

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



<b>Company Name:</b>	<b>Emirates Minting Factory LLC</b>
<b>Address:</b>	<b>19-A Street, Al Qouz Industrial Area 2, Dubai, UAE.</b>
<b>Location:</b>	Dubai UAE
<b>Reporting year-end:</b>	1 <sup>st</sup> January to 31 <sup>st</sup> December 2023
<b>Date of Report</b>	13 March 2024
<b>Senior management responsible for this report</b>	Name: Mr. Essa Saeed Alfalasi Title: Chairman Contact details: essa.saeed@emiratesminting.ae

Audit Team	
Team Leader:	Team Member:

### Emirates Minting Factory LLC'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: Our Evaluation

#### Evaluation

The structure of our evaluation is the individual rating of the level of compliance or non-compliance for the sub-points of each Rules 1 -5 of the MOE Regulations.

#### STEP 1: ESTABLISHING AN EFFECTIVE GOVERNANCE FRAMEWORK

##### Compliance statement:

This commitment from Emirates Minting Factory LLC (EMR) reflects a strong dedication to responsible sourcing practices in the gold and precious metals supply chain. Here's a summary of EMR's key commitments and initiatives:

- Compliance with Regulations: EMR pledges to adhere to all relevant rules and regulations governing its business activities, ensuring legal compliance and ethical conduct.

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence

BUREAU  
VERITAS

- **Adoption of Best Practices:** EMR commits to following international best practices and industry standards, reflecting a commitment to excellence in its operations.
- **OECD Due Diligence Guidance:** EMR acknowledges and implements the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, along with its Supplement in Gold, as a framework for responsible sourcing practices.
- **EBC Rules for Risk-Based Due Diligence:** EMR also adheres to the EBC Rules for Risk-Based Due Diligence in the Gold and Precious Metals Supply Chain, further strengthening its commitment to responsible supply chain management.
- **Supply Chain Policy and Procedures:** EMR has developed comprehensive supply chain policies and procedures that outline its commitment to responsible sourcing practices. These policies are communicated to clients and staff, ensuring clear expectations and consistent implementation.
- **KYC Processes:** EMR's Know Your Customer (KYC) processes are aligned with anti-money laundering and counter-terrorism financing laws, emphasizing thorough identification, verification, and background checks of clients before acceptance.
- **Monitoring and Surveillance:** EMR maintains a robust supply chain management system with centralized information and multiple departments involved in daily transaction verification. Unique reference numbers facilitate traceability of gold shipments.

By upholding these commitments and initiatives, EMR demonstrates its dedication to responsible sourcing, transparency, and ethical conduct in the gold and precious metals supply chain.

EMR's commitment to continuously evolve its policies and procedures demonstrates a proactive approach to adapt to changing times and regulatory requirements. By recognizing the need for ongoing improvement, EMR ensures that its operational practices remain effective and aligned with evolving industry standards and expectations.

While acknowledging the effectiveness of past policies, EMR understands the importance of staying responsive to emerging challenges and opportunities. By regularly reviewing and updating its strategies, EMR can address new risks, incorporate best practices, and leverage innovations to enhance its overall performance. This commitment to evolution reflects EMR's dedication to maintaining a competitive edge, fostering a culture of innovation, and demonstrating leadership in responsible business practices. By embracing change and continuous improvement, EMR positions itself as a forward-thinking and adaptable organization ready to navigate the complexities of the modern business landscape.

**Demonstration of Compliance:** Fully compliant

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



<p><b>1.1. Adopted. commit to a policy for managing risks in gold from CAHRAs.</b></p> <p>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 will assess itself and the activities and relationships of suppliers.</p> <p>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.</p> <ul style="list-style-type: none"> <li>a) Scope</li> <li>b) Roles and responsibilities of employees, management, and Board of Directors</li> <li>c) Know Your Counterparty (KYC) and Customer Due Diligence measures</li> <li>d) Supply Chain risk assessment and risk mitigation process</li> <li>e) Ongoing monitoring measures</li> <li>f) independent audit mechanism</li> <li>g) Record retention requirements</li> <li>h) Training program</li> </ul>	<p>It's evident that Emirates Minting Factory LLC (EMR) has put significant effort into developing robust systems and procedures for conducting supply chain due diligence as well as Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) policies and procedures. Let's break down how EMR's policies align with the elements listed:</p> <ul style="list-style-type: none"> <li>a) <b>Mandatory Provisions:</b> EMR's policies and procedures are mandatory for all staff and clients, demonstrating a zero-tolerance approach to non-compliance.</li> <li>b) <b>Responsibilities:</b> The policies clearly outline the responsibilities of various stakeholders, including shareholders, senior management, employees, service providers, clients, and suppliers.</li> <li>c) <b>KYC Policy:</b> EMR has a strict Know Your Customer (KYC) policy and procedure in place, ensuring thorough screening of new clients and suppliers to establish their identity, ownership structure, business activities, and transaction nature.</li> <li>d) <b>Risk Management:</b> The criteria for managing and mitigating risks in the precious metals supply chain are clearly defined, based on OECD guidelines and MOE's regulations, demonstrating a commitment to responsible sourcing practices.</li> <li>e) <b>Ongoing Monitoring:</b> EMR's policies include criteria for ongoing monitoring of KYC and transactions, as well as periodic reviews of KYC documentation, ensuring continuous compliance with regulatory requirements.</li> <li>f) <b>Review and Internal Audit:</b> EMR has established a comprehensive procedure for reviewing and conducting internal audits, enabling regular assessment of compliance practices and identifying areas for improvement.</li> <li>g) <b>Record Retention:</b> The policies define record retention mechanisms and periods in line with MOE's regulations,</li> </ul>
---	---

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>ensuring proper documentation and storage of relevant information.</p> <p>h) Training Program: EMR has implemented an ongoing training program for relevant employees and management, emphasizing the importance of compliance and ensuring staff are equipped with the necessary knowledge and skills.</p> <p>Overall, EMR's adherence to these elements reflects a strong commitment to regulatory compliance, risk management, and ethical business practices in its supply chain operations.</p>
<p><b>1.2.1 The board of directors, or equivalent, should acquire the necessary knowledge and experience, or utilise external expert advisors, to:</b></p> <p>a. provide oversight of the Supply Chain Due Diligence framework and outcomes;</p> <p>b. ensure that effective structures and communication processes are in place for critical information sharing;</p> <p>c. assess the effectiveness of the Supply Chain Due Diligence policies and processes on an ongoing basis;</p> <p>d. ensure that the compliance officer's responsibilities include gold Supply Chain Due Diligence matters;</p> <p>e. ensure the availability of required resources to manage the Supply Chain Due Diligence process;</p> <p>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>	<p>It's evident that the Management of Emirates Minting Factory LLC (EMR) is highly experienced and knowledgeable about the DPMS sector in the UAE. Let's assess how EMR's Management aligns with the points mentioned:</p> <p>a) Knowledge and Oversight: EMR's Management demonstrates full knowledge and oversight of the supply chain due diligence program, indicating a thorough understanding of the regulatory requirements and risks associated with the sector.</p> <p>b) Application and Implementation: Management actively participates in applying and implementing supply chain and AML/CFT policies in the day-to-day operations of EMR, ensuring compliance with regulatory standards.</p> <p>c) Commitment to Compliance: Management is fully committed to following and ensuring that all employees adhere to supply chain and AML/CFT policies and procedures, regularly assessing the effectiveness of the program and its implementation.</p> <p>d) Defined Responsibilities: The duties and responsibilities of the Compliance Officer are clearly defined in EMR's Policy &amp; Procedures, ensuring clarity and accountability in compliance management.</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>e) Resource Allocation: Management ensures the availability of resources to effectively manage compliance with supply chain and AML policies and procedures, indicating a commitment to investing in compliance measures.</p> <p>f) Delegation of Authority: Management ensures the delegation of authority and responsibilities to staff with necessary competence through the approved organizational structure, promoting efficiency and accountability in compliance management.</p> <p>Overall, EMR's Management exhibits a strong commitment to regulatory compliance, risk management, and ethical business practices in the DPMS sector, demonstrating effective leadership and oversight in ensuring adherence to supply chain and AML/CFT standards.</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>EMR has established a fully operational Compliance Department, with the Head of Compliance reporting directly to the Managing Director and Chairman of the Company. This reporting structure ensures direct oversight and involvement of top management in compliance matters, highlighting the importance of regulatory adherence within the organization. The Compliance Department is equipped with competent staff and resources, indicating a commitment to investing in compliance capabilities and ensuring the organization has the necessary expertise to effectively manage compliance with supply chain and AML/CFT obligations. This demonstrates EMR's dedication to regulatory compliance and ethical business practices.</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



<p>The compliance officer should be responsible for the overall management of the Supply Chain Due Diligence process, including:</p> <ul style="list-style-type: none"> <li>a. a. Monitor the Supply Chain Due Diligence process.</li> <li>b. b. improves the Supply Chain Due Diligence framework including by reviewing and updating the Supply Chain policy and procedures.</li> <li>c. c. manage and implement a training and awareness program with regard to due diligence;</li> <li>d. d. 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</li> </ul>	<p>EMR's Compliance Department holds full responsibility for managing and overseeing the supply chain and AML/CFT compliance program, encompassing various key functions including:</p> <ul style="list-style-type: none"> <li>a. Monitoring the Supply Chain Due Diligence process to ensure adherence to established policies and procedures.</li> <li>b. continuously improving the Supply Chain Due Diligence framework by regularly reviewing and updating relevant policies and procedures to align with regulatory requirements and best practices.</li> <li>c. Manages and implements a comprehensive training and awareness program aimed at enhancing staff knowledge and understanding of due diligence processes and requirements.</li> <li>d. Collaborates closely with relevant supervisory authorities and the FIU, providing requested data and facilitating access to necessary records and documents to ensure compliance with supply chain and AML/CFT obligations.</li> </ul>
<p>1.2.3 Regulated Entities shall perform a fit &amp; 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>EMR's HR department has instituted a rigorous onboarding procedure, incorporating the Know Your Employee (KYE) process to conduct thorough fit and proper checks on all new hires. This procedure ensures compliance with regulatory standards and mitigates potential risks associated with employee conduct. Additionally, EMR's Compliance Department has taken proactive measures to screen all employees, including management, both during the hiring process and on an annual basis. This ongoing screening reinforces EMR's commitment to maintaining a compliant workforce and upholding the highest standards of integrity and ethical conduct throughout the organization.</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.



MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



#### 1.2.4 Regulated Entities must develop and implement a training program for all persons involved in the responsible Supply Chain Due Diligence process.

The training program:

- 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 a bi-annual basis via face-to-face or digital channels.
- effectiveness should be assessed through questionnaires and feedback forms; and
- 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

EMR has developed and incorporated a comprehensive training program into its policies & procedures for all relevant employees involved in the Supply Chain due diligence process.

- Training sessions are conducted during recruitment and on an ongoing basis.
- Training sessions are tailored to include both role-specific and general topics related to supply chain, AML/CFT compliance, catering to the specific needs and responsibilities of the training audience.
- Sessions are conducted face-to-face as per a pre-decided plan, with flexibility to adjust according to regulatory changes or specific needs.
- Previously, the effectiveness of training was not assessed, but now evaluation forms or questionnaires are used to gauge effectiveness and ensure continuous improvement.
- Training records were previously maintained in the form of attendance forms; going forward, proper records will be maintained to enhance compliance efforts.

#### 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

EMR, as a refinery, currently does not promote direct business with individual or natural persons but commits to fulfilling all obligatory KYC requirements for individuals if management decides otherwise in the future.

However, the EMR branch located in Gold Souq, Deira, Dubai, exclusively sells pure gold in the form

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>of minted bars and coins to walk-in clients, ensuring full compliance with regulatory KYC requirements for the sale of pure gold.</p> <p>Regarding dealings with politically exposed persons (PEPs), no such transactions have occurred; nevertheless, the branch staff is well-informed and trained to handle such cases should they arise.</p>
<p><b>1.3.2 For legal persons and legal arrangements:</b></p> <ul style="list-style-type: none"> <li>a. the name;</li> <li>b. legal form;</li> <li>c. memorandum of association or equivalent constitutional document;</li> <li>d. commercial license;</li> <li>e. country of incorporation;</li> <li>f. countries of operations;</li> <li>g. headquarter office address or the principal place of business; and</li> <li>h. names of relevant persons holding senior management positions and acting as authorised representatives in the legal person or legal arrangement, including authorisation letters.</li> </ul>	<p>As a refinery, EMR has a clear policy to exclusively conduct business with legal entities and arrangements falling under the category of Designated Non-Financial Businesses and Professions (DNFBPs) by the defined nature of their business. This policy ensures that EMR adheres to regulatory requirements and maintains transparency and accountability in its operations.</p> <p>EMR has implemented a comprehensive Know Your Customer (KYC) policy and procedure to adhere to regulatory requirements regarding the due diligence of legal persons and arrangements. This policy ensures that EMR collects and verifies relevant information about its clients, including their legal status, ownership structure, and compliance history, to mitigate the risk of financial crime and ensure transparency in business dealings.</p> <p>EMR has established a comprehensive set of forms, including the Account Opening Form (AOF), Anti-Money Laundering/Counter-Terrorism Financing (AML/CFT) Questionnaire, Mined Material Questionnaire, Recyclable Material Questionnaire, and others, to gather and document the complete KYC information of legal persons and arrangements. These forms facilitate the collection of essential details about clients, such as their legal structure, beneficial ownership, source of funds, and compliance history, enabling EMR to conduct thorough due diligence and ensure compliance with regulatory requirements.</p>



MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



<p>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</p>	<p>EMR has implemented a comprehensive KYC policy and procedure to adhere to regulatory requirements regarding the due diligence of legal persons and arrangements. This includes verifying any individuals acting on behalf of suppliers or clients and obtaining the necessary documentation to identify and authorize such arrangements. By conducting thorough KYC procedures, EMR ensures transparency, integrity, and compliance with regulatory standards in its business dealings.</p>
<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>EMR maintains a comprehensive KYC policy and procedure to fulfill regulatory requirements for due diligence, including the identification and verification of shareholders or beneficial owners of companies. This extends to entities such as Public Limited Companies and those listed on regulated stock exchanges. EMR is fully aware of regulatory obligations and exemptions applicable to such entities, ensuring thorough compliance with KYC standards while adhering to relevant regulations.</p>
<p>1.3.5 For gold supplied from ASM, the policy should provide for gathering additional information, including:</p> <ul style="list-style-type: none"> <li>a. Identification and verification of the local exporter through documents such as export licenses;</li> <li>b. mine location and ASM's legal existence and conformity to legal framework (if available) or their willingness to formalize the legal framework</li> </ul>	<p>EMR's comprehensive supply chain and KYC policies incorporate regulatory requirements for identifying and engaging with Artisanal and Small-scale Mining (ASM) entities. This includes obtaining necessary documentation such as identification, location, and proof of legal existence and framework of ASM operations. By adhering to these policies, EMR ensures responsible engagement with ASM entities in accordance with regulatory guidelines and best practices in the industry.</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>EMR maintains a zero-tolerance policy regarding the establishment of business relationships with any supplier or client unwilling or hesitant to provide the required KYC information for conducting Customer Due Diligence (CDD). In the event of such non-compliance, EMR will promptly discontinue or cease the business relationship. EMR also has established policies and procedures in place to report such cases to the relevant authorities or regulatory bodies as necessary. This</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>ensures adherence to regulatory requirements and upholds the integrity of EMR's operations.</p>
<p><b>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.</b></p> <p>The records inventory shall include, at least:</p> <ul style="list-style-type: none"> <li>a. Information regarding the form, type and physical description of gold/gold bearing material;</li> <li>b. proof of origin of mined gold through official government issued certificate of origin or equivalent document and invoices and packing list;</li> <li>c. information regarding the weight and assay of gold as provided by supplier;</li> <li>d. KYC information of supplier including identification and verification of entities and ultimate Beneficial Owners who owns 25% and above directly and indirectly;</li> <li>e. unique reference numbers for each input and output of gold;</li> <li>f. dates of input and output, purchases and sales;</li> <li>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;</li> <li>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</li> </ul>	<p>EMR has implemented a comprehensive Documents Control procedure and Record Management Procedure to create and maintain an inventory of supply chain and AML/CFT compliance and due diligence-related policy procedures and forms. This ensures that all relevant documentation is organized, easily accessible, and up to date. By maintaining meticulous records, EMR can demonstrate its commitment to compliance with regulatory requirements and ensure transparency and efficiency in its operations. The records inventory includes:</p> <ul style="list-style-type: none"> <li>a. Information regarding the form, type, and physical description is meticulously maintained in transactional vouchers as well as in the Neo financial system on a transaction-by-transaction basis.</li> <li>b. Proof of origin of mined gold is meticulously maintained in the form of mining licenses and mine coordinates, which are stored in the supplier KYC files. Additionally, invoices and packing lists containing this information are carefully preserved and maintained alongside transactional vouchers.</li> <li>c. Information regarding the weight and assay of gold, as provided by the supplier, is diligently recorded and maintained in the transactional vouchers.</li> <li>d. KYC information of suppliers, including identification and verification of entities and ultimate beneficial owners who own 25% and above, directly and indirectly, is</li> </ul>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>meticulously maintained in the supplier KYC files.</p> <ul style="list-style-type: none"> <li>e. Unique reference numbers for each input and output of gold are meticulously maintained in transactional vouchers as well as in the Neo Financial system.</li> <li>f. Dates of input and output, including purchases and sales, are diligently maintained in both transactional vouchers and the NEO Financial System.</li> <li>g. Shipping and transportation documents, including waybills, airway bills, pro forma invoices, and bills of lading, are meticulously maintained in the transactional vouchers.</li> <li>h. The date of arrival at the refinery, as well as the date of assay finalization, are diligently recorded in the transactional vouchers, along with comprehensive financial transaction details. This includes the amount, method of payment, currency used, and relevant banking information. All this data is meticulously documented in both the transactional vouchers and the NEO Financial system, ensuring accurate and transparent record-keeping of all financial transactions related to the gold refining process.</li> </ul>
<p><b>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.</b></p>	<p>EMR prioritizes the discouragement of cash payments to the best of its ability and actively encourages suppliers to utilize proper and official banking channels for transactions. However, in instances where cash transactions are unavoidable, EMR has established a comprehensive cash transaction procedure. Additionally, all cash transactions are diligently reported on the GoAML platform as per DPMSR regulations, ensuring full compliance with regulatory requirements and promoting transparency in financial activities.</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



<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>EMR maintains full commitment to adhering to and complying with the regulatory requirements of the DPMS sector, demonstrating unwavering cooperation with UAE regulators and law enforcement agencies concerning gold transactions. EMR pledges to provide complete access to all relevant information regarding shipments and transactions related to gold refining as and when requested by regulators and law enforcement agencies, ensuring transparency and accountability in its operations.</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>EMR has implemented a comprehensive record retention and management policy and procedure to fulfill regulatory obligations. EMR is fully committed to retaining all supply chain due diligence, KYC, and transactional data pertaining to actual and potential business relationships for a minimum of five years from the completion of a transaction or the termination of the relationship with a client or supplier, whether in digital or physical format. EMR assures its capability and readiness to promptly provide any requested data to regulators or law enforcement agencies as needed.</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> <ol style="list-style-type: none"> <li>a. The use of identifiable sealed security boxes for each shipment to avoid any tampering or removal of content</li> <li>b. physically segregating different shipments until verification is adequately completed and confirmed in accordance with Step 1.3.7;</li> <li>c. reporting any inconsistencies to senior management or the Compliance Officer (as appropriate);</li> <li>d. ensuring that any assessor of a shipment is independent from any conflict of interest; and</li> </ol>	<p>EMR has implemented comprehensive policies and procedures for Know Your Customer (KYC) and the receipt of physical gold shipments to comply with regulatory requirements for sourcing gold from LSM (Large-Scale Mining) and ASM (Artisanal and Small-Scale Mining) entities. These measures include:</p> <ol style="list-style-type: none"> <li>a. EMR has engaged registered security companies in the UAE to collect and deliver gold shipments from the entry point in the UAE to the EMR premises. Upon receiving each gold shipment, EMR's operations team ensures that the boxes or bags are fully sealed and free from tampering. This process helps maintain the integrity and security of the gold shipments during transit and upon arrival at EMR's facilities.</li> </ol>

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



e. e. if applicable, verify a supplier's participation in the Extractive Industry Transparency Initiative

- b. EMR's operations team physically segregates, stores, and records the different shipments upon arrival until proper verification and testing is adequately completed and confirmed. This segregation and storage process ensures that each shipment is carefully accounted for and prevents any mix-up or confusion during the verification and testing procedures.
- c. As per the physical gold shipment received procedure, the operations team checks and reports any inconsistency found to the compliance department through the Variation Report form. This form serves as a tool to document and communicate any deviations or discrepancies observed during the receipt and handling of gold shipments, allowing for prompt investigation and resolution by the compliance team.
- d. EMR boasts a dedicated and competent operations team with extensive relevant field experience, ensuring independence in their work. This team is well-equipped to handle the intricacies of gold shipment verification and processing, adhering to strict protocols and procedures to maintain the integrity of the supply chain.
- e. EMR is fully dedicated and committed to verifying its suppliers' participation in Extractive Industry Transparency Initiatives to the best of its ability. This commitment underscores EMR's proactive approach to ensuring transparency and accountability throughout its supply chain.

