

1. Company Information

Company Name: Al Etihad Gold Refinery DMCC
CID Number: CID002560
Company Location: Unit No. EZ-03-04 Plot No. DMCC-EZ3-04,
Jumeirah Lakes Towers, Dubai, UAE
Material Processed: Gold

2. RMAP Assessment Summary

Date of Last RMAP Assessment: 15 to 16 December 2019
Assessment Period: 16 Sep 2018 to 15 Nov 2019
Assessment Firm: SCS Global Services

Date of Current RMAP Assessment: 27 to 30 March 2020
Assessment Period: 15 Nov 19 to 31 Dec 2020
Assessment Firm: Arche Advisor

URL to the report: <http://www.aletihadgold.com/en-US/openanaccount/responsible sourcing>

3. Company Supply Chain Policy

Al Etihad Gold recognizes that risks of significant adverse impacts may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and we recognize that, we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

Al Etihad Gold's Supply Chain Policy is fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (OECD Guidance). It covers all the risk Identified in Annex II of the OECD Guidance and its geographic scope is global. The company is committed to addressing and Annex II Risk if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees, etc.,) and is available in our company website at www.aletihadgold.com.

4. Company Management Systems

Management Structure

The company follows through on its commitments in the supply chain policy and has developed and internal procedure for due diligence. The provisions, procedures and controls detailed in the policy and procedures manual are mandatory and applies to Al Etihad Gold management and employees. Specific roles are stipulated in each of the employees Job Descriptions. The company has assigned Compliance Officer who is responsible in overseeing the due diligence program, risk management design and implementation.

The company conducted several trainings based on the risk exposure of each staff in the supply chain. A strong and open communication line between Compliance Officer, top management, and relevant employees for concerns regarding the supply chain. Trainings programs are available and done based on the level of risk and exposure to the supply chain. A training plan is carried out by the Compliance Officer for the reporting period. Also, a training need analysis is required to monitor if additional or refresher trainings are needed.

Internal Systems of Control

The company has established due diligence management systems that are aligned with the OECD Guidance. We communicated the supply chain policy and sourcing requirements to all our direct counterparties. The company has also incorporated the due diligence requirements into the account opening form and daily transaction. There are three independent departments that verifies the conformity of the materials before processing. A non-conformance will be a reason to hold, reject or not process the shipment. As part of account opening and yearly site visit, we discuss and engage our direct counterparties the responsible sourcing practices and the OECD Guidance and assists them on improving their due diligence practices.

The company has also grievance mechanism available to all stakeholders in the following link:

<http://www.aletihadgold.com/en-US/contactus/grievances>

We have not received any grievance regarding our responsible sourcing practice till date of publication of this report. Any information received from grievances will be reviewed and if needed, incorporated in the due diligence practices as improvement.

Record Keeping System

The company requires that all records relating to the due diligence program are maintained for at least five years and that they are properly used and stored in the company's accounting system. Information such as KYC, Supply Chain Due Diligence, and transaction documentations are kept.

5. Risk Identification

The company developed its risk identification and assessment procedure. To determine if an area is Conflict-Affected or High-Risk, Al Etihad Gold uses the following resources listed below to evaluate elements of a CAHRA. If one or more indicators are identified, the country will be classified as CAHRA.

Criteria	Resources	Indicator
Human Rights Risk	U.S Department of Labor's List of Goods Produced by Child Labor and Forced Labor Report.	A country listed in the report that produced gold with the presence of Child Labor, Forced Labor will be considered CAHRA
Money Laundering, Terrorist Financing, Corruption and Governance Risk	The ranking (from 0 to 100) provided by www.knowyourcountry.com which provides a country risk level taking into account conflict, UN sanctions, Corruption, AML/CFT. The risk is higher for lower ranked countries.	A ranking of 50 and below will be considered CAHRA
Conflict Risk	The Conflict Barometer published annually since 1992 analyses the global conflict events. It includes non-violent and violent crises, wars, coup d'etats as well as peace negotiations.	A country having a score of Level 4 and 5 will be considered a CAHRA

Section 1502 Dodd-Frank covered Countries (as a minimum requirement of the RMI RMAP Standard)	The Securities and Exchange Commission adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies to publicly disclose their use of conflict minerals that originated in the Democratic Republic of the Congo (DRC) or an adjoining country.	The DRC and the surrounding country will be considered CAHRA
Human Rights Risk EU CAHRA List (as a minimum requirement of the RMI RMAP Standard)	The EU will be providing an indicative list of CAHRAs pursuant to Article 14.2 of the European Union Regulation 2017/821 (once available and adopted by RMI)	Any country included in the list will be CAHRA
Other Risk	Google Alerts (with reports from news, NGO, OECD, UN, Social Media and other publicly available information.	Any new information regarding countries, region or supply chain actor from google alerts, the risk will be depending on the content of the report.

The procedure to identify a CAHRA was further enhanced during October 2020 as per the recommendation of RMI RMAP Standard to include as minimum requirement the DRC and surrounding countries and EU CAHRA list.

The company designed a Know your Customer Process that includes information concerning suppliers. Main elements of Know-Your-Customer (KYC) process – Identification process, verification, and KYC together form the first key step and is to be conducted prior to the acceptance of any Al Etihad Gold client. Following Applicant screening through World-Check (against UN and other International Sanctions, Money laundering, terrorist list, other crimes etc.) and background information checks, together with review of the applicants intended purpose of business, sources of funds and expected level of activity. An initial decision will be made with respect to the application status (acceptance, rejection, obtain more information). 100% of our direct supplying counterparties' KYC are updated at least annually or more frequently as needed.

Enhanced Due Diligence

The information gathered from the customers KYC and transaction will be reviewed to identify origin and transport red flags. A red flag is a warning or indicator for potential risk. In the context of due diligence, a red flag can be a location, supplier, or circumstances that triggers a need for enhanced due diligence (that is further investigation).

List of red flags (minimum) as defined by the OECD:

Type of Ref Flag	Description of Red Flag
Locations Red Flag	The gold originates from or has been transported through a conflict-affected or high-risk area (CAHRA).
Locations Red Flag	The gold is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold (i.e. the declared volumes of gold from that country are out of keeping with its known reserves or expected production levels).

Locations Red Flag	The gold is claimed to originate from a country through which gold from conflict-affected and high-risk areas (CAHRA) is known or reasonably suspected to transit.
Locations Red Flag	The gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from conflict-affected and high-risk areas (CAHRA) is known or reasonably suspected to transit.
Supplier Red Flag	Suppliers or other known upstream companies operate in one of the abovementioned red flag locations of gold origin and transit, or have shareholder or other interests in suppliers of gold from one of the above-mentioned red flags locations of gold origin and transit.
Supplier Red Flag	Suppliers or other known upstream companies are known to have sourced gold from a red flag location of gold origin and transit in the last 12 months.
Circumstances Red Flag	Anomalies or unusual circumstances are identified through the information collected in Step 1 which give rise to a reasonable suspicion that the gold may contribute to conflict or serious abuses associated with the extraction, transport or trade of gold.

Our enhanced due diligence procedure goes beyond our direct counterparties (tier 1). We are working with our Tier 1 (our direct supplying counterparty) suppliers to obtain Tier 2 or beyond (Until the origin) KYC and due diligence practices. Reviewing red flags goes beyond Tier 1. We review obtained information from our counterparty and identify through the documentation if there is presence of Annex II adverse impacts in the supply chain. We review research reports from government, international organizations, NGO's, media, UN reports etc. related to mineral extraction and impacts on conflict, human rights or environmental harm in the country of origin. We also review to identify if a supply chain actor (i.e. miner, transporter or exporter) is named in a report or has a hit on world check or in google search or other publicly available information or research. Also, we obtain evidence through Site Visits to verify information from the origin of the materials. Till date, Al Etihad Gold team does the site visits for higher risk counterparties or suppliers. We use the LBMA Site Visit Form (mined and recycled) to record the verification done during the site visit assessment.

6. Risk Mitigation

The information collected on the enhanced due diligence steps will be assessed to identify actual presence of supply chain risk (as per Supply Chain Policy or Annex II Model Supply Chain Policy of the OECD Guidance). If adverse impacts are identified in the supply chain, a risk management/control plan will be presented to the management. The report will include the information gathered from the enhanced due diligence performed. The report includes the details of the risks, whether the adverse impacts have been identified in the supply chain and the risk management plan. The company's Supply Chain Policy defines three possible risk mitigation strategies in accordance with the OECD Guidance Annex II Model Policy. We have adopted the risk mitigation process that's based on good faith efforts to make meaningful improvements on the supply chain and the social and economic impacts before terminating relationships with our suppliers or rejecting a supply chain.

Reported by:

Jamie M. Belino
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