



## **BUREAU VERITAS CERTIFICATION**

**Reviewer's Assurance Report for Reasonable Assurance review of EBC Rules  
on Risk Based Due Diligence in the Gold Supply Chain**

For

**Company name: AL ETIHAD GOLD REFINERY DMCC**

**Site: Plot No. DMCC-EZ3-04, JLT,  
DUBAI, UAE**

**Audit dates: 15 January 2024 to 19 January 2024**

**Reporting Period: 01/01/2023 to 31/12/2023**



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## **Independent Reasonable Assurance Report to AL ETIHAD GOLD REFINERY DMCC on its Refiner's Compliance Report 09/01/2024 for the Emirates Bullion committee rules for risk based due diligence in the Gold Supply Chain**

**To the Board of Directors of  
AL ETIHAD GOLD REFINERY DMCC**

### **1. The assurance scope and level of assurance:**

We were engaged by AL ETIHAD GOLD REFINERY DMCC to provide Reasonable Assurance on its Refiner's Compliance Report for the year ended 31 December 2023.

The assurance scope consists of the Refiner's Compliance Report dated: 09/01/2024.

### **2. Management's Responsibilities**

The Compliance officer and the Senior Management of AL ETIHAD GOLD REFINERY DMCC is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain" (EBC Rules for RBDG / Version 1 / 2021) and its Annex 2 - EBC Review Protocol.

This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the refiner as relevant for demonstrating compliance with the EBC Rules for RBDG are the activities described within the Refiner's Compliance Report and the Refiner's Supply Chain Policy

### **3. Auditor's Responsibilities**

Our responsibility is to carry out a Reasonable Assurance Engagement in order to express a conclusion based on the Refiner's activities described within the Refiner's compliance report. Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the refiner's compliance report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and the EBC Rules for RBDG and the EBC Review Protocol.

This report has been prepared for AL ETIHAD GOLD REFINERY DMCC for the purpose of assisting the Compliance Officer / Directors / Management in determining whether refiner has complied with the EBC Rules and for no other purpose. Our assurance report is made solely to AL ETIHAD GOLD REFINERY DMCC in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than AL ETIHAD GOLD REFINERY DMCC for our work, or for the conclusions we have reached in the assurance report.

### **4. Reasonable assurance procedures performed**

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:



- Enquiries of management to gain an understanding of AL ETIHAD GOLD REFINERY DMCC's processes and risk management protocols in place
- Enquiries of relevant staff responsible for the preparation of the Report
- Site visits to the Refiner
- Assessing the suitability of the policies, procedures and internal controls that the AL ETIHAD GOLD REFINERY DMCC has in place to conform to the EBC Rules
- Review of a selection of the supporting documentation, including gold supplier counterparty due diligence file and transaction's documentation
- Test a selection of the underlying processes and controls that support the information in the Report.
- Review of the presentation of the Report to ensure consistency with our findings.

The review procedures undertaken by us cover the following:

i. Review whether the AL ETIHAD GOLD REFINERY DMCC has established robust sustainable supply chain management systems as detailed in and referring to Rule 1 of the EBC Rules and fulfilling objectives of the review program as detailed in the EBC review protocol.

*The Policy is well defined and robust, and the KYC requirements found adequate taking into consideration the application of Rule 1.1 to 1.19.*

*The Implementation of the SC and KYC policy and procedures were verified and found adequate in satisfying the requirements laid out under rule 1.1 to 1.19*

ii. Review whether the AL ETIHAD GOLD REFINERY DMCC is able to identify and assess the risks in the supply chain as detailed in and referring to Rule 2 of the EBC Rules and fulfilling objectives of the review program as detailed in the EBC review protocol.

In respect of Rule 2, details as below verified:

(a) in relation to transactions: during 1/01/2023 to 31/12/2023

(i) % of transactions audited:

About 50% of High-Risk client's transactions and approx. 4% of low-risk suppliers transaction sampled and reviewed.

(ii) Number of customers on boarding [KYC] files reviewed:

100% KYC files of all High-risk suppliers who are supplying materials from Conflict-Affected and/or High-Risk Areas.

KYC files of about 25% of the new customers on boarded during the audit period and 10% files of existing active customers from the previous audit periods were reviewed.