**1.4. Strengthen company engagement with gold supplying counterparties.**



MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



*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>To effectively communicate EMR's expectations regarding due diligence for responsible supply chains of gold from conflict-affected and high-risk areas (CAHRA), the EMR Compliance Department shares its supply chain policy, AML/CFT policy, OECD Responsible Sourcing Guidelines, and MOE's Responsible Sourcing Guidelines with the supplier after the onboarding process is completed and before conducting any transaction or receiving any shipment. This proactive approach ensures that suppliers are fully aware of EMR's compliance requirements and expectations, promoting transparency and responsible sourcing practices throughout the business relationship.</p>
<p>1.4.2 Sharing the AML/CFT Legislation, the Regulations, OECD Guidance, and Gold Supplement with all suppliers.</p>	<p>As part of EMR's onboarding policy, the Compliance Department ensures that after the onboarding process is completed, the supply chain policy, AML/CFT policy, OECD Responsible Sourcing Guidelines, and MOE's Responsible Sourcing Guidelines are shared with the supplier. This communication occurs before any transaction is conducted or any shipment is received. By providing these essential documents upfront, EMR establishes clear expectations for suppliers regarding compliance requirements and responsible sourcing practices, fostering transparency and accountability throughout the business relationship.</p>
<p>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.</p>	<p>EMR's Compliance Department ensures that the Supply Chain Policy is separately shared with every supplier after onboarding. Additionally, as part of the KYC process, the Compliance Department obtains a source of gold declaration from every supplier. This declaration serves to ensure the legal binding of conflict-free sourcing, aligning with EMR's commitment to responsible and transparent supply chain practices.</p>



MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



<p>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</p>	<p>EMR maintains a close business relationship with its major suppliers, encouraging frequent visits between both parties. The management of EMR also regularly visits the suppliers' locations, further strengthening the bond. This close working relationship facilitates mutual support, with EMR providing necessary information and assistance to help improve supply chain practices. Through collaboration and support, EMR and its major suppliers work towards achieving their shared goals and objectives in the supply chain ecosystem.</p>
---	---

<p><b>1.5. Establish a confidential grievance mechanism.</b></p> <p>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.</p>	
<p>The mechanism should ensure that:</p> <ol style="list-style-type: none"> <li>employees or other stakeholders are enabled to report any misconduct, or an improper situation or circumstances in a secure way that protects the identity and from criminal and administrative liabilities.</li> <li>it acts as a warning system in addition to refiners' own system for risk assessments.</li> <li>all relevant parties should know the presence of such a mechanism through appropriate communication channels such as policy and newsletters or through websites.</li> <li>it encourages users to submit such concerns without fear of reprisal.</li> <li>all submitted concerns be evaluated independently to ensure no undue influence of parties in the entity.</li> <li>ensure that all submissions should be treated fairly without prejudices and there should be documented procedures to share information on the status to stakeholders in a transparent manner; and</li> <li>all such submission should be utilized in improving the Supply Chain mechanism and should be utilized in the risk assessment process.</li> </ol>	<p>EMR has established an open grievance mechanism as part of its AML/CFT policy, allowing anyone, including employees and other stakeholders in the supply chain, to report concerns directly to EMR's management or Compliance Department. Contact information is readily available on the company website, KYC forms, supply chain policy, and company letterhead. Additionally, EMR has implemented a comprehensive internal reporting policy and procedure for employees to report any inconsistencies or suspicious activities/transactions without obligation, ensuring a transparent and accountable process for addressing potential issues within the organization.</p> <p>The grievance mechanism ensures that:</p> <ol style="list-style-type: none"> <li>Secure reporting of misconduct, protecting the identity of whistleblowers.</li> <li>Functions as an additional warning system alongside internal risk assessment.</li> </ol>

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



<p>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.</p>	<p>c. Utilizes communication channels like policies and websites to inform stakeholders.  d. Encourages fear-free submission of concerns to promote transparency.  e. Independently evaluates all concerns to prevent influence from within the entity.  f. Follows documented procedures to ensure fair treatment and transparent communication.  g. Utilizes submitted concerns to enhance the supply chain mechanism and risk assessment processes, improving overall compliance and effectiveness.</p>
---	--

<p><b>STEP 2: IDENTIFICATION AND ASSESSMENT OF THE SUPPLY CHAIN RISK</b></p>	
<p><b>Compliance statement:</b></p> <p>EMR, as an Accredited Member operating within the gold supply chain, recognizes the individual accountability mandated for enforcing and executing its policies and managerial frameworks. This includes meticulous delineation of its supply chain to identify and evaluate hazards related to conflict, money laundering, terrorism financing, human rights infringements, and environmental concerns associated with the gold it deals with.</p> <p>Pursuant to Rule 1, if EMR can reasonably determine, based on collected information, that it avoids transactions involving gold from conflict-affected and high-risk regions, no further due diligence is required. However, EMR must consistently uphold and periodically scrutinize its managerial systems. EMR is committed to advancing its due diligence methodologies and refining its risk assessment protocols over time. In instances where EMR cannot reasonably ascertain avoidance of engagements with gold from such regions, additional exhaustive due diligence is mandatory under Rule 2.</p> <p>EMR has developed a comprehensive Risk Assessment process and tool, approved, and implemented to align with regulatory requirements, integrated into its Compliance Procedures for thorough evaluation of risk factors.</p> <p><b>Demonstration of Compliance: Fully compliant</b></p>	
<p><b>2.1 Conduct Supply Chain Due Diligence to identify potential risks</b></p> <p>Regulated Entities must identify and assess the risks in the Supply Chain to carry out required due diligence.</p>	<p>EMR has implemented a comprehensive Risk Assessment policy and procedure to identify and assess the risks in the Supply Chain before entering a new business relationship with a supplier and an ongoing basis to tailor the due diligence according to the risk identified.</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



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 help to tailor the due diligence according to the risks identified.

Where high risk Supply Chain is identified, enhanced due diligence measures should be taken in order to mitigate the risks.

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.

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.

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.

The risk assessment should be carried out using risk factors broadly categorized in 2.1.1 to 2.1.5.

Where the risk is identified a High, enhanced due diligence measure will be applied to mitigate the risk factors.

EMR operates in by following the OECD Due

Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its Supplement in Gold & the EBC Rules for Risk-Based Due Diligence in the Gold and Precious Metals Supply Chain. EMR's Supply Chain Policy and Procedures set out the company's responsibility and commitment to attain a responsible supply chain of minerals. The Policy is shared to existing clients and companies who wish to work with EMR. EMR discusses the policies and procedures during the client onboarding, and as needed communicates our expectations with respect to the responsible sourcing of precious metals.

The criteria for supply chain due diligence include adequate risk assessment factors as stipulated in the OECD and EBC Rules. The Main element of the KYC processes is that they must be consistent and align with AML-CFT Laws.

In circumstances where a Accredited Member can rationally discern, based on the information garnered pursuant to Rule 1, that it abstains from transactions involving gold extracted, transported, or traded in conflict-affected and high-risk regions, no further due diligence is prescribed. Nevertheless, the managerial systems implemented under Rule 1 must be consistently upheld and subjected to periodic scrutiny. Furthermore, the certified participant is anticipated to advance its due diligence methodologies and refine its risk assessment protocols progressively over time.

However, if a Accredited Member is unable to reasonably ascertain, based on the information collected under Rule 1, that it refrains from engagements involving gold mined, transported, or

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>traded in conflict-affected and high-risk regions, it becomes mandatory to undertake additional, more exhaustive due diligence in accordance with Rule 2.</p>
<p><b>2.1.1 Counterparty Risk Factors</b></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>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>a. EMR has established a comprehensive KYC process for suppliers, including collecting identification documents, verifying the legitimacy of the supplier's business, and documenting the origin and transportation details of the gold. This could involve conducting background checks, verifying business registrations, and obtaining documentation related to the gold's sourcing and transportation.</p> <p>b. EMR has developed a system for identifying and assessing red flags in the supply chain, such as unusual transaction patterns, discrepancies in documentation, or involvement with high-risk jurisdictions. Implement protocols for investigating and resolving red flags, including escalation procedures and corrective actions.</p> <p>c. Dealing with a client with diverse sources, it is imperative that EMR gathers KYC-C (Know Your Customer's - Customer) information for each of their suppliers and implements a uniform standard of due diligence across the board. Each supplier's supplier is subject to its own KYC and Risk Assessment. Furthermore, any supply chain participant deemed to be high-risk necessitates management approval.</p> <p>d. Define due diligence requirements for counterparties in the supply chain, specifying the information and documentation they must provide. Implement processes for evaluating the extent and effectiveness of their due diligence practices, which may include reviewing policies, procedures, and audit reports. Establish criteria for</p>

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



assessing the adequacy of due diligence efforts and take appropriate action based on the findings.

e. EMR requires its counterparties to demonstrate their conformance with OECD Guidance for Responsible Supply Chains of Minerals. This may involve requesting documentation or certifications verifying compliance with OECD standards. Conduct periodic reviews to ensure ongoing adherence to these guidelines.

f. EMR ensures the established requirements for third-party audits of counterparty due diligence practices in line with responsible sourcing mechanisms. Specify the qualifications and independence criteria for auditors and define the scope and frequency of audits. Review audit reports and findings to verify compliance and address any identified deficiencies.

g. EMR inquire and verify the the length of establishment as part of the supplier evaluation process. Includes a criterion for the risk assessment related to the supplier's length of establishment.

h. EMR Implement the identification of UBO process for assessing the actual ownership structure of counterparties in the supply chain. Furthermore, risk assessment also has a criteria to assess the risk of complex structures.

i. Obtain information about the size and nature of mining operations from suppliers, including whether they engage in artisanal and small-scale mining (ASM) or large-scale mining (LSM). Assess the environmental, social, and regulatory implications of mining activities based on their scale. Obtain environmental impact assessments, community engagement practices, and compliance with relevant mining regulations.

j. EMR Developed protocols for screening counterparties and individuals engaged in the supply chain to identify politically exposed persons (PEPs) and their close associates. Execute enhanced due diligence procedures for



MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>transactions involving PEPs to mitigate the risk of undue influence stemming from their positions. EMR Implements robust controls to ensure adherence to regulatory requirements concerning the potential involvement of PEP individuals and assess the associated risks in accordance with applicable laws and regulations.</p> <p>k. EMR Implement screening processes to identify adverse media mentions and sanctions listings related to suppliers and other parties in the supply chain. Utilize reputable screening databases and tools to conduct thorough searches for relevant information. EMR developed protocols for assessing and addressing the potential risk included, conducting further investigations, documenting remedial actions, and escalating potential compliance issues as necessary.</p>
<p><b>2.1.2 Geographical Risk Factors</b></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>As part of the Know Your Customer (KYC) procedure, EMR diligently identifies and documents the location of establishments and the origin of the gold sourced by them. This process is crucial for determining the associated geographical risks of its clientele.</p> <p>a. Mined Gold: EMR rigorously verifies the authenticity of mines when sourcing mined gold from any of its suppliers by obtaining essential mine-related documentation from the suppliers. EMR conducts thorough Know Your Customer - Customer (KYC-C) process to the fullest extent possible to assess the risks associated with sourcing mined gold.</p> <p>b. Recyclable Gold: EMR mandates its suppliers to furnish assurance and documentation verifying the origin of recycled gold. Additionally, EMR implements stringent controls aimed at detecting and preventing the misrepresentation of newly mined gold as</p>



MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



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.

Location-based risk identification should be carried out using reasonable efforts and recognized sources of information. At a minimum, following risk factors should be utilized for risk identification.

a. The AML/CFT and other regulatory environment in the supplier's jurisdiction or location which is part of Supply Chain.

b. Level of conflicts or human rights abuses in any location comprising part of the Supply Chain through reliable resources.

c. Level of involvement of wide spread bribery and corruption through reliable resources.

d. The level of involvement or potential involvement of any criminal organization.

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.

f. The level of enforcement of laws addressing significant criminal activity.

g. Payment mechanism used (e.g. formal banking system vs. non-banking system).

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.

i. Involvement of countries identified as CAHRA.

recycled. EMR endeavors to uphold transparency regarding the origin of recyclable gold involved in the recycling process to the best of its ability.

c. Grandfathered Stocks:

To ascertain whether the gold qualifies as Grandfathered Stock, EMR establishes a meticulous process for verifying the date of acquisition of gold stocks. Additionally, EMR implements enhanced due diligence measures if any red flags indicating potential anti-money laundering (AML) or sanctions violations are detected.

The EMR risk assessment tool incorporates Location-Based Risk Assessment to evaluate and mitigate the following risk factors:

a. EMR conducts jurisdictional risk assessments to comprehensively comprehend the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regulations applicable in supplier locations. This involves referencing the FATF High-Risk Jurisdictions subject to a Call for Action and Jurisdictions under Increased Monitoring lists.

b. EMR actively monitors and incorporates available data regarding jurisdictions implicated in human rights violations from reliable sources. This data is integral in assessing jurisdictional risk.

c. EMR utilizes the annually updated corruption index to evaluate jurisdictional corruption risk.

d. EMR assesses the proximity of jurisdictional risk within the supply chain locations to conflict-affected or high-risk areas. This assessment aims to identify any potential involvement of criminal or terrorist

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>organizations and their influence over the jurisdiction.</p> <p>e. EMR also considers the non-exhaustive list of Conflict-Affected and High-Risk Areas (CAHRAs) under Regulation (EU) 2017/821 to determine the level of risk associated with supplier jurisdictions.</p> <p>f. EMR conducts research into the legal frameworks and law enforcement capabilities within supplier jurisdictions. This research encompasses factors such as judicial independence, regulatory enforcement, and the effectiveness of law enforcement agencies.</p> <p>g. EMR also evaluates the transparency and traceability of payment mechanisms utilized in gold transactions. Preference is given to formal banking systems over cash-based or informal payment methods to enhance transparency and traceability.</p> <p>h. EMR also screens the jurisdictions of its suppliers/clients to ensure compliance with international sanctions and/or embargoes directed against the country and/or individuals/entities by the UN Security Council and/or UAE authorities. EMR subscribes to EOCN's system for automated email notifications regarding any additions, deletions, or amendments to the United Nations Security Council Consolidated List. Additionally, EMR screens the names of all individuals and corporations against the United Nations Security Council Consolidated List and the UAE local Terrorist List.</p> <p>i. In the event of identifying any supplier/client jurisdiction as Conflict-Affected and High-Risk Area (CAHRA), EMR has a policy to suspend the relationship until comprehensive Enhanced Due Diligence (EDD) is completed on that</p>
--	--

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>supplier/client. Moreover, EMR will make every effort, up to its maximum extent, to compel its suppliers/clients to mitigate the supply chain risks involved to the minimum level possible.</p>
<p><b>2.1.3 Transactions Risk Factors</b></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. EMR continuously monitors the transactions of its suppliers/clients to detect any inconsistencies in transaction patterns. Upon identification of such inconsistencies or high-risk transactions, EMR mandates the performance of Enhanced Due Diligence (EDD) on the specific transaction to mitigate associated risks effectively.</p> <p>b. In the event of any inconsistencies concerning volumes, types, and purity of materials, EMR's operations department notifies the compliance department through a variation report. The compliance department subsequently conducts the necessary due diligence and requests the client/supplier to provide the relevant documentation for the particular transaction.</p> <p>c. EMR adheres to a policy aimed at fully discouraging excessive and unnecessary cash transactions of its capabilities. EMR actively encourages its supplier/clients to limit the use of cash in transactions and to utilize electronic payment methods or other traceable forms of payment.</p> <p>d. To the maximum extent possible, EMR ensures rigorous scrutiny of transactions to prevent any attempts or deliberate structuring of transactions aimed at circumventing reportable thresholds.</p> <p>e. EMR conducts comprehensive risk assessments for each transaction, taking into account factors such as the parties involved, geographic locations, and potential impact on the business. It evaluates the severity and probability of adverse impacts associated with each transaction and implements risk mitigation measures accordingly. These</p>

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>measures may include enhanced due diligence, transaction monitoring, and regular regulatory reporting.</p> <p>f. EMR consistently verifies the origin of materials through officially issued customs clearance papers and airway bills. This ensures that the materials are transported through legal means and align with the declared origin. If it is discovered that received materials are not from the declared origin or have been transported through a jurisdiction identified as a Conflict-Affected and High-Risk Area (CAHRA), EMR promptly halts the transaction. The transaction remains suspended until the issue is clarified and rectified.</p> <p>g. EMR conducts thorough investigations and documents any unexplained geographic distances or deviations from expected routing or transportation patterns. It verifies the rationale for these geographic distances through meticulous documentation and communication with relevant parties. Any concerns or discrepancies identified are addressed promptly to ensure transparency and compliance throughout the supply chain process.</p>
<p><b>2.1.4 Product Risk Factors:</b></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>a. Nature of the gold supplied:</p> <p>EMR has implemented a categorization system to distinguish between various types of supplied gold, including ASM (Artisanal and Small-Scale Mining) or LSM (Large-Scale Mining) gold, gold by-product, melted recyclable gold, and unprocessed recyclable gold.</p> <p>For each category of gold, EMR conducts risk assessments based on its nature and origin. Specific due diligence procedures are then implemented, tailored to each type of gold. These procedures consider the unique risks associated with the production and sourcing of each category of gold, ensuring comprehensive risk management throughout the supply chain.</p>

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>b. Level of concentration of gold in the supplied gold:</p> <p>EMR establishes benchmarks for acceptable levels of gold concentration in supplied gold, drawing from industry standards and regulatory requirements.</p> <p>To verify the concentration levels and quality of supplied gold, EMR conducts testing or analysis of gold samples.</p> <p>Controls are then implemented to prevent the supply of gold with excessively high or low concentrations, which may indicate quality issues or potential for illicit activities.</p> <p>EMR continuously monitors fluctuations in gold concentration levels over time and across different suppliers, promptly investigating any significant deviations or anomalies detected.</p>
<p><b>2.1.5 Delivery Channel Risk Factors:</b></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. Physical delivery of gold to unrelated third parties:</p> <p>EMR maintains a clear policy for the physical delivery of gold to unrelated third parties, ensuring alignment with standard business practices.</p> <p>To mitigate the risk of unauthorized or fraudulent physical deliveries, EMR implements stringent controls. These controls include thorough verification of recipient identities and meticulous documentation of delivery details to uphold transparency and accountability throughout the delivery process.</p> <p>b. Courier/transport related risk factors:</p> <p>EMR assesses transport provider security companies based on their physical security practices, specifically evaluating the use of sealed security boxes for shipments.</p> <p>EMR establishes contractual agreements with transport companies that encompass provisions</p>

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



for the secure handling and transportation of gold. These agreements include measures to prevent tampering or removal of contents during transit.

EMR actively monitors transport activities and implements tracking mechanisms to trace the movement of gold shipments. This allows EMR to detect any anomalies or deviations from expected routes or timelines promptly, ensuring the integrity and security of the transportation process.

c. Reliability and KYC information of third-party transportation companies:

EMR mandates third-party transportation companies to furnish KYC (Know Your Customer) information, which includes verifying their legal status, ownership, and compliance history.

Validation of the reliability of transportation companies is performed through accepted standards, such as industry certifications or regulatory approvals.

EMR establishes procedures for ongoing monitoring and verification of transportation companies' compliance with KYC requirements and security standards.

Periodic reviews of transportation providers are conducted to ensure continued adherence to established standards and mitigate the risk of unauthorized access or misuse of gold shipments.

## 2.2 Identify Red Flags/ High Risk Indicators in the gold Supply Chain



MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



<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>EMR has integrated red flags of the gold supply chain into its policies and procedures to educate employees and other stakeholders on how to identify red flags or high-risk indicators within the supply chain.</p>
<p><b>2.2.1 Location Based Red Flags</b></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, corruption, bribery, presence of informal banking systems, and known cash intensiveness in the economy</p>	<p>a) During the evaluation of clients and transactions, EMR gives careful consideration to the geographical location and transportation routes associated with the movement of gold and other precious metals. Each jurisdiction undergoes a thorough assessment to identify if the origin of gold or the transportation route passes through any jurisdiction identified as a Conflict-Affected and High-Risk Area (CAHRA), or any potential risks, including conflicts or instances of severe human rights violations such as exploitation of child labor or forced labor.</p> <p>b) To the maximum extent of its efforts, EMR assesses the full documented information about the gold origination jurisdiction of suppliers to ensure that the sourced quantity from the particular jurisdiction aligns with the discovered reserves and production levels of that jurisdiction.</p> <p>c) EMR ensures that the gold received and processed does not originate from or transit through a country known or reasonably suspected to be involved with Conflict-Affected and High-Risk Areas (CAHRAs). This is achieved by screening the known jurisdictions against the CAHRA's List.</p> <p>d) EMR ensures that there is no misrepresentation of gold throughout the transition and verifies that any jurisdiction where the gold is processed or originated is not identified as a Conflict-Affected and High-Risk Area (CAHRA).</p> <p>e) EMR's country risk assessment process incorporates the FATF Blacklisted and Greylisted countries to ascertain the strength or weakness of oversight concerning Money Laundering,</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>corruption, bribery, the presence of informal banking systems, and the degree of cash intensity in the economy in jurisdictions from which gold originates or is transported.</p>
<p><b>2.2.2 Supplier Red Flags</b></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>a. EMR ensures that if any of its suppliers are situated in or sourcing gold from red flag locations, proper Enhanced Due Diligence (EDD) must be conducted to mitigate associated risks.</p> <p>b. EMR ensures that none of its suppliers are sourcing gold from any red flag locations. If any suppliers or upstream entities are known to have sourced gold from red flag locations of gold origin and transit within the past 12 months, they are flagged for further scrutiny and subjected to Enhanced Due Diligence (EDD).</p> <p>c. EMR maintains a stringent policy regarding Know Your Customer (KYC) information and documentation. Any discrepancies or inconsistencies in KYC information, or if suppliers refuse to provide requested documentation, are considered red flags. Consequently, transactions are halted until adequate information has been obtained. In cases where suspicious activity is identified, Suspicious Transaction Reports (STRs) or Suspicious Activity Reports (SARs) are promptly raised without delay.</p> <p>d. EMR conducts thorough screenings of its suppliers and their Beneficial Owners (BOs) against the UN Consolidated Sanctions List and the UAE Local Terrorist List in accordance with regulations. If any supplier entity or its BOs are identified as listed in any of these sanctions lists, immediate actions are taken as defined in the regulations. Additionally, such instances are promptly reported in accordance with regulatory requirements.</p> <p>e. EMR ensures that suppliers lacking comprehensive policies and practices related to</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



Refiners with ASM gold should also consider the following aspects while identifying and assessing risk

- a. Suppliers of ASM gold sources, gold ore processing plant, traders and local exporters.
- 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).
- c. Whether the mining practice is subject to standards and best practices.
- d. Whether the ASM gold source consider ethical and environmental elements while handling and processing gold.

ethics, anti-money laundering, bribery, and corruption are flagged as red. EMR also educates and communicates effectively with its suppliers to ensure the implementation of a comprehensive compliance program within their organization, fulfilling all applicable compliance requirements.

f. EMR ensures that its suppliers have implemented effective risk assessment policies and procedures. In the event of a lack of a counterparty's risk assessment framework, this is considered a red flag. EMR also educates and communicates effectively with its suppliers to ensure the implementation of a comprehensive risk program within their organization, thereby fulfilling all applicable compliance requirements.

Additional Considerations for Refiners with Artisanal and Small-Scale Mining (ASM) Gold:

a. To the best of its ability, EMR ensures to identify if its supplier is involved in sourcing ASM (Artisanal and Small-Scale Mining) gold, operating gold ore processing plants, trading gold, or engaging in local exports. This comprehensive approach enables EMR to identify and mitigate the risks associated with various aspects of the gold supply chain.

b. To the best of its ability, EMR evaluates whether its supplier identified as ASM (Artisanal and Small-Scale Mining) engages in legitimate mining projects. This evaluation includes assessing factors such as legal registration, participation in cooperative-based or government-recognized initiatives, and support from central banks. By considering these factors, EMR determines the risk associated with dealing with said supplier and takes appropriate actions to mitigate any identified risks.

c. In the event of identifying any supplier engaged in ASM (Artisanal and Small-Scale Mining), EMR ensures to obtain maximum information and documentation to ascertain that the mining

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>practices of said supplier adhere to regulated standards and best practices. This includes verifying compliance with relevant regulations, certifications, and industry standards to mitigate risks associated with ASM sourcing.</p> <p>d. In the event of identifying any supplier engaged in ASM (Artisanal and Small-Scale Mining), EMR evaluates whether the ASM gold sources consider ethical and environmental factors in their handling and processing of gold, ensuring compliance with jurisdictional laws and regulations. This evaluation is crucial for ensuring responsible sourcing practices and mitigating risks associated with unethical or environmentally damaging mining activities.</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>EMR has implemented an enhanced due diligence procedure to address cases where a supplier's risk is identified as high risk. This procedure involves conducting additional scrutiny and comprehensive investigations to thoroughly assess the potential risks associated with the supplier. By implementing this enhanced due diligence process, EMR aims to effectively mitigate the risks posed by high-risk suppliers and ensure the integrity and compliance of its supply chain.</p> <p>In accordance with regulatory requirements, if a supplier's risk is identified as high, management approval is mandatory for onboarding that supplier. Additionally, ongoing due diligence is conducted quarterly on such suppliers to continuously monitor and mitigate associated risks. This proactive approach ensures compliance with regulations and helps safeguard the integrity of EMR's supply chain.</p>
---	---

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence

BUREAU  
VERITAS

### High-Risk Supply Chain Identification:

EMR conducts a thorough assessment of the supply chain to identify high-risk elements or red flags, such as involvement in conflict-affected or high-risk areas, lack of transparency in ownership structure, or past instances of non-compliance.

### Enhanced Due Diligence (EDD) Measures:

**Site Visits:** EMR has established an Enhanced Due Diligence (EDD) policy and procedure, which includes conducting site visits to supplier facilities or mining sites. These visits are conducted to verify the authenticity of operations, assess working conditions, and ensure compliance with regulatory requirements. By incorporating site visits into its EDD process, EMR enhances its ability to assess the risks associated with its suppliers and ensure responsible and ethical practices throughout its supply chain.

**Desk-Based Reviews:** EMR conducts comprehensive reviews of documentation provided by suppliers, including permits, licenses, financial statements, compliance records, etc. This rigorous process aims to verify the accuracy and legitimacy of the information provided. By thoroughly examining these documents, EMR ensures transparency, regulatory compliance, and integrity within its supply chain operations.

**Sample Transaction Reviews:** EMR has implemented a transaction monitoring policy and procedure whereby EMR reviews transactions conducted with suppliers to assess the reliability and integrity of business dealings. This involves analyzing transaction patterns, payment methods, and any discrepancies or anomalies detected. By conducting thorough transaction monitoring, EMR aims to identify and mitigate risks associated with

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



fraudulent or suspicious activities within its supply chain.

**Ongoing Monitoring:** EMR has implemented an ongoing monitoring policy and procedure along with mechanisms to continuously assess the risk level of high-risk relationships. This involves conducting periodic reviews, at least on a quarterly basis, to ensure compliance with established due diligence measures. By continuously monitoring high-risk relationships, EMR aims to promptly identify any changes in risk profiles and take appropriate measures to mitigate associated risks.

**Relationship Establishment:** EMR conducts Enhanced Due Diligence (EDD) measures during the establishment of relationships with high-risk suppliers to mitigate potential risks from the outset. This involves verifying the identity of the supplier, assessing their compliance history, and establishing clear expectations regarding compliance with regulatory requirements. Additionally, all high-risk relationships must be approved by the management of EMR. This proactive approach ensures that EMR effectively mitigates risks associated with high-risk suppliers and maintains compliance with regulatory standards.

**Documentation and Record-Keeping:** EMR has implemented a record-keeping policy and procedure to maintain detailed records of all Enhanced Due Diligence (EDD) activities conducted. This includes keeping records of site visit reports, findings from desk-based reviews, and outcomes of transaction reviews. Additionally, EMR documents the rationale for any decisions made based on EDD results. By maintaining comprehensive records, EMR ensures transparency, accountability, and compliance with regulatory requirements throughout its due diligence processes.



MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>Risk-Based Approach: EMR tailors Enhanced Due Diligence (EDD) measures to the specific risk profile of each high-risk relationship. This involves focusing on areas of greatest concern and allocating resources accordingly. By customizing EDD measures based on the unique risk profile of each relationship, EMR effectively prioritizes its efforts and maximizes the effectiveness of its risk mitigation strategies.</p>
<p><b>2.3.1 Conduct onsite visits</b> 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><b>2.3.2 : Determine if the Mined Gold is LSM Gold or ASM Gold</b></p>	<p>EMR has established an Enhanced Due Diligence (EDD) policy and procedure, which includes conducting site visits to supplier facilities or mining sites. These visits are conducted to verify the authenticity of operations, assess working conditions, and ensure compliance with regulatory requirements. By incorporating site visits into its EDD process, EMR enhances its ability to assess the risks associated with its suppliers and ensure responsible and ethical practices throughout its supply chain.</p> <p>EMR maintains a close relationship with its major gold suppliers, often conducting regular visits to each other's facilities. This close interaction fosters transparency, trust, and collaboration between EMR and its suppliers, allowing for effective communication and cooperation in addressing any issues or concerns that may arise in the supply chain.</p> <p>How to determine if Gold is LSM or ASM</p> <p>EMR has implemented a categorization system to distinguish between various types of supplied gold, including ASM (Artisanal and Small-Scale Mining) or LSM (Large-Scale Mining) gold, gold by-product, melted recyclable gold, and unprocessed recyclable gold.</p> <p>For each category of gold based on its nature and origin, Specific due diligence procedures are then implemented, tailored to each type of gold. These</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>procedures consider the unique risks associated with the production and sourcing of each category of gold, ensuring comprehensive risk management throughout the supply chain. EMR applies below procedures of determination of the type of gold.</p> <ul style="list-style-type: none"> <li>• Collect information on mining operations, including their scale, methods, and practices.</li> <li>• Review documentation provided by the gold supplier, such as mining permits, licenses, and regulatory filings.</li> <li>• Conduct interviews with representatives from the mining operations to gain insight into the scale and nature of their activities.</li> <li>• Verify findings by cross-referencing with industry standards and regulatory definitions of Large-Scale Mining (LSM) and Artisanal and Small-Scale Mining (ASM).</li> <li>• Document observations, assessments, and evidence collected during the determination process.</li> <li>• Classify mined gold as either LSM or ASM based on the assessment of scale, methods, and practices observed.</li> <li>• Include the determination of LSM or ASM status in compliance reports and documentation to ensure transparency and accountability.</li> </ul>
<p><b>2.3.3 Gather information/document such as, without limitation:</b></p> <p>a. Identification and verification of each entity in the Supply Chain through operating licenses or similar document;</p> <p>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);</p> <p>c. identifying the mines of origin, the transportation routes, and points where gold is traded;</p>	<p>a. EMR validates entities in the supply chain by verifying operating licenses or similar documents through cross-referencing with official databases or regulatory authorities. This ensures that all entities involved in the supply chain possess the necessary authorization to operate legally, thereby mitigating potential risks associated with unauthorized or unlicensed entities.</p> <p>b. EMR confirms ownership and connected parties' ownership exceeding 25% through due diligence checks, which include examining shareholder registers and corporate governance</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



- 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 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;

documentation. This process ensures transparency and accountability within the supply chain by verifying the ownership structure of entities involved, thereby mitigating risks associated with undisclosed or opaque ownership arrangements.

c. To the best of its ability, EMR identifies mines of origin, transportation routes, and trading points through comprehensive research, which may include site visits and stakeholder interviews. This thorough approach ensures a deeper understanding of the gold supply chain, enabling EMR to mitigate risks associated with potential illicit activities or unethical practices.

d. In the case of ASM suppliers, EMR ensures the legitimacy of ASM involvement through thorough investigation, which includes assessments of compliance with ASM regulations and standards. This rigorous process helps verify that ASM activities align with ethical and legal requirements, thereby mitigating risks associated with ASM sourcing.

e. EMR accurately obtains and documents details of Beneficial Owners and ASM controllers through direct communication and verified documentation. This meticulous process ensures transparency and accountability within the supply chain, enabling EMR to effectively identify and mitigate risks associated with ASM sourcing.

f. EMR thoroughly obtains descriptions of gold processing and transportation methods, documenting each step in the process and associated risks. This comprehensive approach ensures a detailed understanding of the entire gold supply chain, enabling EMR to identify and mitigate potential risks effectively.

g. EMR comprehensively identifies related businesses, subsidiaries, and affiliates through corporate structure analysis and disclosure requirements. By thoroughly examining the corporate structure and adhering to disclosure

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



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.

regulations, EMR ensures transparency and accountability within its supply chain, enabling effective risk management and compliance with regulatory standards.

h. EMR verifies entity identity using reliable source documents and independent verification services to ensure accuracy and authenticity. This rigorous verification process enhances the integrity of EMR's supply chain by confirming the legitimacy of entities involved, mitigating the risk of fraud or misrepresentation.

i. To the fullest extent possible, EMR endeavors to identify any nexus to government, political, or criminal groups using various data sources, including public records and intelligence databases. This comprehensive approach helps EMR mitigate risks associated with illicit activities or improper influence within its supply chain, ensuring adherence to ethical standards and regulatory requirements.

j. To the fullest extent of its capabilities, EMR diligently gathers and documents evidence of serious abuses in mining and transportation areas. This includes collecting eyewitness accounts, investigative reports, and any other relevant information. By meticulously documenting such evidence, EMR demonstrates its commitment to addressing human rights abuses and ensuring ethical practices within its supply chain.

k. To the best of its abilities, EMR endeavors to collect detailed information on support provided to non-state armed groups or security forces. This includes gathering data on payments, contracts, and logistical assistance. By thoroughly investigating and documenting such information, EMR aims to ensure compliance with regulations and mitigate risks associated with involvement in activities that support armed groups or security forces.

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence

BUREAU  
VERITAS

l. EMR screens entity names, Beneficial Owners (BOs), and associated parties against government watch lists for sanctions or adverse media coverage proactively using the screening system "World Check." Additionally, EMR manually screens entity names, BOs, and associated parties with the UN Consolidated Sanctions List and the UAE Local Terrorist List. This dual-screening approach ensures thorough due diligence and helps EMR identify and mitigate any potential risks associated with dealing with sanctioned entities or individuals involved in terrorist activities.

m. To the best of its abilities, EMR strives to assess mine production capacity and meticulously records any discrepancies. This includes reconciling production figures with official reports and industry benchmarks. By conducting thorough assessments and maintaining accurate records, EMR ensures transparency and integrity in its evaluation of mine production, enabling effective risk management and decision-making within the supply chain.

n. EMR also analyzes processing capacity against recorded production data meticulously. This analysis includes considering factors such as equipment capacity and efficiency. By examining processing capacity in relation to production data, EMR ensures that operations are running efficiently and effectively within the supply chain. This meticulous approach helps identify any discrepancies or inefficiencies, allowing for prompt corrective action to be taken.

o. EMR accurately and comprehensively checks the documents of payments to government or regulatory agencies, including supporting documentation and audit trials. This meticulous approach ensures transparency and accountability in financial transactions, enabling EMR to adhere to regulatory requirements and mitigate the risk of



MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



corruption or improper payments within the supply chain.

p. EMR meticulously checks the records of payments to security forces or armed groups in the supply chain. This includes implementing tracking and reporting mechanisms for transparency. By closely monitoring and documenting payments to security forces or armed groups, EMR ensures compliance with ethical standards and regulatory requirements while mitigating the risk of supporting illicit activities or human rights abuses within the supply chain.

q. EMR continuously monitors the militarization of mine sites, transportation routes, and trading points. This includes conducting regular risk assessments and engaging with stakeholders. By staying vigilant and proactive, EMR can identify and address any potential risks associated with militarization in the supply chain. Regular risk assessments and stakeholder engagement help ensure that EMR remains informed and responsive to changes in the security landscape, thereby safeguarding the integrity and sustainability of its operations.

r. EMR diligently collects comprehensive Know Your Customer (KYC) information for gold exporters and supply chain actors. This includes ongoing verification and updates to ensure accuracy and reliability of the information. By maintaining up-to-date and thorough KYC records, EMR mitigates risks associated with money laundering, terrorism financing, and other illicit activities within the supply chain. This proactive approach also helps EMR comply with regulatory requirements and uphold the integrity of its operations.

s. EMR meticulously verifies documents related to supplier transactions. This includes comparing them against industry standards and best practices to ensure accuracy and compliance. By conducting

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>thorough document verification, EMR mitigates the risk of errors, fraud, and non-compliance within the supply chain. This diligent approach helps maintain transparency, integrity, and trust in EMR's operations and dealings with suppliers.</p>
--	---

### STEP 3: MANAGEMENT OF THE SUPPLY CHAIN RISK

**Compliance statement:** EMR's policy aligns with the Management of the supply chain risk, as it has established and implemented a comprehensive Risk Control Plan and continuous monitoring mechanisms. These measures aim to effectively manage and mitigate identified risks within the supply chain. By adopting this approach, EMR ensures ongoing compliance with regulatory requirements and safeguards against potential threats. This commitment reflects proactive risk management and adherence to industry best practices.

**Demonstration of Compliance:** **Compliant with Low-Risk Deviations**

#### Management of the Supply Chain Risk

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.

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

EMR has implemented a comprehensive Risk Assessment policy and procedure to systematically identify and assess risks within the Supply Chain. This assessment occurs both before entering new business relationships with suppliers and on an ongoing basis to tailor due diligence measures accordingly. In instances where high risks are identified, EMR applies enhanced due diligence measures to mitigate these risk factors effectively.

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence

BUREAU  
VERITAS

### 3.1 Devise a risk management strategy for the identified risk

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.

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.

EMR has developed and implemented a comprehensive Supply Chain policy that prominently addresses risk factors within the supply chain and outlines corresponding mitigation measures.

The Compliance department at EMR meticulously monitors transactions and due diligence measures for clients/suppliers identified as high-risk on a periodic basis, striving to fully mitigate identified risks possible. In cases where a supplier/client is deemed suspicious or uncooperative, EMR promptly terminates the business relationship and, if necessary, reports the matter to the Financial Intelligence Unit (FIU).

EMR maintains a strict zero-tolerance policy towards Money Laundering (ML)/Financing of Terrorism (FT), human rights abuses, involvement with non-state armed groups, and fraudulent misrepresentation of the origin of goods. EMR refrains from establishing business relationships with such suppliers and promptly terminates existing relationships upon suspicion of involvement in such activities."

As part of the risk mitigating plan EMR:

- a. Establish or Continue Relationships:
- Conducts thorough Enhanced Due Diligence (EDD) on suppliers to assess risk factors comprehensively.
  - Evaluates whether suppliers adequately manage identified risks within their operations.
  - Collaborates with suppliers to agree on remedial actions for improvement, addressing any identified deficiencies.
  - Obtains approval from senior management and the Compliance officer for the improvement plan, ensuring alignment with organizational objectives.

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



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

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.

- Measures improvement through quantitative and qualitative analysis, tracking progress against predefined metrics and benchmarks.
- Seeks significant improvement within a timeframe of 6 months; if improvement is not achieved, considers suspending or terminating the relationship with the supplier.
- By implementing these measures, EMR aims to proactively manage and mitigate risks within its supply chain, fostering transparency, accountability, and continuous improvement in supplier practices.

#### b. Suspend Engagement:

- Suspend engagement immediately upon founded suspicion of Money Laundering, Terrorist Financing, human rights abuses, or support to illegitimate non-state armed groups.
- Ensure that all necessary risk mitigation measures are adequately completed and verified before considering the resumption of engagement.

This approach underscores EMR's commitment to ethical conduct and regulatory compliance, safeguarding against illicit activities within its supply chain while prioritizing the protection of human rights and the prevention of unlawful activities.

#### c. Terminate Relationships:

- Immediately terminate relationships upon identifying instances of Money Laundering, Terrorist Financing, human rights abuse, or support to armed conflicts.
- Submit comprehensive reports to the Financial Intelligence Unit (FIU) detailing the termination and relevant findings, ensuring transparency and regulatory compliance.

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>This swift and decisive action demonstrates EMR's commitment to upholding legal and ethical standards, safeguarding against illicit activities, and promoting accountability within its operations.</p>
<p><b>3.2 Risk Control Plan</b></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"> <li>a. reporting mechanisms for identified risks to the senior management;</li> <li>b. enhanced engagement with suppliers through establishing a Chain of Custody and/or traceability system where a red flag has been identified</li> <li>c. enhancement of the physical security practices;</li> <li>d. physical segregation and security of shipments where a red flag has been identified;</li> <li>e. an agreement with the supplier which facilitates timely and accurate provision of additional information related to supply chain with identified risks.</li> <li>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;</li> <li>g. reviewing on a regular basis the results of the mitigation measures, undertaking additional fact &amp; risk assessments for identified risks requiring mitigation or after a change of circumstances.</li> </ul>	<p>EMR adopts an 'Establish/Continue' or 'Suspend' approach in order to comply with the risk mitigation plan also ensures:</p> <ul style="list-style-type: none"> <li>a. EMR establishes reporting mechanisms to promptly inform senior management of identified risks within the supply chain. This ensures that potential risks are swiftly communicated to key decision-makers, allowing for timely assessment and implementation of appropriate mitigation measures. By maintaining transparent and efficient reporting channels, EMR enhances its ability to proactively address and manage risks, thereby safeguarding the integrity and resilience of its supply chain operations.</li> <li>b. EMR implements a Chain of Custody and/or traceability system for suppliers where red flags have been identified to enhance engagement and transparency. This system allows for the tracking and documentation of the movement of goods throughout the supply chain, enabling EMR to verify the origin and authenticity of products and ensure compliance with ethical and regulatory standards. By implementing such a system, EMR strengthens its ability to identify and address potential risks, while also promoting accountability and trust within its supply chain relationships.</li> <li>c. EMR consistently strengthens physical security practices within the supply chain to effectively mitigate identified risks. This includes implementing robust security measures at various</li> </ul>



MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



stages of the supply chain, such as secure storage facilities, surveillance systems, access controls, and transportation security protocols. By prioritizing physical security, EMR enhances the protection of valuable assets and minimizes the risk of theft, tampering, or unauthorized access. This proactive approach demonstrates EMR's commitment to safeguarding its operations and assets while ensuring the integrity and reliability of its supply chain processes.

d. In case of identifying any red flags, EMR ensures physical segregation and implements heightened security measures for shipments to prevent unauthorized access or tampering. This includes implementing secure storage facilities, employing additional surveillance measures, and strictly controlling access to sensitive areas. By segregating and securing shipments, EMR minimizes the risk of tampering or unauthorized access, thereby safeguarding the integrity of its supply chain and protecting valuable assets from potential threats or illicit activities.

e. EMR emphasizes the importance of these measures and supports their implementation within supplier operations. Additionally, EMR encourages suppliers to facilitate the timely and accurate provision of additional information related to identified risks within the supply chain. This collaborative approach promotes transparency, enhances compliance efforts, and strengthens risk management practices throughout the supply chain.

f. EMR has implemented protocols for disengaging with suppliers who fail to comply with mitigating controls within a 6-month period. If a supplier demonstrates a lack of interest in applying mitigating controls, EMR will dissolve the relationship in accordance with the standards set forth for Regulated Entities conducting due diligence. This proactive approach ensures adherence to regulatory requirements and

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>promotes accountability within the supply chain, while also mitigating potential risks associated with non-compliant suppliers.</p> <p>g. EMR conducts regular reviews of the effectiveness of mitigation measures by undertaking periodic assessments and implementing additional measures as necessary to mitigate associated risks. These reviews involve thorough evaluations of the implemented controls and their impact on risk reduction within the supply chain. By continuously monitoring and assessing the effectiveness of mitigation measures, EMR ensures that its risk management strategies remain robust and adaptive to evolving threats. This proactive approach strengthens EMR's ability to safeguard its operations and uphold compliance with regulatory standards.</p>
<p><b>3.3 Continuous Monitoring</b></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 the Regulated Entity to repeat some due diligence steps to ensure effective monitoring of risk</p>	<p>As per regulatory requirements governing supply chain due diligence, when the risk of a supplier is identified as high, Management approval is mandatory for onboarding that supplier. Additionally, ongoing due diligence is conducted quarterly on such suppliers to ensure continuous monitoring and risk assessment. This approach aligns with regulatory standards and underscores EMR's commitment to proactive risk management and compliance with industry regulations.</p> <p>As part of its risk control plan, EMR ensures ongoing risk monitoring by applying the following measures:</p> <ul style="list-style-type: none"> <li>• Regular Risk Assessments: Conducting periodic risk assessments to identify and evaluate potential risks within the supply chain.</li> <li>• Continuous Due Diligence: Continuously monitoring and verifying the compliance status of suppliers and conducting enhanced due diligence as necessary.</li> <li>• Transaction Monitoring: Implementing systems to monitor transactions for any</li> </ul>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>suspicious activities or deviations from expected patterns.</p> <ul style="list-style-type: none"> <li>• Regulatory Compliance: Staying abreast of regulatory changes and ensuring compliance with relevant laws and regulations governing the gold supply chain.</li> <li>• Incident Reporting: Establishing mechanisms for reporting and investigating any incidents or red flags promptly.</li> <li>• Supplier Engagement: Maintaining open communication channels with suppliers to address any emerging risks or concerns collaboratively.</li> </ul> <p>By implementing these measures, EMR aims to proactively identify and mitigate risks within the supply chain, ensuring the integrity and resilience of its operations.</p>
--	--

#### STEP 4: INDEPENDENT THIRD-PARTY AUDIT OF DUE DILIGENCE MEASURES

**Compliance statement:** EMR commenced its refinery operations in 2021, initially with limited business and a small number of suppliers. Subsequently, from 2022, the business experienced growth, and additional suppliers were onboarded. However, despite this expansion, an Independent Third-Party audit assessment was not conducted for the year 2022. To ensure compliance with the EBC rules and supply chain due diligence guidelines, EMR is now conducting its first Independent Third-Party audit assessment for the refinery in the year 2023. This assessment marks a significant step in EMR's commitment to upholding ethical standards and regulatory compliance within its operations, demonstrating its dedication to responsible business practices in the gold industry.

**Demonstration of Compliance:** Fully compliant

MOE Regulations for RBD G

## Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



<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>	<p>EMR has contracted Bureau Veritas to conduct its inaugural third-party review in accordance with the EBC Review Protocol. Bureau Veritas is an authorized reviewer included in the EBC's approved list of third-party reviewers. Emirates Minting Factory LLC is fully prepared to collaborate with Bureau Veritas and will extend full cooperation to facilitate the assessment process. The evaluation will adhere to the Minimum Review Requirements stipulated by the EBC. This underscores EMR's commitment to transparency, ethical standards, and adherence to regulatory guidelines within the gold refining industry.</p>
<p><b>4.1 Audit Plan</b></p> <p>Regulated Entities should plan the audit in line with the Regulations and consider the below elements.</p> <p><b>4.1.1 Audit scope:</b> 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> <p><b>4.1.2 Audit criteria:</b> 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><b>4.1.3 Audit principles:</b></p> <p><b>a. Independence:</b> 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</p>	<p>EMR has planned its inaugural audit in strict accordance with regulatory guidelines and comprehends the following minimum requirements of the audit:</p> <p>4.1.1 The audit scope will encompass all key components of EMR's Supply Chain Due Diligence framework as stipulated in the Regulations. This includes:</p> <ul style="list-style-type: none"> <li>• Supply Chain Due Diligence Policy and Procedures: Reviewing the documented policies and procedures governing supply chain due diligence to ensure alignment with regulatory requirements and industry best practices.</li> <li>• Processes and Systems: Assessing the effectiveness and efficiency of the processes and systems employed by EMR to implement supply chain due diligence, including data collection, risk assessment, and monitoring mechanisms.</li> <li>• Supply Chain Risk Assessment: Evaluating the methodologies used by EMR to conduct risk assessments across its supply</li> </ul>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



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.

**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.

**c. Accountability:** List of accredited Reviewers shall be published on the MoE's website.

#### 4.1.4 The audit activities:

**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.

**b. Onsite Investigation:** The reviewers must conduct onsite investigations and gather evidence and verify information by conducting interviews with 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.

**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

chain, including the identification of potential risks related to conflict minerals, money laundering, terrorism financing, human rights abuses, and environmental concerns.

- Risk Mitigating Measures: Reviewing the measures implemented by EMR to mitigate identified risks within its supply chain, such as enhanced due diligence procedures, supplier engagement initiatives, and transparency measures.
- Supplier Engagement Details: Examining EMR's practices for engaging with suppliers, including communication channels, expectations for compliance with due diligence requirements, and mechanisms for addressing non-compliance.
- Chain of Custody and Traceability: Verifying the documentation and processes related to the chain of custody and traceability of gold within EMR's supply chain, ensuring transparency and accountability in sourcing practices.
- Other Traceability Information: Assessing any additional traceability information provided by EMR, such as certifications, audits, or other verification mechanisms, to validate the origin and ethical sourcing of gold.

By conducting a comprehensive audit of these elements, EMR aims to demonstrate its commitment to responsible sourcing practices, regulatory compliance, and ethical standards within the gold refining industry.

4.1.2 The audit will assess the adherence and implementation of EMR's Supply Chain Due Diligence framework in accordance with an audit standard that is derived from the Regulations. This evaluation aims to ascertain the level of conformity and compliance with the Regulations



MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



in all interactions and communications with participants throughout the entire supply chain.

4.1.3

**Independence:** Bureau Veritas, as an independent third-party reviewer engaged by EMR, maintains complete impartiality and independence in its assessment. Bureau Veritas and its members have no conflicts of interest or business relationships with EMR. Additionally, Bureau Veritas has never provided any consultancy services to EMR, ensuring the integrity and objectivity of the audit process. This commitment to independence reinforces the credibility and trustworthiness of the audit findings and recommendations provided by Bureau Veritas.

**Competence:** Bureau Veritas is an approved reviewer of the EBC, demonstrating its competence and capability to conduct the review effectively. The review will be carried out in accordance with accepted auditing standards, ensuring thoroughness and accuracy in the assessment process. Furthermore, Bureau Veritas adheres to personal attributes such as integrity, confidentiality, and professionalism, instilling trust and reliability in its audit procedures.

**Accountability:** In addition to these qualities, reviewers at Bureau Veritas possess specialist skill sets related to Supply Chain due diligence principles, procedures, and techniques, including internationally accepted guidelines such as the OECD Guidelines. Their expertise encompasses a deep understanding of gold procurement practices, geographical contexts, and other relevant factors essential for conducting comprehensive supply chain audits.

By leveraging this expertise and adherence to best practices, Bureau Veritas aims to deliver high-quality audit outcomes that align with regulatory

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>requirements and industry standards, providing valuable insights and recommendations to enhance EMR's supply chain due diligence processes.</p> <p>4.1.4  <b>Audit Preparation:</b> Sufficient preparation was provided by Bureay Veritas, and detailed audit plan is presented before the audit.</p> <p><b>Onsite Investigation:</b> As outlined in the audit plan, the on-site investigation phase is scheduled to take place from March 19th to March 22nd, 2024. During this period, Bureau Veritas auditors will physically visit EMR's facilities to conduct thorough assessments and gather first-hand information regarding the implementation of supply chain due diligence processes.</p> <p><b>Document Review:</b> During the scheduled on-site visit, Bureau Veritas will conduct a detailed document review as part of the audit process. This review aims to examine various documentation relevant to EMR's supply chain due diligence framework, policies, procedures, and practices.</p>
<p><b>4.2 Audit implementation:</b>          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>The audit conducted by Bureau Veritas will encompass various components, including the validation, reporting, and recording of findings to determine the level of conformity of EMR's supply chain due diligence with the EBC Rules for RBD-GPM.</p> <p>EMR is committed to providing full support and coordination to Bureau Veritas to ensure a thorough and effective review aligned with audit standards. This support includes:</p> <ul style="list-style-type: none"> <li>• <b>Access to Information:</b> EMR will facilitate access to all relevant documentation, policies, procedures, and records necessary for the audit review. This ensures that Bureau Veritas has the information needed to conduct a comprehensive assessment of</li> </ul>

MOE Regulations for RBD G

**Refiner Compliance Report**

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>EMR's supply chain due diligence framework.</p> <ul style="list-style-type: none"> <li>• On-Site Assistance: EMR will provide on-site assistance to Bureau Veritas during the audit process. This may involve coordinating meetings with key personnel, arranging site visits, and facilitating interviews with relevant stakeholders to gather additional insights and information.</li> <li>• Clarifications and Queries: EMR will promptly address any queries or requests for clarification from Bureau Veritas throughout the audit process. This ensures that Bureau Veritas has a clear understanding of EMR's supply chain practices and can effectively evaluate compliance with audit standards.</li> <li>• Collaboration on Improvement Measures: EMR will collaborate with Bureau Veritas to implement any recommended improvement measures or corrective actions identified during the audit. This may involve developing action plans, setting timelines for implementation, and monitoring progress to ensure effective remediation of any identified deficiencies.</li> <li>• By providing full support and collaboration, EMR aims to facilitate a transparent, thorough, and constructive audit review process with Bureau Veritas, ultimately enhancing its supply chain due diligence practices in alignment with audit standards and regulatory requirements.</li> </ul>
--	--

### STEP 5: ANNUAL REPORTING ON DUE DILIGENCE MEASURES

**Compliance statement:** EMR's Compliance department diligently prepared and presented management reports biannually throughout 2023 in strict adherence to the established policy and procedure governing management reporting. These reports were meticulously compiled, analyzed, and presented to ensure compliance with regulatory requirements and organizational standards.

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



Furthermore, EMR is currently undergoing its inaugural Independent Third-Party audit assessment for the refinery in the year 2023. Once this assessment is successfully completed, EMR is committed to sharing the audit report publicly. This transparent approach underscores EMR's dedication to accountability, regulatory compliance, and fostering trust among stakeholders.

**Demonstration of Compliance: Fully compliant**

#### 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.**

##### Management Systems

The Comprehensive Management Report should include:

- 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

EMR has conscientiously developed and implemented a robust procedure for management reporting to meet regulatory requirements. This procedure encompasses a systematic approach to gathering, analyzing, and presenting relevant information to key stakeholders within the organization. By adhering to this structured process, EMR ensures the timely and accurate dissemination of crucial data for informed decision-making. This commitment to effective management reporting underscores EMR's dedication to regulatory compliance and transparent communication practices.

**The comprehensive Management report includes:**

- comprehensive management structure delineating clear roles and responsibilities pertaining to Supply Chain Due Diligence. This structure ensures accountability, transparency, and effective oversight throughout the organization's supply chain management processes.
- Comprehensive set of policies and procedures related to Supply Chain Due Diligence to ensure adherence to standards and guidelines for compliance.
- Detailed procedures for Know Your Customer (KYC) and information collection to ensure thorough verification of counterparties in the supply chain.
- A robust system of database and record-keeping to store all relevant information and documentation related to Supply Chain Due Diligence activities.

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



	<p>e. A comprehensive procedures for the identification and verification of all counterparties in the Supply Chain system, ensuring compliance with regulatory requirements and industry standards.</p>
<p><b>5.2 Risk assessment</b> Regulated Entities should include in their Comprehensive Management Report the risk assessment procedures (Step 2). In particular, Regulated Entities should include:</p> <ul style="list-style-type: none"> <li>a. how the red flags are identified;</li> <li>b. details of the red flags identified;</li> <li>c. describe the steps taken to map the factual circumstances of those red flag operations and red flagged Supply Chains;</li> <li>d. methods of assessment teams including collaboration with other stakeholders in the Supply Chain; and</li> <li>e. actual or potential risks identified.</li> </ul>	<p>EMR has established a thorough risk assessment procedure to identify, evaluate, and mitigate risks associated with its supply chain operations. EMR has included its risk assessment procedure into the Management report by following steps:</p> <ul style="list-style-type: none"> <li>a. Identification of Red Flags: Document the methods and criteria used to identify red flags within the supply chain, ensuring transparency and consistency in the identification process.</li> <li>b. Details of Identified Red Flags: Provide detailed descriptions of the red flags identified, including specific instances or patterns of behavior that raise concerns about potential risks.</li> <li>c. Steps Taken to Map Factual Circumstances: Describe the steps taken to map the factual circumstances of red flag operations and supply chains, including data collection, analysis, and verification processes.</li> <li>d. Methods of Assessment Teams: Outline the methods used by assessment teams, including any collaboration with other stakeholders in the supply chain, to assess red flag operations and supply chains comprehensively.</li> <li>e. Actual or Potential Risks Identified: Document the actual or potential risks identified through the risk assessment process, including their nature, severity, and potential impact on the supply chain.</li> </ul>
<p><b>5.3 Risk Management</b> Regulated Entities should include, in their Comprehensive Management Report, the risk management procedures (Step 3). In particular, Regulated Entities should include:</p>	<p>EMR has implemented a robust risk management system to effectively identify, assess, mitigate, and monitor risks across its supply chain. The risk management system encompasses various processes, tools, and methodologies aimed at</p>

MOE Regulations for RBD G

### Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



- a. the internal controls that would have assisted in gathering required information on red flagged Supply Chain;
- b. describe the steps taken to manage risks, including a risk strategy for risk mitigation, procedures and mechanism in place to monitor remediation activities; and
- c. 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.

ensuring proactive risk management and enhancing organizational resilience. EMR includes the risk management into its management report and below are the key components of EMR's risk management system:

a. Internal Controls for Information Gathering:

Implement internal controls to facilitate the collection of necessary information on red-flagged supply chains, ensuring adherence to regulatory requirements and industry standards.

b. Risk Management Steps:

Develop a comprehensive risk management strategy, including a plan for risk mitigation and procedures for monitoring and evaluating remediation activities.

Ensure that the risk management strategy aligns with the organization's overall objectives and compliance obligations.

c. Actions Taken for Risk Mitigation:

Take appropriate actions, such as continuing, suspending, or terminating relationships with suppliers, based on the risk assessment findings and risk management strategy.

Maintain confidentiality of supplier identities, except where disclosure is mandated by law or regulatory requirements.



MOE Regulations for RBD G

## Refiner Compliance Report

For third-party audits based on ISAE 3000



Move Forward with Confidence



### 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 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 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 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 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 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

MOE Regulations for RBD G  
**Refiner Compliance Report**  
 For third-party audits based on ISAE 3000



**[Refiner's] overall Management conclusion**

Table 3: Management conclusion	
<b>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?</b>	
Yes	<p>Management response: In conclusion, Emirates Minting Factory LLC implemented effective management systems, procedures, processes, and practices to conform to the requirements of the <b>MOE_Due Diligence Regulations for Responsible sourcing of Gold V1" Version 1/2022</b>, as explained above in Table 2, for the reporting year ended 31 December 2023.</p> <p>Emirates Minting Factory LLC 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 Emirates Minting Factory LLC with respect to this report, they can contact corporate relations on <a href="mailto:Compliance@emiratesminting.ae">Compliance@emiratesminting.ae</a> & <a href="mailto:info@emiratesminting.ae">info@emiratesminting.ae</a> .

Location: Al Qouz 2, Dubai UAE

Date: 13-03-2024

Sign and Company Stamp:

