

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: 03/28/2019 – 03/29/2019
Assessment Period: 09/15/2017 – 09/16/2018
Assessment Firm: Arche Advisors
URL to the most recent report: www.aletihadgold.com

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 updated its due diligence management system to be aligned with the RMAP Standard for Gold (2017) which is based on the OECD Guidance. The company 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. As part of account opening and yearly site visit, we discuss to our direct counterparties the OECD Guidance.

To ensure that the documentation requirements are followed and communicated to the customers on a daily basis, we have formulated Type if Gold/Silver & Origin Declaration form, which is required for every transaction and used as checklist by the compliance department for first line of assessment before processing the gold.

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

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

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 has a robust process to identify risk in the supply chain.

Referring to the risks in the company's supply chain policy the company established a procedure to Identify A CAHRA. The procedure was developed to be criteria based instead of weighted average to ensure that a presence of risk will automatically be considered a CAHRA. The procedure includes the resources used, the criteria to define a "conflict affected and high-risk" area as well as the frequency with our determination is reviewed. The company uses the following resources to determine CAHRA's:

- Knowyourcountry – country by country reports for Sanctions, Money Laundering/Terrorist Financing, Weak Governance and Corruption risks
- US Department of Labor's list of goods produced by child labor and forced labor – Human rights risk
- Conflict Barometer - 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.

The company has defined criteria and benchmark indicators to determine CAHRA's.

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 suppliers KYC are updated annually, and frequency of screening is done depending on client risk assessment. Whenever inconsistencies, errors, or incomplete information were identified in the KYC form, the company communicated the improvement areas to suppliers and requested updates. If red flags were identified, the company would further engage with its suppliers to clarify and improve the documents as needed. During this reporting periods, several potential suppliers with red flags during the account application process were rejected by the company.

Risk Assessment

For material and supply chains determined to be “high-risk”, the company conducted enhanced due diligence. This included:

- Assessing the context of CAHRA’s
- Clarifying the chain of custody
- Assessing the activities and relationships of upstream suppliers;
- Identifying locations and qualitative conditions of the extraction, trade, handling, and export of minerals; and
- Conducting on-the-ground assessments.

In order to map and document the factual circumstances, conduct on the ground assessments and assess risks in the high-risk supply chains, we have used the LBMA Site Visit form.

6. Risk Mitigation

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 instead of directly terminating relationships with our suppliers.

The strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing trade (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk.

1. If the result of the gold supply chain Due Diligence concludes that there is money laundering, terrorist financing, serious human rights abuse, direct or indirect support to illegitimate non-state armed group, or fraudulent misrepresentation of the origin of minerals, or if the possibility of the same is deemed too high, the company will stop immediately to refine gold from this provenance and report it to the appropriate authorities if applicable.

2. If the result of the gold supply chain Due Diligence concludes that it is possible that there is money laundering, terrorist financing, serious human rights abuse, direct or indirect support to illegitimate nonstate armed group, fraudulent misrepresentation of the origin of minerals, the company will suspend refining gold from this provenance until it can obtain additional information/data confirming or refuting the preliminary assessment.

Finding:	Non-Conformance:	Potential Corrective Actions:	Al Etihad Gold Response
1.	The criteria used to identify Conflict-Affected and High-Risk Areas are not clear and do not guarantee that a country with a high risk of an armed conflict in it would be considered a CAHRA as required by Section VIII.B. of the Standard.	Clarify if existing procedure pertains to identification of CAHRA or supply chain risk. Align identified CAHRAs with red-flags in supply chain risk, i.e. identified CAHRA as indication of high-risk sourcing.	The existing procedures pertains to the identification of CAHRA's only. Each country will be assessed as per our procedure and the assessment will provide a final determination whether the country is classified as CAHRA or Not. The Supply Chain Risk assessment is a separate risk assessment which will be determined by the content of the supplier's KYC and supply chain information which are categorized as location based, supplier based and other circumstance based. The CAHRA Assessment is an integral part of the supply chain assessment.
2.	Not all transaction requirements were met in the reviewed audit period as required by Tables 10 and 11 of the Standard.	Include information in the procedure related to documentation entitled "Type of Gold/Silver & Origin Declaration Form/Com/01" concerning the presence of the documents to be checked for each supplier/transaction.	We created TYPE OF GOLD/SILVER & ORIGIN DECLARATION FORM that specifies the minimum document list, which can be used as a checklist for checking what documentation should be maintained in a file for each transaction. The information and supporting documentation will be submitted for verification.
3.	The process to determine inconsistencies and discrepancies related to transactions are not consistently implemented as required by Section VIII.B. of the Standard.	Implement a unified system of maintaining minimum of information related to transactions as well as additional information (if due diligence requires) in order to allow to determine discrepancies. The auditee should determine a list of documents to maintain in a file related to a transaction and follow it. The list can be revised as needed. Supply Chain mapping tool and mitigation tool are applicable to identification of supply chain risk and mitigating the risk, not for maintaining accurate files.	We created TYPE OF GOLD/SILVER & ORIGIN DECLARATION FORM that specifies the minimum document list, which can be used as a checklist for checking what documentation should be maintained in a file for each transaction. The information and supporting documentation will be submitted for verification.