(iii) total volume of mined gold and/or recycled gold in relation to the transactions audited:

As recorded in our comprehensive management report.

(iv) the sampling rules or methods used:

Following a risk-based approach samples selected considering the high-volume transactions and high value customers / suppliers including new suppliers, country of origin, and material type.

(v) the total volumes of cash transactions (if any) and its usage in excess of government thresholds as applicable in the Accredited Member's place of domicile:

AL ETIHAD GOLD REFINERY DMCC has established a strong policy for cash payments and does not encourage the same. Any transactions above the permitted limits of Law is reported as per the AML-CFT laws of UAE.

Verified the transactions made against vouchers traceable to supply of gold and sale of gold Usage in excess of government thresholds as applicable in the Accredited Member's place of domicile was verified and found none.



(vi) the total volumes of unrelated third-party payments (i.e. cash, bank transfers and metal accounts held with bullion banks) and physical gold and/or precious metal deliveries in unusual circumstances that are not consistent with local and/or international market practices (for example, value, quantity, quality, profit): *This was verified and found none.*

(vii) adequacy and implementation of track and trace mechanism from mine/supplier to Sale and/or physical delivery to the Accredited Member's suppliers:

*This was verified on the sampled transactions; they were found adequate and satisfactory.*

(b) in relation to geographical considerations:

(i) Gold and/or precious metal sourced from different geographical locations based on Physical form; quantity; actual or declared purity; country of origin and transportation; and as described in the country of origin.

(ii) any transaction which is related to a sanctioned and/or embargoed country, entity, Or individual:

*None. The gold for processing is received through the direct customers from Dubai and other countries as identified in the country of origin, the documentation towards the supply was verified and was found adequate on the samples verified.*

(c) in relation to risk assessment, the alignment of the risk assessment methodology with Rule 2 and any deviations from those requirements of Rule 2:

*None. The risk assessment verified and found to be adequate.*

(d) the number of transactions and/or suppliers where enhanced due diligence was conducted during the period subject to Review:

Enhanced due diligence was conducted on the 2 High risk suppliers and 2 High risk supply chains during the Review period and followed by Onsite visits.

iii. Review whether the AL ETIHAD GOLD REFINERY DMCC has developed and implemented a risk mitigation and/or control plan as detailed in and referring to Rule 3 of the EBC Rules and fulfilling objectives of the review program as detailed in the EBC review protocol.

*In respect of Rule 3, the adequacy and implementation of the Risk Control Plan was verified and found adequate.*

iv. Reviewed whether the AL ETIHAD GOLD REFINERY DMCC is reporting annually on its measures implemented for responsible supply chain due diligence and that the measures being reported are consistent with the independent third-party audit review program findings as detailed in and referring to Rule 5 of the EBC Rules and fulfilling objectives of the review program as detailed in the EBC review protocol (Annex 2).

AL ETIHAD GOLD REFINERY DMCC has performed the Reasonable assurance review for the period 1<sup>st</sup> January to 31<sup>st</sup> December 2022 with Bureau Veritas as independent third-party reviewer and has reported the compliance report to the EBC.

Further the Reasonable Assurance review for the period 1 January 2023 to 31 December 2023 has been conducted with Bureau Veritas as independent third-party reviewer and will be reporting the compliance report to the EBC annually and also make it available in their portal upon receipt of the report.

v. Reviewed the AL ETIHAD GOLD REFINERY DMCC activities related to conducting due diligence for adherence to EBC's Review Protocol in Annex 2 and Policy as described in Rule 1.3. Anti-Money Laundering and Combating Financing of Terrorism Policy (as the minimum acceptable standard for AML/CFT due diligence policy).

AL ETIHAD GOLD REFINERY DMCC has established AML/CFT and a robust KYC due diligence Policy: Ref Doc: EG Compliance, Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Anti-Bribery and Corruption (ABC), and Supply Chain Management Policy and the same supported by robust procedures. The implementation of the same was verified and found to be adequate.



**5. Any significant or inherent limitations or areas not covered:**

*Please list here any significant or inherent limitations or areas that have not been covered.*

Non-financial information, such as that included in the refiner's compliance report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by refiners to comply with the EBC Rules may differ. It is important to read the refiner's supply chain policy available on their website, such information and methods do not fall within the scope of the audit guidance, and we have not undertaken any assessment in this regard.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and with "EBC Rules for Risk Based Due Diligence in the Gold Supply Chain" issued by Emirates Bullion Market Committee and in accordance with the EBC Review Protocol.

