionnaires and feedback forms; and 	<p>Fujairah gold provides bi yearly training programs for existing employees covering the responsible supply chain due diligence process.</p> <p>After the completion of the training, the attendees are required to attend a quiz regarding the supply chain process and the attendance list and the test papers are maintained by FG as part of record keeping.</p> <p>Also, whenever a new employee is joining the company, they receive a proper orientation covering PMR topics including supply chain</p>




e. records related to the training and subsequent assessments should be kept as part of the overall record keeping mechanism of the Regulated Entity and should be available upon request by the Supervisory Authority	
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1.3 Establish a system for transparency, information sharing, and control on gold Supply Chain : Regulated Entities must document the Supply Chain Due Diligence findings and information in a systematic way which ensures visibility on the entire Supply Chain of gold. Regulated Entities should conduct Due Diligence on immediate counterparty in all cases and should extend this till the origin of the gold in case of any risk identified in the supply chain. This process must document the information as detailed below:	
1.3.1 For natural persons, the name, as in the identification card or travel document, nationality, address, attaching a copy of a valid identification card or travel document, and approval needs to be obtained from the senior management, if the supplier or any of the Beneficial Owner is identified as a PEP	FGP/MOE/10 KYC procedure documents covers the list of documents required from the individual persons during the Due diligence process.
1.3.2 For legal persons and legal arrangements: a. the name; b. legal form; c. memorandum of association or equivalent constitutional document; d. commercial license; e. country of incorporation; f. countries of operations; g. headquarter office address or the principal place of business; and h. names of relevant persons holding senior management positions and acting as authorised representatives in the legal person or legal arrangement, including authorisation letters.	FGP/MOE/10 KYC procedure documents covers the list of documents required companies during the Due diligence process and the mentioned documents and details are collected from companies during due diligence.
1.3.3 Regulated Entities are required to verify that any person purporting to act on behalf of the supplier is authorized through official documents such as power of attorneys, and verify the identity of that person as prescribed in section (1.3.1) and (1.3.2) above	FG in line with FGP/MOE/10 KYC procedure document requires the potential supplier to provide copy of the instrument(s) authorizing each of its legally authorized representatives;

<p>1.3.4 Regulated Entities are exempted from identifying and verifying the identity of any shareholder, partner, or the Beneficial Owner, if such information is obtainable from reliable sources where the supplier or the owner holding the controlling interest are a company listed on a regulated stock exchange subject to disclosure requirements through any means that require adequate transparency requirements for the Beneficial Owner or a subsidiary whose majority shares or stocks are held by the shareholders of a holding company.</p>	<p>Fujairah Gold during the audit period, has dealt with mainly two suppliers, HZL and Vedanta - Sterlite copper which are both listed in Indian stock exchange markets and have clearly disclosed the ownership details.</p>
<p>1.3.5 For gold supplied from ASM, the policy should provide for gathering additional information, including:</p> <ol style="list-style-type: none"> Identification and verification of the local exporter through documents such as export licenses; mine location and ASM's legal existence and conformity to legal framework (if available) or their willingness to formalize the legal framework 	<p>The requirement has been covered in our KYC procedure document FGP/MOE/10</p>
<p>1.3.6 Regulated Entities shall cease establishing or maintaining a business relationship or executing any transaction should they be unable to undertake CDD measures towards the supplier and should consider reporting such instances to FIU through Suspicious Activity Reports/ Suspicious Transactions Reports.</p>	<p>FG as per its due diligence and risk assessment policies shall suspend any transaction if we are not able to undertake CDD and shall also report such instances to FIU</p>
<p>1.3.7 Regulated Entities shall create and maintain documents inventory related to Supply Chain Due Diligence carried out by the entity which should be accessible for the entity as well as the regulatory on a timely manner.</p> <p>The records inventory shall include, at least:</p> <ol style="list-style-type: none"> Information regarding the form, type and physical description of gold/gold bearing material; proof of origin of mined gold through official government issued certificate of origin or equivalent document and invoices and packing list; information regarding the weight and assay of gold as provided by supplier; KYC information of supplier including identification and verification of entities and ultimate Beneficial Owners who owns 25% and above directly and indirectly; unique reference numbers for each input and output of gold; dates of input and output, purchases and sales; 	<p>The KYC document of Fujairah gold captures all the details required as per rule no 1.3.7 of MOE.</p> <p>Further, we maintain AWB, OBL, COO, weight certificate and assay certificate for each lot of consignment received at the premises.</p> <p>Transactional details including date of input and output, purchase and sales, date of arrival at the refinery and date of assay finalization and financial transactions details including amount, method of payment, currency, and banking information are maintained for all the consignments received at FG.</p>

<p>g. shipping/transportation documents (such as waybill/airway bill, pro forma invoice, and bill of lading) to establish Chain of custody from origin to refinery;</p> <p>h. date of arrival at the refinery and date of assay finalization and financial transactions details including amount, method of payment, currency, and banking information</p>	
<p>1.3.8 Regulated Entities should make and receive payments for gold through official banking channels where possible and for unavoidable cash transactions there should be proper verification of origin of cash and should be reported to the FIU where applicable.</p>	<p>All the transactions including purchase of raw material and sales of finished goods were done only through bank transfers and no cash transactions was involved during the audit period.</p>
<p>1.3.9 Regulated Entities should cooperate fully with regulators and law enforcement agencies in the UAE regarding gold transactions. Regulated Entities should provide access to complete information regarding all shipments and transactions carried out with regard to gold refining.</p>	<p>All the transactions of gold and silver are being updated in the AML portal of MoE. FG is always been cooperative with the regulators and law enforcement agencies in the country.</p>
<p>1.3.10 All records, documents, data and information collected as part of Supply Chain Due Diligence of an actual and potential relationships should be kept, preferably, on a computerized database for not less than five years from completion of a transaction or termination of the business relationship with the supplier. The records, documents and data kept shall be organized so as to permit data analysis and tracking of financial transactions. All records, documents, data and information should be immediately available to regulators and law enforcement agencies upon request</p>	<p>All the records collected from the suppliers and customers, both existing and potential are stored on the company systems and are maintained for 5 years as per the retention policy.</p>
<p>1.3.11 Regulated Entity's policy must include adequate security requirements to ensure compliance with the Regulations in relation to material sourced from LSM or ASM mining entities. These requirements shall include the following measures:</p> <p>a. The use of identifiable sealed security boxes for each shipment to avoid any tampering or removal of content</p> <p>b. b. physically segregating different shipments until verification is adequately completed and confirmed in accordance with Step 1.3.7;</p>	<p>Fujairah gold for the reporting financial year was sourced only from LSM and not ASM mines. However, we have the following.</p> <p>We have internal controls in place such that each consignment is tracked, monitored & processed separately.</p> <p>Main raw material anode slime/silver sand is received in sealed drums & is stored in separate ware house. Tracing of each lot/drum is monitored & documented in the logs.</p>




<p>c. c. reporting any inconsistencies to senior management or the Compliance Officer (as appropriate);</p> <p>d. d. ensuring that any assessor of a shipment is independent from any conflict of interest; and</p> <p>e. e. if applicable, verify a supplier's participation in the Extractive Industry Transparency Initiative</p>	<p>Any deviation is monitored, reviewed, and corrective actions are taken on a continual basis.</p> <p>The senior management is updated with the progress, deviations through monthly review, daily reports etc. Each consignment is assessed with the suppliers' representative presence unless the same is waived off by them.</p> <p>And until the documents are in place the same will be kept secured separately.</p> <p>Bar tracking methodology is documented for quick reference & is linked to the operator logbooks.</p> <p>Each Consignment of anode slime/silver sand transported through Sea/air & reaching Jebel Ali Port/Dubai airport. 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 & Fujairah Customs ensuring that the Container seals are intact. Once the customs inspection is over the material is offloaded into a separate warehouse where it will be monitored & kept under lock and key. Each drum in the consignment is sealed with supplier seal.</p>
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1.4. Strengthen company engagement with gold supplying counterparties

Regulated Entities should build long-term relationships with suppliers and should make their suppliers commit to a Supply Chain policy consistent with the Regulations and Appendix II of the OECD Guidance. This should be achieved by the following:

<p>1.4.1 Communicating the expectations of the refiners to the supplier on due diligence for responsible Supply Chains of gold from CAHRA. This should be done by requiring the supplier to commit to refiner's gold Supply Chain policy (as per section 1.1 of the Regulations); or through supplier's own policy.</p>	<p>Fujairah gold regularly communicates the MoE, OECD guidelines for responsible sourcing and also educate the suppliers on FG's Due diligence policy, further the supplier's policy is also being collected.</p>
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1.4.2 Sharing the AML/CFT Legislation, the Regulations, OECD Guidance, and Gold Supplement with all suppliers.	Yes, the suppliers are being educated on the AML/CFT policies and OECD guidance and the same has been shared with them on email.
1.4.3 Incorporating the Supply Chain policy in line with this Regulations into commercial contracts and/or written agreements with suppliers which will be legally binding.	Yes, the same has been implemented.
1.4.4 Supporting suppliers through capacity building measures and information sharing to improve Supply Chain practices of suppliers and other parties in the Supply Chain	Knowledge sharing is always happening with both the suppliers as they are group companies of Fujairah gold.

1.5. Establish a confidential grievance mechanism Regulated Entities must implement a grievance mechanism through which the employees or other stakeholders in the Supply Chain should be able to raise concerns related to sourcing or trading of gold from a CAHRA.	
The mechanism should ensure that: a. employees or other stakeholders are enabled to report any misconduct, or an improper state of affairs or circumstances in a secure way that protects the identity and from criminal and administrative liabilities. b. it acts as a warning system in addition to refiners' own system for risk assessments. c. all relevant parties should know the presence of such mechanism through appropriate communication channels such as policy and newsletters or through websites d. it encourages users to submit such concerns without fear of reprisal. e. all submitted concerns be evaluated independently to ensure no undue influence of parties in the entity. f. ensure that all submissions should be treated fairly without prejudices and there should be documented	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 including but not limited to doubts arising out of the shipments, any misconduct or an improper state of affairs and any possibilities for foulplay in supply chain. The grievances would be directed to the senior management & shall be investigated with seriousness & complete confidentiality with assured unbiased and fair treatment without any fear of reprisal.

procedures to share information on the status to stakeholders in a transparent manner; and
g. all such submission should be utilized in improving the Supply Chain mechanism and should be utilized in the risk assessment process.

Regulated Entities should use their own KYC tools and/or independent audit, assurance reports or certification of conformance with recognized responsible sourcing standards (other initiatives) can be considered as supporting evidence

STEP 2: IDENTIFICATION AND ASSESSMENT OF THE SUPPLY CHAIN RISK

Compliance statement: Fully complaint

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 03 dated 02.10.2023 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 MOE 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.

2.1 Conduct Supply Chain Due Diligence to identify potential risks

Regulated Entities must identify and assess the risks in the Supply Chain to carry out required due diligence.

Due diligence must be undertaken before entering a new business relationship with a supplier and should be carried out on an ongoing basis. Conducting risk assessment will

FG has a risk assessment policy and a due diligence policy in place and follows the same.

FG does undertake due diligence before starting any business relationship with a new supplier and renew the DD for the existing suppliers on an annual basis.

FG then proceeds with risk assessment of the supplier and if the supplier is identified as high risk



<p>help to tailor the due diligence according to the risks identified.</p> <p>Where high risk Supply Chain is identified, enhanced due diligence measures should be taken in order to mitigate the risks.</p> <p>Regulated Entities should use the management system put in place under Step 1 of the Regulations in order to effectively identify and assess risks through their Supply Chain.</p> <p>If a Regulated Entity can reasonably determine on the basis of the information collected under Step 1 of the Regulations that it does not deal in gold mined, transported or traded in a CAHRA, no additional due diligence is required.</p> <p>The management systems established under Step 1 should be maintained and regularly reviewed. However, Regulated Entities should ensure that the applicable AML/CFT measures in line with AML/CFT Legislation and other Applicable Laws and Regulations are complied with which are applicable to Regulated Entities being DNFBPs.</p> <p>The risk assessment should be carried out using risk factors broadly categorized in 2.1.1 to 2.1.5.</p>	<p>then proceed with EDD. FG has robust systems in place to identify risks in our supply chain.</p> <p>FG ensures the management systems put in place are regularly reviewed and updated and are used to identify and assess risks through their supply chain.</p>
<p>2.1.1 Counterparty Risk Factors</p> <p>a. KYC information of the Regulated Entity's suppliers as identified under Step 1 of the Regulations (including information about the origin and transportation of the gold).</p> <p>b. Identified Red Flags (as defined in Step 2.2 of the Regulations) in the Supply Chain.</p> <p>c. Number of participants in the Supply Chain.</p> <p>d. Extent and effectiveness of due diligence practices of a counterparty.</p> <p>e. Counterparty's conformance with OECD Guidance while engaging in sourcing of gold.</p> <p>f. Whether a counterparty's due diligence practices have been audited by a qualified third-party auditor in line with applicable responsible sourcing mechanism.</p> <p>g. Length of establishment of supplier or other counterparties in the Supply Chain.</p>	<p>a) Suppliers are required to fill the KYC form, from which details shall be used during the time of risk assessment.</p> <p>b) The Risk assessment sheet includes separate procedures 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>c) The risk assessment has the criteria to categories the risk based on direct supply from miner, or through various supply chain mechanisms.</p> <p>d) The third-party due diligence done along with KYC covers the point.</p> <p>e) The risk assessment based on the company compliances covers the above point</p>

<p>h. Complexity in the ownership structure of the counterparties such as presence multiple layers of ownership and involvement of trust and similar vehicles apparently for purpose of anonymity.</p> <p>i. Size of mining operations of a supplier (ASM or LSM), if applicable</p> <p>j. Involvement of any PEPs that have been entrusted with prominent public functions or individuals who are closely related to such individuals.</p> <p>k. Adverse media/Sanctions listing findings through the screening the suppliers and other actors in the supply chain.</p>	<p>f) The risk assessment based on the company compliances covers the above point</p> <p>g) both the suppliers of FG are group companies of FG</p> <p>h) The risk assessment based on the ownership covers the above point.</p> <p>i) both of FG suppliers are ASM and not LSM.</p> <p>J) The risk assessment based on the ownership covers the above point.</p> <p>K) above point is addressed with extensive desktop check.</p>
<p>2.1.2 Geographical Risk Factors</p> <p>Regulated Entities should be able to identify the location and origin of the gold sourced by them using reasonable efforts. Different origins have different risks and require different treatments. Identification of gold origin should be evidence based and collected through suppliers and entity's own research.</p> <p>a. Mined Gold: The origin of mined gold is the mine itself except in cases of a mining by-product such as gold obtained through mining of copper. A refiner should be able to identify misrepresentation of mined gold as by-product through appropriate due diligence.</p> <p>b. Recyclable Gold: The origin of recycled gold is the point at which it becomes recyclable such as when it is first sold back to a gold recycler/Refiner. A refiner's due diligence should include measures to identify attempts to misrepresent the origin of newly mined gold through recycled gold.</p> <p>c. Grandfathered Stocks: If a verifiable date from prior to 1 January 2012, no determination of origin is required. However, if red flags (refer to Section 2.2) are identified with regard to violation of AML regulations or international sanctions, further scrutiny of the Supply Chain is warranted.</p> <p>Location-based risk identification should be carried out using reasonable efforts and recognized sources of</p>	<p>a) both suppliers of FG supplies byproduct from mined material. Sterlite copper supplies anode slime which is a byproduct of copper refining done in india and HZL supplies silver sand which is a byproduct of zinc and lead refining done in india. India is considered as a low-risk country.</p> <p>Location based risk assessment is done with consideration of the below mentioned points.</p> <p>a. The AML/CFT and other regulatory environment in the supplier's jurisdiction or location which is part of Supply Chain.</p> <p>b. Level of conflicts or human rights abuses in any location comprising part of the Supply Chain through reliable resources.</p> <p>c. Level of involvement of wide spread bribery and corruption through reliable resources.</p> <p>d. The level of involvement or potential involvement of any criminal organization.</p> <p>e. The level of access from a location comprising part of the Supply Chain to nearby markets or processing operations that are termed as CAHRA.</p> <p>f. The level of enforcement of laws addressing significant criminal activity.</p> <p>g. Payment mechanism used (e.g. formal banking system vs. non-banking system).</p> <p>h. The existence of international sanctions and/or embargoes that have been directed against the country and/or individuals/entities in that country by UN Security Council and/or UAE from time to time.</p>

<p>information. At a minimum, following risk factors should be utilized for risk identification.</p> <p>a. The AML/CFT and other regulatory environment in the supplier's jurisdiction or location which is part of Supply Chain.</p> <p>b. Level of conflicts or human rights abuses in any location comprising part of the Supply Chain through reliable resources.</p> <p>c. Level of involvement of wide spread bribery and corruption through reliable resources.</p> <p>d. The level of involvement or potential involvement of any criminal organization.</p> <p>e. The level of access from a location comprising part of the Supply Chain to nearby markets or processing operations that are termed as CAHRA.</p> <p>f. The level of enforcement of laws addressing significant criminal activity.</p> <p>g. Payment mechanism used (e.g. formal banking system vs. non-banking system).</p> <p>h. The existence of international sanctions and/or embargoes that have been directed against the country and/or individuals/entities in that country by UN Security Council and/or UAE from time to time.</p> <p>i. Involvement of countries identified as CAHRA.</p>	<p>i. Involvement of countries identified as CAHRA</p>
<p>2.1.3 Transactions Risk Factors</p> <p>a. Inconsistency of transaction with the local or market practices (amount, quality, potential profit, etc.).</p> <p>b. Inconsistency of volumes, types and concentrations of material compared with previous shipments with the same client.</p> <p>c. Use of excessive cash in transactions.</p> <p>d. Attempted structuring of transactions to make payments to avoid government thresholds.</p> <p>e. Identified risks and severability and probability of adverse impacts of the applicable transaction.</p> <p>f. Gold that are transported which are not reasonably reconciled with the declared location of the origin</p> <p>g. Unexplained geographic distance in the Supply Chain</p>	<p>a) Both our raw materials are inline with the global market benchmarks for copper and zinc byproducts</p> <p>b) Our suppliers' volumes and concentration have been constant for multiple years.</p> <p>c) All the purchase and sales transactions at FG are strictly carried out via bank transfer</p> <p>d) FG suppliers have not made such attempts.</p> <p>f) FG has all the sufficient paperwork done in the country origin while exporting the material.</p> <p>g) FG has not noticed such instances in supply chain with current suppliers.</p>

<p>2.1.4 Product Risk Factors:</p> <p>a. The nature of the gold supplied such as, ASM or LSM gold, gold by-product, melted recyclable gold and unprocessed recyclable gold. The risk may vary from product to product.</p> <p>b. Level of concentration of gold in the supplied gold.</p>	<p>FG risk assessment procedure considers the nature of the precious material while evaluating the risk of the supply chain.</p>
<p>2.1.5 Delivery Channel Risk Factors:</p> <p>a. Physical delivery of gold to unrelated third parties which is not consistent with normal business practices.</p> <p>b. Courier/transport related risk factors including physical security practices such as sealed security boxes for shipment in which the tampering or removal of content during transport is likely.</p> <p>c. Extent of reliability and KYC information of third party transportation companies validated through accepted standards</p>	<p>a) FG doesn't take physical delivery of gold through unrelated third parties. Both our suppliers directly ship the material to FG without any involvement from third party.</p> <p>b) All the drums are properly sealed with identifiable numbers at the origin and shared with FG. FG verifies the same before opening the seal.</p> <p>c) KYC for our transporters are completed for the review period.</p>

<p>2.2 Identify Red Flags/ High Risk Indicators in the gold Supply Chain</p>	
<p>Based on the information on origin of gold as stipulated in Section 2.1, and information generated through Step 1, Regulated Entities should identify the potential red flags in a Supply Chain of gold. Red flags can be broadly categorized as below</p>	
<p>2.2.1 Location Based Red Flags</p> <p>a. The gold originates from, or has been transported through, a CAHRA or countries subject to international sanctions.</p> <p>b. The gold originates from a country known to have limited discovered reserves and expected production levels.</p> <p>c. The gold originates from a country through which gold from CAHRAs is known or reasonably suspected to transit.</p> <p>d. The gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from CAHRAs is known or reasonably suspected to transit.</p> <p>e. The gold originated or transported through countries known to have weak oversight of Money Laundering,</p>	<p>Fujairah gold assess the risk associated with the origin country through the risk assessment procedure policy and the assessment of the proposal to identify if the country of origin or the transit is prone to be a high risk country. However the two suppliers raw material originate from india which is not a high risk country.</p> <p>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>



corruption, bribery, presence of informal banking systems, and known cash intensiveness in the economy	There has been no instance of redflagging for FG for the reporting period
<p>2.2.2 Supplier Red Flags</p> <p>a. Suppliers or other known upstream entities operate in one of the red flag locations, referred to in 2.2.1, of gold origin and transit, or have shareholder or other interests in suppliers of gold from one of the red flag locations of gold origin and transit, referred to in 2.2.1.</p> <p>b. Suppliers or other known upstream entities are known to have sourced gold from a red flag location of gold origin and transit in the last 12 months.</p> <p>c. Discrepant or inconsistent KYC information obtained through Identification and verification process of suppliers or refused to provide requested documentation.</p> <p>d. Supplier or Beneficial Owners are listed in any government lists for Money Laundering, fraud or terrorism or that are listed under international sanctions regulations.</p> <p>e. Supplier does not have policies and practices related to ethics, integrity, and combatting Money Laundering, bribery, and corruption.</p> <p>f. Lack of effective assessment of supplier's counterparties risk assessment framework to identify risks in the upstream Supply Chains.</p> <p>Refiners with ASM gold should also consider the following aspects while identifying and assessing risk</p> <p>a. Suppliers of ASM gold sources, gold ore processing plant, traders and local exporters.</p> <p>b. Whether the mining project can be considered legitimate ASM (i.e., legally registered, cooperative-based and/or government-recognized, or central bank supported initiative).</p> <p>c. Whether the mining practice is subject to standards and best practices.</p> <p>d. Whether the ASM gold source consider ethical and environmental elements while handling and processing gold.</p>	<p>Fujairah gold assess the risk associated with the supplier through the risk assessment procedure and the assessment of the proposal to identify if the supplier operates in a country which is high risk . in the audit period, FG has no instance of redflagging based on supplier.</p> <p>FG's existing suppliers or UBO's or not listed for any money laundering or terrorism linked activities. Further the suppliers have integrity and AML policies in place.</p> <p>FG has not sourced any gold/silver from ASM during the audit period.</p>

2.3 Undertake Enhanced Due Diligence Measures for High-Risk Supply Chains	
<p>If there are high-risk elements or red flags identified in the Supply Chain or unknown information, Regulated Entities should conduct EDD measures prior to engaging with such suppliers.</p> <p>If the Regulated Entity can reasonably determine that there are no high-risk elements or red flags as assessed through Step 2.2 in that Supply Chain, no additional due diligence is required for that Supply Chain. The management systems established under Step 1 should be continued and reviewed on an ongoing basis.</p> <p>EDD consists of site visits, desk based reviews, and reviewing of sample transactions of suppliers on an ongoing basis. EDD for high-risk relationships should be carried out during the establishment of relationship and on an ongoing basis (at least on bi-annual basis).</p>	<p>FG didn't find any red flags in the supply chain during the audit period. However, if there has been a red flag in the supply chain as per the policy in place FG shall conduct enhanced DD to further evaluate the risk involved.</p>
<p>2.3.1 Conduct onsite visits to gold suppliers individually or through joint on-the-ground assessment teams or an industry mechanism using competent, suitably qualified, knowledgeable, and independent assessors, to generate and maintain information on the circumstances and processes of the supplier's activities. Regulated Entities can establish such teams independently or jointly with other entities in the upstream Supply Chain. Onsite inspections should be aimed at substantiating the documented KYC information. Irrespective of whether the onsite visit was conducted by way of an assessment team or independently by the Regulated Entity, the factors in 2.3.2 and 2.3.3 must be considered during the onsite visit. The responsibility remains with the Regulated Entity irrespective of whether the on-site carried independently or jointly,</p> <p>2.3.2 : Determine if the Mined Gold is LSM Gold or ASM Gold</p>	<p>2.3.1FG sources the raw material mainly from two of its group companies in the audit period, since there was no red flags involved in the supply chain, FG didn't undertake any site visits. As per risk assessment policy of Fujairah gold, if the supplier is identified as high risk and red flags spotted, then site visit has to be carried out as part of evaluation.</p> <p>2.3.2 FG during the audit period has sourced mainly from 2 of its group companies who themselves are using raw material from LSM and not from ASM. FG verifies the export certificate, trade license, mine documents, due diligence reports to assess whether the mine is ASM or not.</p>

2.3.3 Gather information/document such as, without limitation:

- a. Identification and verification of each entity in the Supply Chain through operating licenses or similar document;
- b. identification and verification of the ownership of each entity (direct or indirect ownership up to 25% and above) and connected parties (board of directors and senior management);
- c. identifying the mines of origin, the transportation routes, and points where gold is traded;
- d. for ASM, identify whether the mine is involved in a legitimate ASM;
- e. details of Beneficial Owners and controllers of ASM;
- f. the methods of gold processing and transportation;
- g. identification of the related businesses (subsidiaries, parents, and affiliates);
- h. verification of the identity of the entities using reliable, independent source documents, data or information (e.g. business registers, extract, certificate of incorporation);
- i. identification of any nexus with the government, political parties, military, criminal networks, or non-state armed groups through screening or publicly available data and research;
- j. evidence of any serious abuses committed by any party in mines, transportation routes and points where gold is traded and/or processed through the public domain findings or through screening process;
- k. information on any direct or indirect support to non-state armed groups or public or private security; and
- l. screening the entity name, ownership including ultimate Beneficial Owners and connected parties through government watch lists for finding any sanction listings or adverse media (at a minimum United Nations sanction lists and the UAE local terrorist list should be utilized);
- m. current production and capacity of mine(s), a comparative analysis of mine capacity against recorded mine production if possible, and record any discrepancies;
- n. current processing production and processing capacity of mine smelt house(s), and a comparative analysis of

- a) FG verifies the licenses of all the suppliers involved and verifies if the details are in line with the KYC
- b) FG obtains the details share holding pattern of its supplier companies
- c) FG has clear information about the origin of the material supplied by both the suppliers
- d) For the Audit period, FG didn't source from ASM mines.
- e) For the Audit period, FG didn't source from ASM mines.
- f) The details are captured in the KYC
- g) Both the suppliers during the audit period are from our own group companies
- h) Both the suppliers during the audit period are listed in Indian stock markets
- i) FG didn't identify any high risk supply chain during the audit period hence this is not required.
- j) FG didn't identify any high risk supply chain during the audit period hence this is not required.
- k) FG didn't identify any high risk supply chain during the audit period hence this is not required.
- l) FG verifies if its suppliers and UBO's are sanctioned in the lists of UN, US, EU and UAE.
- m) FG didn't identify any high risk supply chain during the audit period hence this is not required.
- n) FG didn't identify any high risk supply chain during the audit period hence this is not required.
- o) FG didn't identify any high risk supply chain during the audit period hence this is not required.
- p) FG didn't identify any high risk supply chain during the audit period hence this is not required.
- q) FG didn't identify any high risk supply chain during the audit period hence this is not required.
- r) FG didn't identify any high risk supply chain during the audit period hence this is not required.

processing capacity against recorded processing production if possible, and record of any discrepancies;

o. documents related to payments to government or other regulatory agencies related royalties, taxes or fees.

p. all payments made to public or private security forces or other armed groups at all points in the Supply Chain from extraction onwards, unless prohibited under applicable law;

q. militarization of mine sites, transportation routes, and points where gold is traded and exported;

r. KYC information of the gold exporter and all actors in the Supply Chain, including international gold traders and all third party service providers handling the gold (e.g. logistics, processors and transportation entities) or providing security at mine sites and along transportation routes. KYC should consist of the below; and

s. verification of sample documents related to transactions carried out by the supplier.

s) FG didn't identify any high risk supply chain during the audit period hence this is not required.

STEP 3: MANAGEMENT OF THE SUPPLY CHAIN RISK

Compliance statement: *fully complaint*

Demonstration of Compliance: All the transactions from the sourcing, contracting, risk assessment etc. is handled directly by the Supply Chain officer and compliance officer. Supply Chain officer and compliance officer are educated on the due diligence procedure laid down by MoE.

Supply Chain officer and compliance officer has the direct line of reporting to the senior management enabling quick decision he shall be reporting any Suspicious activity as per the requirement to the relevant authorities.

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

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



<p>Management of the Supply Chain Risk</p> <p>Regulated Entities should evaluate and respond to identified risks through EDD in order to mitigate the identified risks. The following steps are minimum expected in order to mitigate the risks identified. Regulated Entities are encouraged to take into account the potential social and economic impacts of risk mitigation measures adopted by them.</p> <p>A risk management plan should be subject to continuous review based on changes in circumstances related to business, operations or supply base, risk nature, or a major change in applicable Steps and regulations</p>	<p>FG has procedures in place on how to proceed once a red flag is identified. FG regularly reviews and updates its risk assessment policy considering on changes in circumstances related to business, operations or supply base, risk nature, or a major change in applicable Steps and regulations</p>
<p>3.1 Devise a risk management strategy for the identified risk</p> <p>According to the risks identified as per procedures in Step 2 of this document, Regulated Entities should adopt risk appetite approach which should establish the methods of risk treatment as below. Risk appetite policy should be part of the overall Supply Chain risk policy.</p> <p>a. Establish or continue: Based on the documents and information gathered through EDD (Step 2.3), Regulated Entities may establish or continue existing relationships if it assesses that the supplier is managing the risks to a reasonable extent. This should be subject to remedial actions for improvement of suppliers due diligence program in agreement with the Regulated Entity. The Regulated Entity should measure the improvement through quantitative/qualitative analysis. The plan should be approved by senior management and Compliance officer. Regulated Entity should seek significant improvement within 6 months of adoption of the plan. After failed attempts of risk mitigation, in conformity with the recommended risk management plan, Regulated Entities should suspend or terminate the relationship.</p> <p>b. Suspend: If EDD concludes that there is a founded suspicion of Money Laundering, Terrorist Financing, human rights abuses, environmental degradation direct or indirect support to illegitimate non state armed groups, fraudulent misrepresentation of origin of goods, the Regulated Entity should suspend engagement with such supply chain till risk mitigation measures are adequately completed</p>	<p>FG has adequate risk management plan in place if the supplier is found to be high risk.</p> <p>If the Enhanced due diligence is suggesting that the supplier is managing and trying to mitigate the risks, then FG shall decide to continue the relationship with the supplier. FG shall present an senior management approved plan to the supplier to reduce its risk within 6 months and if the supplier fails to do so, FG shall suspend the business relationship with the supplier.</p> <p>If Enhanced due diligence is concludes that there is suspicion of Money Laundering, Terrorist Financing, human rights abuses, environmental degradation direct or indirect support to illegitimate non state armed groups, fraudulent misrepresentation of origin of goods, then FG shall suspend engagement with the supplier till risk mitigation measures are adequately completed.</p> <p>If Enhanced due diligence confirms the instances of Money Laundering, Terrorist Financing, human rights abuses, environmental degradation direct or indirect support to illegitimate non state armed groups, fraudulent misrepresentation of origin of goods, then FG shall immediately terminate engagement with the supplier</p>

<p>c. Terminate: Upon identifying instances of Money Laundering and Terrorist financing, human rights abuse and support to armed conflicts, Regulated Entities should immediately terminate its relationship with the supplier. During such instances, the Regulated Entity should submit an appropriate report to the FIU.</p>	
<p>3.2 Risk Control Plan</p> <p>Regulated Entities that adopt an 'Establish/Continue' or 'Suspend' approach, shall adopt a Risk Control Plan which should include, at minimum:</p> <ul style="list-style-type: none"> a. reporting mechanisms for identified risks to the senior management; b. enhanced engagement with suppliers through establishing a Chain of Custody and/or traceability system where a red flag has been identified c. enhancement of the physical security practices; d. physical segregation and security of shipments where a red flag has been identified; e. an agreement with the supplier which facilitates timely and accurate provision of additional information related to supply chain with identified risks. f. disengaging with suppliers for at least 3 months, when they fail 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 Regulated Entities conducting the due diligence; g. reviewing on a regular basis the results of the mitigation measures, undertaking additional fact & risk assessments for identified risks requiring mitigation or after a change of circumstances. 	<p>FG has a risk assessment policy in place, which covers the risk control plan. The plan covers the following points.</p> <ul style="list-style-type: none"> a. reporting mechanisms for identified risks to the senior management; b. enhanced engagement with suppliers through establishing a Chain of Custody and/or traceability system where a red flag has been identified c. enhancement of the physical security practices; d. physical segregation and security of shipments where a red flag has been identified; e. an agreement with the supplier which facilitates timely and accurate provision of additional information related to supply chain with identified risks. f. disengaging with suppliers for at least 3 months, when they fail 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 Regulated Entities conducting the due diligence; g. reviewing on a regular basis the results of the mitigation measures, undertaking additional fact & risk assessments for identified risks requiring mitigation or after a change of circumstances.
<p>3.3 Continuous Monitoring</p> <p>Supply Chain Due Diligence is a dynamic process and requires ongoing risk monitoring. After implementing a Risk Control Plan, Regulated Entities should assess if Step 2 should be repeated or, any further enhanced measures are required. Any changes in the Supply Chain may require</p>	<p>FG shall continuously monitor the supply chain of its suppliers and if there are any changes in the Supply Chain, then FG may repeat some due diligence steps to ensure effective monitoring of risk</p>

the Regulated Entity to repeat some due diligence steps to ensure effective monitoring of risk	
STEP 4: INDEPENDENT THIRD-PARTY AUDIT OF DUE DILIGENCE MEASURES <i>Compliance statement: Fully Compliant</i> <i>Demonstration of Compliance:</i>	
<p>Regulated Entity's compliance with the Regulations will be subject to annual independent third-party audit by an accredited Reviewer as stipulated in the Review Protocol (ANNEX I).</p> <p>Review of a Regulated Entity's Supply Chain Due Diligence framework should be carried out by an approved Reviewer and should be arranged at the Regulated Entity's own cost. The recommendations in this section shall not be considered as an audit standard; however, they outline some basic principles, scope, criteria, and other basic information for consideration by entities.</p> <p>The Review Protocol sets principles to be followed by Reviewers while conducting independent third party audit of a Regulated Entity which is mentioned in ANNEX I of this Regulations</p>	Fujairah Gold employs Bureau veritas as independent third party to audit FG's supply chain in line with MOE Guidelines for 5-step rule in Due diligence regulations for responsible sourcing of gold(version 1, August 2022)
<p>4.1 Audit Plan</p> <p>Regulated Entities should plan the audit in line with the Regulations and consider the below elements.</p> <p>4.1.1 Audit scope: the audit scope should include all the major elements of a Supply Chain Due Diligence framework as outlined in the Regulations. These are Supply Chain Due Diligence policy and procedures, the processes and systems, Supply Chain risk assessment and risk mitigating measures, supplier engagement details, chain of custody, and other traceability information.</p>	External auditor scope includes Supply Chain Due Diligence policy and procedures, the processes and systems, Supply Chain risk assessment and risk mitigating measures, supplier engagement details, chain of custody, and other traceability information.



<p>4.1.2 Audit criteria: The audit should determine the conformity of the implementation of a Regulated Entity's Supply Chain Due Diligence framework against an audit standard that is based on the Regulations. This should also determine conformity to and compliance with the Regulations in all communications with participants across the entire Supply Chain.</p>	<p>Bureau veritas checks and confirms whether the FG supply chain DD and AML CFT framework is completely implemented in the company and across the entire supply chain.</p>
<p>4.1.3 Audit principles:</p> <p>a. Independence: The Reviewer organization and all of its members must be independent from the Regulated Entity as well as from the Regulated Entity's subsidiaries, licensees, contractors, and suppliers. The auditors must not have conflicts of interests with the Regulated Entity, including business or financial relationships with the Regulated Entity. The Reviewer also should not have provided compliance consultancy (such as setting up a compliance framework or drafting compliance policies) services during the past 12 months.</p> <p>b. Competence: Reviewers should be competent enough to conduct the review efficiently. The review should be carried out in accordance with accepted auditing standards. Reviewers should also have personal attributes such as integrity, confidentiality and professionalism. The Reviewers should also have specialist skill-set related to Supply Chain due diligence principles, procedures and techniques and internationally accepted guidelines i.e. OECD Guidelines. The knowledge of gold procurement practices, geographical context etc. are a prerequisite for reviewers.</p> <p>c. Accountability: List of accredited Reviewers shall be published on the MoE's website.</p>	<p>a) Bureau veritas is an independent third-party auditor without any conflicts of interest with Fujairah gold as well of its subsidiaries, licensees, contractors, and suppliers. BV didn't provide any compliance consultancy to FG in the past 12 months.</p> <p>b) Bureau veritas is an approved third-party auditor by MoE and are completely capable of conducting third party audit on FG supply chain due diligence.</p> <p>c) Bureau veritas name is included in the list published on MoE website.</p>
<p>4.1.4 The audit activities:</p> <p>a. Audit Preparation: The objectives, scope, language, and criteria for the audit should be clearly communicated to the Reviewers with any ambiguities clarified between the auditee and Reviewers before the initiation of the audit.</p> <p>b. Onsite Investigation: The reviewers must conduct onsite investigations and gather evidence and verify information by conducting interviews with</p>	<p>a) Bureau veritas has clearly communicated the scope language and criteria of the audit to FG prior the start of audit.</p> <p>b) Bureau veritas has conducted on site visit and audit on 30th, 31st may and 3rd June.</p> <p>c) Bureau veritas has selected the sample documents and also verified the same during the onsite visit.</p>




<p>management, making observations; and reviewing documents. The review should include visits of all sites where the Regulated Entity carries out business and should thoroughly review sample from suppliers of Regulated Entities.</p> <p>c. Document Review: Sample documents gathered during the review i.e., documents retained as part of a Regulated Entity's Supply Chain Due Diligence framework, sample documents related to the Regulated</p>	
<p>4.2 Audit implementation:</p> <p>Audit should be implemented in accordance with the audit scope, criteria, principles and activities as documented in Step 4 of the Regulations. Regulated Entities should co-ordinate the relevant stakeholders to carry out audits in line with recommended audit standard as set out in this document</p>	<p>Audit has been implemented in accordance with the 4th step in Due diligence regulations for responsible sourcing of gold(version 1, August 2022) issued by MoE</p>

STEP 5: ANNUAL REPORTING ON DUE DILIGENCE MEASURES

Compliance statement: Fully compliant

Demonstration of Compliance:

5.1 Management Systems

The Regulated Entities Comprehensive Management Report should include the management systems requirements as set out in Step 1 of the Regulations.

<p>Management Systems</p> <p>The Comprehensive Management Report should include:</p> <ol style="list-style-type: none"> the Regulated Entity's management structure, roles and responsibilities with regard to Supply Chain Due Diligence; policy & procedures; KYC & information collection procedures; database & record keeping system; and procedures for identification and verification of all counterparties in the Supply Chain system 	<p>Management report submitted by Fujairah gold covers in detail about the management structure, roles and responsibilities in the supply chain DD.</p> <p>The report also covers the policies and procedures put in place for responsible sourcing.</p>
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<p>5.2 Risk assessment</p> <p>Regulated Entities should include in their Comprehensive Management Report the risk assessment procedures (Step 2). In particular, Regulated Entities should include:</p> <ol style="list-style-type: none"> how the red flags are identified; details of the red flags identified; describe the steps taken to map the factual circumstances of those red flag operations and red flagged Supply Chains; methods of assessment teams including collaboration with other stakeholders in the Supply Chain; and actual or potential risks identified. 	<p>FG has a dedicated risk assessment policy. Below points are covered in the management report.</p> <ol style="list-style-type: none"> how the red flags are identified; details of the red flags identified; describe the steps taken to map the factual circumstances of those red flag operations and red flagged Supply Chains; methods of assessment teams including collaboration with other stakeholders in the Supply Chain; and actual or potential risks identified.
<p>5.3 Risk Management</p> <p>Regulated Entities should include, in their Comprehensive Management Report, the risk management procedures (Step 3). In particular, Regulated Entities should include:</p> <ol style="list-style-type: none"> the internal controls that would have assisted in gathering required information on red flagged Supply Chain; describe the steps taken to manage risks, including a risk strategy for risk mitigation, procedures and mechanism in place to monitor remediation activities; and details of actions taken as part of risk mitigation (number of instances where a Regulated Entity has decided to continue, suspend or terminate relationships) without disclosing the identity of those suppliers, except where law allows to do so. 	<p>FG has a dedicated risk assessment policy. Below points are covered in the management report.</p> <ol style="list-style-type: none"> the internal controls that would have assisted in gathering required information on red flagged Supply Chain; describe the steps taken to manage risks, including a risk strategy for risk mitigation, procedures and mechanism in place to monitor remediation activities; and details of actions taken as part of risk mitigation (number of instances where a Regulated Entity has decided to continue, suspend or terminate relationships) without disclosing the identity of those suppliers, except where law allows to do so.




AN OVERVIEW OF THE MANAGEMENT ASSESSMENT FOR ALL THE REQUIRMENTS OF THE MOE REGULATIONS
FOR RBDG

FRAMEWORK STEPS	RATING
STEP 1: ESTABLISHING AN EFFECTIVE GOVERNANCE FRAMEWORK	<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
STEP 2: IDENTIFICATION AND ASSESSMENT OF THE SUPPLY CHAIN RISK	<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
STEP 3: MANAGEMENT OF THE SUPPLY CHAIN RISK	<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
STEP 4: INDEPENDENT THIRD-PARTY AUDIT OF DUE DILIGENCE MEASURES	<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
STEP 5: ANNUAL REPORTING ON DUE DILIGENCE MEASURES	<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




[Refiner's] overall Management conclusion

Table 3: Management conclusion	
Is the Refiner in compliance with the requirements of the MOE_Due Diligence Regulations for Responsible sourcing of Gold V1" Version 1/2022 ,for the reporting period?	
Yes	<p>In conclusion, Fujairah Gold implemented effective management systems, procedures, processes and practices to conform to the requirements of the MOE_Due Diligence Regulations for Responsible sourcing of Gold V1" Version 1/2022, as explained above in Table 2, for the reporting year ended 31 March 2025.</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 MOE Executive, in its role as administrator of the MOE_Due Diligence Regulations for Responsible sourcing of Gold V1" Version 1/2022</p>

Table 4: Other report comments
If users of this report wish to provide any feedback to Fujairah Gold with respect to this report, they can contact us on compliance@fujairahgold.com

Location: FUJAI RAH

Date: 01.04.2025

Sign and Company Stamp:



BHOVISHH FUGAIRAH
Compliance Officer.
FUJAI RAH GOLD FZC.