Our work has been undertaken so that we report to the AL ETIHAD GOLD REFINERY DMCC *to the engagement* on those matters that we have agreed to state to them in this report. Our tests are related to AL ETIHAD GOLD REFINERY DMCC as a whole rather than performed to meet the needs of any particular customer.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the AL ETIHAD GOLD REFINERY DMCC for our work, for this report or for the opinions we have formed.

**6. Independence and competency statement**

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

We confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

**7. Emphasis of matter paragraph – None**

**8. Assurance observations, findings, and recommendations for improvement:**

**Recommendations for improvement**

AL ETIHAD GOLD REFINERY DMCC *shall retain formal records on the details of updated KYC and transaction documents related to Taxes, fees, royalties, compensation, or other payments to governments which relate to the extraction, trade, transport and export of gold. Site visits outside UAE [mined supplier site] are to be planned.*

**9. Specific observations with respect to the Refiner's Corrective Action Plan and implementation progress:**

*Please list here any specific observations with respect to the Refiner's Corrective Action Plan and implementation progress.*

The Implementation of corrective actions against the 6 recommendations raised in the Reasonable Assurance audit report date: 25/2/2023 for the period 1<sup>st</sup> January to 31<sup>st</sup> December 2022 were reviewed and found satisfactory.



The Due diligence, risk assessment and the CAHRA process established was found robust and well implemented.

**10. Countries of Origin Annex for mined and recycled Precious Metal including the amounts (Gms) received from each origin**

Enclosed attachment.

**11. Other relevant information**

Good improvement in the due diligence and risk assessment process observed between 2022 and during the 2023.

Installation of Silver Electrolysis in Refinery section – August 2023. Expansion of foundry section to install two new furnaces – plan in 2024. Purchase Spark OES spectrometry instrument for laboratory.

Compliance team introduced Pre-Qualification Form – to efficiently screen potential customers, Development of KYC Chain App – to seamless document submission & verification, adoption of Commstack for better traceability, enhanced customer/supplier chain risk assessment, source of fund/wealth declaration form for both onboarding and exiting customers, compliance staff training – 38 rigorous internal and external compliance trainings, improved STR/SAR filings, Chain of Custody Certification from RJC.

The organization has established robust QHSE policies & procedures and has implemented the same. Further the organization has been assessed and certified since August 2020 for the Quality, Environment, and Occupational Health & Safety management system as per ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018.

The organization has accredited its testing laboratory to ISO 17025:2017 since January 2021.

**Conclusion**

In our opinion, in all material respects:

i. The AL ETIHAD GOLD REFINERY DMCC's Compliance Report for the year ended 31 December 2023, in all material respects, fairly describes the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of EBC Rules on Risk Based Due Diligence in the Gold Supply Chain for the period 1 January 2023 to 31 December 2023.

ii. The compliance controls that were tested, as set out in the attachment to this report, were operating with sufficient effectiveness for us to obtain Reasonable assurance that the related level of compliance were achieved in the period 1 January 2023 to 31 December 2023.

ASSESSMENT CONCLUSIONS					
	CATEGORY	Compliance Level		Non Compliance – risk level	
		Fully Compliant	Compliant with Low risk	Medium	High
<b>A.</b>	<b>General Information</b>				
<b>B.</b>	<b>RULE 1.</b> SUPPLY CHAIN MANAGEMENT SYSTEMS		X		
<b>C.</b>	<b>Rule 2:</b> SUPPLY CHAIN RISK IDENTIFICATION AND ASSESSMENT		X		
<b>D.</b>	<b>Rule 3:</b> RISK CONTROL PLAN	X			



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<b>E.</b>	<b>Rule 4:</b> INDEPENDENT THIRD-PARTY AUDITS	X			
<b>F.</b>	<b>Rule 5:</b> Report on supply chain due diligence	X			

	Compliance level		Non Compliance risk level	
	Fully Compliant	Low Risk	Medium	High
Based on the assessment conclusions, the overall rating of the Refiner's performance is determined to represent:				

**Bureau Veritas**  
Location: Dubai

Date: 18/02/2024

Signature :



Company Stamp:

