



REFINERS COMPLIANCE REPORT 2024 - PROMISE GOLD REFINERY FZC

Promise Gold Refinery FZC affirms its commitment to responsible gold sourcing in alignment with the UAE Ministry of Economy's **Due Diligence Regulations for Responsible Sourcing of Gold**, issued under **Ministerial Decree No. (68) of 2024**. These regulations, originally published in August 2022, are designed to promote ethical supply chain practices and support national and international efforts to combat **money laundering (AML)**, **terrorism financing (CFT)**, **conflict financing**, and **human rights violations**.

This report outlines the actions undertaken by **Promise Gold Refinery FZC** during the calendar year 2024 to ensure full compliance with these regulations. Key measures include the implementation of **Know Your Counterparty (KYC)** protocols, robust **supply chain due diligence**, proactive **risk assessment and mitigation**, and the promotion of **transparency and ethical conduct** across all sourcing activities.

These efforts demonstrate Promise Gold Refinery's dedication to upholding the highest standards of **regulatory compliance**, **operational integrity**, and **supply chain sustainability** within the precious metals sector. The objective of this report is to document and communicate the refinery's commitment to and implementation of the requirements stipulated under **Ministerial Decree No. (68) of 2024** throughout the 2024 reporting period.

TABLE 1. DETAILS OF REPORTING ENTITY

Company Name	Promise Gold Refinery FZC
Location	Q3-49, SAIF Zone, Sharjah - UAE. P.O. Box: 124479
Contact Details	+971 501749491
Reporting Year End	01-Jan-2024 to 31-Dec-2024
Date of Report	15-11-2025
Senior Management Responsible for this report	Mr. James Mohanchandran
Audit Team Internal	
Team Leader:	Team Member
Mr. James Mohanchandran	Arun Radhakrishana Nair
	Nashid Puzhakkalthodi

SUMMARY OF ACTIVITIES UNDERTAKEN TO DEMONSTRATE COMPLIANCE

Promise Gold Refinery FZC is committed to generating sustainable value for its clients, stakeholders, employees, and society by cultivating a strong culture of responsible sourcing and ethical business practices. Operating from SAIF Zone, Sharjah, the refinery upholds all relevant regulatory requirements and consistently aspires to achieve excellence in performance, governance, transparency, and compliance.

In alignment with its core values and legal obligations, Promise Gold Refinery FZC maintains strict adherence to the following frameworks and regulations

- UAE Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and the Financing of Illegal Organizations.
- UAE Ministry of Economy's Due Diligence Regulations for Responsible Sourcing of Gold, issued under Ministerial Decree No. (68) of 2024.
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs).
- Emirates Bullion Committee (EBC) Rules on Risk-Based Due Diligence in the Gold Supply Chain.

Throughout the calendar year 2024, Promise Gold Refinery FZC has consistently operated in full compliance with the Ministry of Economy's regulations for responsible gold sourcing. This continued compliance reinforces the company's alignment with the UAE's strategic vision to become a trusted international hub for transparent, ethical, and sustainable precious metals trade.



PROMISE GOLD REFINERY FZC EVALUATION OF COMPLIANCE

The following tables and accompanying statements present Promise Gold Refinery FZC evaluation of its compliance with each sub-point under Rules 1 to 5 of the Ministry of Economy's Due Diligence Regulations for Responsible Sourcing of Gold. This assessment reflects the company's commitment to meeting all regulatory obligations and maintaining high standards of ethical and responsible sourcing practices throughout the gold supply chain.

Step 1: Establishing an Effective Governance Framework

Compliance statement – Non- Compliant with Medium Risk Deviations

Rule 1.1 Adopt and commit to a policy for gold Supply Chain due diligence

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. 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.

Demonstration of Compliance

a. Scope:

Promise Gold Refinery FZC is firmly committed to responsible sourcing and ethical supply chain management within the gold and precious metals sector. The company proactively identifies, assesses, and mitigates risks associated with conflict financing, money laundering, terrorism financing, and human rights violations across all aspects of its sourcing and trading activities.

Operating from the Sharjah Airport International Free Zone (SAIF Zone), Promise Gold Refinery adheres to both international best practices and UAE regulatory frameworks, including:

- The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs).
- The Emirates Bullion Committee (EBC) Rules on risk-based supply chain due diligence.
- The UAE Ministry of Economy's Due Diligence Regulations for Responsible Sourcing of Gold, issued under Ministerial Decree No. (68) of 2024.
- And UAE Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering (AML), Combatting the Financing of Terrorism (CFT), and the Financing of Illegal Organizations, along with applicable Cabinet Decisions on beneficial ownership disclosure and counter-terrorism measures.
- Cabinet Decision No. (10) of 2019 Concerning the Implementing Regulation of Decree Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations

Promise Gold Refinery has established a set of comprehensive internal policies and procedures covering supply chain due diligence, supplier onboarding, and AML/CFT compliance. These controls are mandatory for all employees, contractors, suppliers, and clients.

Through the implementation of these robust standards and governance mechanisms, the refinery ensures full regulatory compliance, operational integrity, and ethical business conduct throughout its operations and value chain.

b. Roles and responsibilities of employees, management and Board of Directors

Promise Gold Refinery FZC has established a clear and well-structured governance framework for responsible sourcing and supply chain due diligence across all organizational levels. Roles and responsibilities are formally defined, embedded within internal compliance policies and individual job descriptions, and subject to periodic review under the oversight of the Compliance Department.

Documented procedures clearly assign functions and accountabilities to ensure the effective and sustainable implementation of due diligence measures. Senior management, including the CEO, has actively communicated these expectations to all staff, reinforcing organization-wide awareness and accountability.

Overall, this governance structure demonstrates the company's strong commitment to regulatory compliance, ethical conduct, and responsible operations within the UAE's regulated gold and precious metals sector.



c. Know Your Counterparty (KYC) and Customer Due Diligence measures

Onboarding documentation is collected, validated, and retained in line with approved KYC checklists and account opening procedures, ensuring full auditability. Counterparties undergo sanctions, PEP, and adverse media screening, with enhanced due diligence applied where higher risk is identified. Each relationship is assessed through a structured risk-rating process, guiding approval, escalation, or rejection decisions.

d. Supply Chain risk assessment and risk mitigation process

Promise Gold Refinery FZC has implemented a comprehensive, risk-based framework to assess, mitigate, and continuously monitor risks across its gold supply chain, aligned with UAE regulatory requirements, OECD Guidance, and international responsible sourcing standards.

The refinery engages only with ethically aligned suppliers and formalizes expectations through its Supply Chain Policy. Risk mitigation measures include supplier education on regulatory obligations, enhanced KYC and transaction monitoring, mandatory conflict-free declarations, and robust third-party due diligence using Crowe-Cygnus Scan. Suppliers are subject to daily sanctions, PEP, and adverse media screening, supported by an internal risk-rating model that classifies counterparties into low, medium, or high risk, with corresponding due diligence and approval controls.

Ongoing monitoring is supported by integrated supply chain and AML systems, ensuring full traceability of gold shipments through unique reference tracking, multi-department transaction reviews, and mandatory Compliance Department clearance prior to shipment approval. Continuous screening, periodic re-KYC, supplier performance evaluations, and both internal and independent third-party audits further reinforce oversight.

Collectively, this multi-layered framework ensures a secure, transparent, and compliant supply chain, reflecting Promise Gold Refinery FZC's strong commitment to responsible sourcing, ethical conduct, and regulatory compliance within the UAE precious metals sector.

e. Independent audit mechanism

Promise Gold Refinery FZC has done an internal assessment on its AML.

f. Record Retention Requirements

Promise Gold Refinery FZC has implemented a strict record retention policy as a fundamental element of its compliance and governance framework. All transaction, due diligence, and compliance-related records are securely maintained for a minimum of five years from the date of creation or transaction completion, whichever is later.

G. Training Program

Internal training has been conducted and external training from forums/ different channels are being attended.

Rule: 1.2 Establish management structures to implement Supply Chain Due Diligence.

Regulated Entities must establish internal governance system to effectively implement and maintain a Supply Chain Due Diligence program on an ongoing basis. The minimum requirements are as follows:

Demonstration of Compliance

1.2.1 Management Oversight and Compliance Communication

The CEO and Senior Management of Promise Gold Refinery FZC maintain active oversight of both strategic and operational decisions, ensuring alignment with governance standards, regulatory requirements, and ethical sourcing principles. Working closely with the Compliance Officer, leadership promotes a culture of transparency, accountability, and regulatory awareness across the organization.

1.2.2 Appointment and Role of the Compliance Officer

Promise Gold Refinery FZC has appointed Mr. James as its designated Compliance Officer, effective September 2024.

Mr. James oversees compliance with applicable UAE laws and Ministry of Economy regulations, implements AML/CFT and supply chain due diligence processes, and conducts daily sanctions, PEP, and adverse media screening using recognized third-party tools. He is also responsible for risk assessment, internal training, regulatory reporting, policy development, and audit support.

1.2.3 Fit & Proper Assessment and KYC Checks for Compliance Team

Promise Gold Refinery FZC complies with UAE regulatory requirements by conducting structured "fit and proper" assessments and KYC checks for key personnel involved in compliance and supply chain oversight. These assessments are performed at recruitment and reviewed annually to ensure ongoing suitability.

The process includes verification of qualifications, background and integrity checks, sanctions, PEP, and adverse media screening through recognized platforms, ongoing monitoring, and formal documentation with



board-level review. This framework ensures that compliance personnel meet required standards of competence, integrity, and independence, reinforcing strong governance, regulatory adherence, and effective risk management across the organization.

1.2.4 Supply Chain Due Diligence Training Program

Promise Gold Refinery FZC has established a structured Supply Chain Due Diligence Training Program to ensure personnel involved in compliance, procurement, and supply chain activities are fully equipped to meet UAE Ministry of Economy requirements, federal AML/CFT laws, and OECD Due Diligence standards. Training is provided at onboarding and on an ongoing basis, covering core due diligence principles and role-specific responsibilities.

Sessions are conducted at least bi-annually through a combination of in-person and digital formats, with effectiveness assessed through evaluations, quizzes, and staff feedback. Comprehensive training records are securely maintained for audit and regulatory review. This framework ensures consistent staff awareness, accountability, and effective implementation of responsible sourcing and compliance obligations across the organization.

Rule 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:

Demonstration of Compliance

1.3.1 Promise Gold Refinery FZC maintains a robust, risk-based framework for the onboarding, assessment, and ongoing monitoring of all counterparties involved in its gold supply chain. These procedures are fully aligned with the UAE Ministry of Economy's Due Diligence Regulations for Responsible Sourcing of Gold, the Federal AML/CFT framework, and globally recognized standards, including the OECD Due Diligence Guidance.

Risk Categorization Criteria:

Promise Gold Refinery FZC applies a structured, risk-based counterparty classification framework, assigning all suppliers, buyers, and intermediaries a High, Medium, or Low risk rating. Classification is determined based on key risk factors, including the type and form of metal supplied, geographical origin (with reference to FATF, EU, UAE risk ratings and CAHRA designation), sanctions/PEP/adverse media screening results, and the transparency of ownership and UBO structures.

1.3.2 Business with Licensed Entities Only

Promise Gold Refinery conducts business exclusively with duly licensed entities, thereby mitigating legal, regulatory, and reputational risks. Supplier onboarding is governed by a structured KYC framework requiring completion of an account opening form and supply chain questionnaire, with all documents independently verified through official government sources and recognized screening tools.

The refinery collects and maintains separate documentation for legal entities and their shareholders to support accurate risk assessment. However, Entity is not able to obtain the origin of the gold from which it has been sourced. Legal entity documentation includes licensing, constitutional records, tax registration, AML/CFT policies, regulatory declarations, sourcing attestations, and audited financials where risk requires. Shareholder documentation covers valid identification, residency status, and personal banking information when necessary.

This disciplined documentation and verification process ensures effective supplier risk classification, regulatory compliance, and transparency across the supply chain.

1.3.3 All our supplier is functioning in their own capacity and have not appointed any individual or company to act on their behalf. Hence, we do not fall under this scope.

1.3.4 Scope Clarifications

As none of our suppliers are listed entities in on a regulated stock exchange this is out of scope for us.

1.3.5 High-Risk and ASM Gold

Promise Gold Refinery FZC does not currently source primary gold and has no business relationships with Artisanal and Small-Scale Mining (ASM) or Large-Scale Mining (LSM) suppliers; accordingly, this category is outside the scope of its present supply chain due diligence activities.



Notwithstanding this, the refinery has established a forward-looking policy framework to govern any future engagement with ASM or LSM suppliers. This framework provides for specialized risk assessments, enhanced due diligence for CAHRA-related sourcing, strict traceability and third-party verification requirements, and alignment with OECD Due Diligence Guidance and UAE Ministry of Economy regulations. This approach ensures regulatory readiness and a strong commitment to responsible and ethical sourcing should such relationships arise.

1.3.6 Uncooperative Suppliers

Uncooperative suppliers are:

- Assessed by the Compliance Officer.
- Reported to senior management.
- Subject to relationship suspension and disengagement, with reporting to the FIU, EOCN, or EBC when necessary.
- Logged in an Uncooperative Supplier Register.

1.3.7 Material Traceability

The refinery does not source primary or mined gold, all recycled gold shipments are supported by commercial documentation and a supplier-signed Statement of Conformance confirming conflict-free origin. Declared weight and assay details are verified upon receipt, with independent testing conducted where required. Full KYC information, including UBO disclosures, is maintained, and all key transaction and processing dates are tracked to preserve clear chain-of-custody visibility and auditability.

1.3.8 Payment Controls

Promise Gold Refinery FZC enforces strict controls over all gold-related payments in line with UAE AML/CFT laws and Ministry of Economy responsible sourcing regulations. Bank transfers are the preferred payment method, with transactions conducted exclusively through verified corporate bank accounts documented during KYC onboarding and retained for audit purposes.

1.3.9 Cooperation with Authorities

Promise Gold Refinery FZC is fully committed to cooperating with law enforcement, customs, and regulatory authorities in relation to gold and precious metals transactions. Robust systems are in place to ensure prompt and effective responses to any official information requests.

During the current reporting period, no such requests were received; however, the company remains fully prepared to provide assistance in strict accordance with UAE legal and regulatory requirements.

1.3.10 Record Keeping

Promise Gold Refinery FZC maintains comprehensive and well-structured supply chain documentation in line with its Record-Keeping Policy and applicable UAE regulatory requirements. All records are securely archived and retained for a minimum of five years to ensure traceability, accountability, and audit readiness.

1.3.11 Shipment Integrity and Security

Promise Gold Refinery FZC sources exclusively secondary/recycled gold bars and fine gold bars and does not engage in the procurement of primary (mined) gold from artisanal, small-scale, or large-scale mining operations. Accordingly, due diligence requirements specific to primary metal sourcing are currently outside the scope of its operations.

Notwithstanding this, the refinery maintains a dedicated policy framework to address potential future primary sourcing, ensuring regulatory readiness and alignment with responsible sourcing standards should such activities be introduced.

1.4 Strengthen company engagement with gold supplying counterparties.

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

Demonstration of Compliance

1.4.1 – Responsible Sourcing from CAHRA

Promise Gold Refinery FZC sources exclusively from the local UAE market and deals only in secondary/recycled gold bars and fine gold bars. The company does not source primary (mined) gold and has no suppliers operating in, or sourcing from, Conflict-Affected and High-Risk Areas (CAHRAs).

To support responsible sourcing, suppliers are required to provide Statements of Conformance and Gold Declarations confirming recycled and ethical origin. Accordingly, CAHRA-specific and primary metal due diligence requirements are currently outside the scope of the refinery's supply chain operations.



1.4.2 Stakeholder Engagement

Promise Gold Refinery FZC promotes responsible business conduct through proactive stakeholder engagement and continuous education initiatives. The company maintains regular, two-way communication with suppliers, customers, regulators, and employees to support transparency, integrity, and collaboration.

Ongoing education and awareness programs ensure stakeholders understand the refinery's products, ethical standards, and regulatory compliance requirements, particularly those related to responsible sourcing and supply chain due diligence.

1.4.3 – Supplier Code of Ethics

All suppliers must acknowledge and sign the Supplier Code of Ethics, which is integrated into the Account Opening Form. This includes acceptance of Promise Gold Refinery Supply Chain Policy. Suppliers who fail to sign this agreement will not be onboarded.

1.4.4 – Proactive and Ongoing Supply Chain Program

Promise Gold Refinery FZC, through its Compliance Department, has established a comprehensive framework to promote ethical and responsible supply chain practices. The company emphasizes trust-based supplier relationships, transparent information sharing, and active stakeholder engagement supported by training, mentoring, and capacity-building initiatives.

Its supplier engagement strategy focuses on ethics, integrity, collaboration, conflict-free sourcing, and the promotion of best practices across the precious metals supply chain. By sharing compliance training materials, encouraging peer learning, and providing targeted support where needed, Promise Gold Refinery reinforces its commitment to regulatory compliance, sustainable sourcing, and long-term supplier development.

1.5 Establish a confidential grievance mechanism.

Regulated Entities must implement a grievance mechanism through which the employees or other stakeholders in the Supply Chain should be able to raise concerns related to sourcing or trading of gold from a CAHRA. The mechanism should ensure that:

Demonstration of Compliance

Promise Gold Refinery FZC has implemented a **secure, confidential, and accessible Grievance and Complaint Policy** to allow employees, suppliers, and other stakeholders to report misconduct, unethical behaviour, or compliance concerns without fear of retaliation. This mechanism aligns with international best practices and contributes to transparency, accountability, and continuous improvement in supply chain management.

Reporting Channels:

Promise Gold Refinery provides the following accessible grievance reporting options:

- **Phone:** +971 65288027
- **Email:** compliance@promisegoldrefinery.com

Online: [Promise Gold Refinery](#)

Note: No grievance reports were received during the current reporting period.

Step 2: Identification and Assessment of the Supply Chain Risk

Compliance statement – Non- Compliant with High - Risk Deviations

2.1 Conduct Supply Chain Due Diligence to identify potential risks

Regulated Entities must identify and assess the risks in the Supply Chain to carry out required due diligence. Due diligence must be undertaken before entering a new business relationship with a supplier and should be carried out on an ongoing basis. Conducting risk assessment will 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.



Demonstration of Compliance

Promise Gold Refinery has established a robust and structured **risk assessment framework** for all counterparties, in compliance with the **MOE-UAE Due Diligence Regulations, EBC Rules for Risk-Based Due Diligence in Gold (RBDG)**, and the **OECD Guidelines**. This framework enables the company to effectively classify risk levels and implement proportionate due diligence measures across the supply chain.

a. Customer Due Diligence (CDD) and Monitoring

1. Data Collection

Promise Gold Refinery collects comprehensive KYC information and legal documentation from all parties involved in the transaction, including entities, shareholders. Documents collected include:

- Trade licenses, incorporation documents, tax certificates, and tenancy contracts
- Shareholder ID and proof of residence
- AML/CFT policies and supply chain declarations
- Declaration of Origin of Metal
- Statement of Conformance of the recycled Gold

Note: As Promise Gold sources only *secondary/recycled gold* within the UAE, no primary Dore supplier documentation applies at present.

2. Document Review and Screening

All documents undergo **sanctions list, PEP, and adverse media screening** using **Crowe Cygnus Scan**, ensuring early identification of red flags before onboarding.

3. Risk Assessment Criteria

Counterparty risk is evaluated through comprehensive, multi-dimensional framework covering counterparty risk, geographical risk, transaction risk, product risk, and delivery channel risk, ensuring a holistic and risk-based assessment approach.

4. Risk Grading and Classification

Risk levels are determined using a multi-factor assessment that considers ownership transparency, jurisdictional exposure, nature and duration of business operations, type of metal traded, payment methods, shareholder profiles, and sanctions screening outcomes.

Based on this assessment, customers are classified as low, medium, or high risk, with corresponding due diligence measures applied simplified due diligence for low-risk customers, standard due diligence for medium-risk customers, and enhanced due diligence for high-risk relationships.

5. Continuous Monitoring and Re-KYC

All counterparties are subjected to **ongoing monitoring and screening via Cygnus Scan**, with Re-KYC conducted based on their risk tier:

- **Low Risk:** Every 16 months
- **Medium Risk:** Every 12 months
- **High Risk:** Every 6 months

6. Recording and Reporting

Promise Gold Refinery maintains comprehensive compliance records covering KYC documentation, country risk data, and transactional history. Where suspicious activity is identified, appropriate regulatory reports including SARs, STRs, or PNMRs—are promptly filed through the GoAML platform.

The refinery's risk methodology incorporates continuous monitoring of red flags related to counterparty and geographical exposure, supplier behavior, sanctions risk, unusual payment or trade patterns, and non-transparent business structures. Key controls include strict enforcement of the "no account, no shipment" rule, mandatory full disclosure of beneficial ownership, enhanced due diligence and senior management approval for PEP-related cases, and the preparation of Compliance Review Reports for all high-risk relationships to support informed decision-making.

This risk assessment system ensures that **Promise Gold Refinery FZC** maintains full compliance with due diligence standards, while effectively mitigating financial crime, reputational risks, and regulatory exposure.

2.1.2 Geographical Risk Factors

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.



Demonstration of Compliance

Promise Gold Refinery FZC has established a comprehensive Geographical Risk Assessment Framework to assess and monitor the origin and jurisdictional exposure of all gold sourced, in alignment with the UAE Ministry of Economy's Due Diligence Regulations, the Emirates Bullion Committee Rules, and the OECD Due Diligence Guidance.

While Promise Gold Refinery currently sources only secondary/recycled gold bars and fine gold from suppliers based entirely within the UAE, the company maintains robust risk controls to ensure geographic transparency, ethical sourcing, and regulatory compliance.

Scope and Application

Promise Gold Refinery does not source primary or mined gold and has no relationships with ASM or LSM operations, nor does it engage with suppliers linked to Conflict-Affected and High-Risk Areas or jurisdictions identified as high risk by FATF, UN, or UAE authorities. Current sourcing is limited to UAE-based secondary and recycled gold.

To ensure traceability, all suppliers are required to provide Statements of Conformance, Gold Declarations, licensing and VAT records, full KYC and UBO documentation, and shipment-related invoices and packing lists, all of which are reviewed during onboarding and transaction approval. The refinery does not deal in grandfathered gold stocks.

In addition, a structured location-based risk assessment framework is in place, drawing on FATF evaluations, OECD CAHRA listings, and geopolitical risk tools, to ensure ongoing compliance and preparedness should sourcing parameters change in the future.

Key Risk Factors and Sources Considered:

1. AML/CFT Regulatory Environment:

Promise Gold evaluates the strength of anti-money laundering and counter-terrorism financing controls in source countries using the:

- FATF risk ratings
- Know Your Country reports
[Sources: FATF | KYC Reports](#)

2. Conflict and Human Rights Abuses

Promise Gold reviews:

- OHCHR Human Rights Reports
- Amnesty International country reports

[Sources: OHCHR | Amnesty](#)

3. Bribery and Corruption

Promise Gold uses Know Your Country corruption indices to evaluate the level of bribery risk in source jurisdictions and applies enhanced due diligence (EDD) where appropriate.

[KnowYourCountry – Country Anti Money Laundering Reports](#)

4. Organized Crime Presence

While promise gold refinery sources recycled gold from UAE, Promise gold refinery uses the below to review the risk of organized crime is assessed using the:

- Global Organized Crime Index

Source: <https://globalinitiative.net/analysis/organised-crime-index-africa-2023/>

5. Access to CAHRA Regions

While Promise Gold Refinery sources recycled gold from UAE, and does not currently source from CAHRA regions, a control framework is in place to monitor any direct or indirect exposure to CAHRAs, using the:

CAHRAs List based on EU Regulation (2017/821)

[CAHRAs](#)

6. Law Enforcement Capability

Jurisdictions are evaluated for the effectiveness of law enforcement in combating financial crimes and illicit trade.

7. Payment Mechanisms

Promise Gold Refinery assesses risks based on whether formal banking channels or non-banking methods are used by counterparties in high-risk regions.

8. International Sanctions Exposure

Promise Gold Refinery screens all counterparties on an ongoing basis using Cygnus Scan to ensure no engagement with individuals or entities under:

UN sanctions

UAE-specific restrictions



Terrorism Financing Sanctions (TFS)

This geographical risk model allows **Promise Gold Refinery** to take a proactive approach to sourcing oversight, ensuring ethical and compliant operations across all jurisdictions involved in the supply chain.

2.1.3 Transactions Risk Factors

Demonstration of Compliance

Promise Gold Refinery FZC maintains a rigorous transaction monitoring framework to detect and prevent fraudulent, illicit, or non-compliant activities across all supply chain transactions. This framework is aligned with the UAE Ministry of Economy's Due Diligence Regulations and other applicable national AML/CFT laws.

Key controls and practices include:

Promise Gold Refinery FZC applies stringent operational and financial controls to safeguard integrity and compliance across its supply chain. All shipments are subject to a defined variance threshold, with any discrepancies triggering an immediate processing hold and supplier notification. Bank transfers are the preferred payment method, while cash transactions are tightly controlled and reported via GoAML where thresholds are exceeded.

The refinery enforces anti-structuring measures to detect and report attempts to evade regulatory reporting requirements. All gold is sourced locally within the UAE, with no international or primary metal sourcing, and each consignment is fully documented to ensure provenance and chain-of-custody integrity. Supplier due diligence and ongoing oversight are conducted by the Compliance Department in line with UAE Ministry of Economy responsible sourcing guidelines.

Promise Gold Refinery FZC remains committed to the highest standards of **compliance, ethical sourcing, and continuous improvement** in its operational and supply chain practices.

2.1.4 Product Risk Factors:

Demonstration of Compliance

Promise Gold Refinery FZC is firmly committed to responsible sourcing and ethical supply chain practices. In line with UAE Ministry of Economy Due Diligence Regulations and international best practices, the company maintains a transparent sourcing profile, robust risk classification system, and comprehensive due diligence procedures.

1. Product Risk Classification

Promise Gold Refinery classifies products based on the inherent risk associated with their source and form:

- **Low Risk:** Fine Gold Bars
- **Medium Risk:** Recyclable/Scrap Gold Bars
- **High Risk:** Primary/Mined Gold

a. Sourcing Profile.

- The refinery exclusively sources Scrap/Recycled Gold Bars and Fine Gold Bars.
- All metal is procured locally within the United Arab Emirates, with no sourcing from international markets or CAHRA regions.
- No primary gold (e.g., from ASM or LSM operations) is part of the company's supply chain.

Due Diligence Measures for All Sourcing Channels:

For all sourced materials—regardless of risk classification—Promise Gold Refinery applies rigorous due diligence processes to ensure integrity, traceability, and compliance:

- Collects full KYC documentation, including shareholder and entity information
- Performs sanctions, PEP, and adverse media screening
- Conducts detailed site visits to verify supplier operations and compliance with ethical sourcing standards
- Declarations of recycled content and gold statements of conformance for all locally sourced metal

b. Metal Risk Classification

Promise Gold Refinery applies a material-based risk classification aligned with the nature of the metal:

- **Dore Gold** – Classified as High Risk,
- **Scrap Gold** – Classified as Medium Risk, as it is often sourced from known, local recycling channels
- **Fine Gold** – Classified as Low Risk, due to its refined nature, traceability, and consistent documentation

This classification model informs the company's due diligence depth, transaction monitoring intensity, and compliance reporting obligations, ensuring a risk-based approach to responsible sourcing.



2.1.5 Delivery Channel Risk Factors:

Demonstration of Compliance

Promise Gold Refinery FZC operates a tightly controlled delivery and collection process conducted exclusively by directly authorized personnel, with no use of third-party service providers. A verified register of authorized individuals is maintained for all suppliers and customers, with Emirates ID verification completed during onboarding and reconfirmed at the point of delivery or collection.

Gold is handed over only to explicitly nominated and authorized personnel, with no exceptions for unauthorized individuals. This real-time identity verification framework ensures secure, fully traceable delivery operations and reinforces compliance with UAE regulatory standards and internal control requirements.

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

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:

Demonstration of Compliance

Promise Gold Refinery sources all gold exclusively from within the UAE, limited to secondary scrap gold and fine gold, with no engagement in primary or mined gold sourcing or exposure to international or CAHRA-linked origins. Notwithstanding this domestic focus, the refinery applies a rigorous, risk-based due diligence framework to prevent any direct or indirect CAHRA exposure.

Supplier and transaction risks are assessed at onboarding and on an ongoing, transaction-by-transaction basis, using comprehensive KYC, beneficial ownership analysis, shipment history review, and geographic risk evaluation. Risk scoring is guided by a client risk matrix and Know Your Country methodologies to determine due diligence depth and monitoring frequency.

All suppliers are required to provide formal declarations confirming that supplied gold is not linked to high-risk or CAHRA jurisdictions. Continuous red flag monitoring covers operational, transactional, regulatory, and reputational indicators. Where elevated risk is identified, enhanced due diligence, additional controls, or suspension of business relationships are applied as appropriate.

This proactive approach reinforces Promise Gold Refinery's commitment to ethical sourcing, transparency, and full compliance with UAE Ministry of Economy regulations, OECD guidance, and international best practices.

2.3 Undertake Enhanced Due Diligence Measures for High-Risk Supply Chains

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. 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. 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).

Demonstration of Compliance

Promise Gold Refinery FZC sources all gold exclusively from UAE-based local suppliers, limited to scrap and fine gold bars, with no exposure to primary mined gold, CAHRA regions, or high-risk jurisdictions. Supplier onboarding and monitoring include on-site visits by the Compliance Officer and Sales Team, interviews with supplier representatives, and documented evidence, which is proportionate to the refinery's low-risk, domestic sourcing profile.

The refinery operates a transparent, risk-based responsible sourcing framework aligned with OECD standards, encompassing KYC and UBO verification, sanctions and adverse media screening, structured client onboarding, and public disclosure of its Supply Chain Policy. All counterparties are subject to risk-based screening and categorization, with clear approval and escalation outcomes.

Robust transaction monitoring and traceability controls are in place through unique reference tracking, source-to-output linkage, and periodic internal and external reviews. Supply chain risks are overseen by senior management with Compliance input, while ongoing employee training and annual policy reviews ensure continued alignment with regulatory requirements and best practices.



Step 3: Management of the Supply Chain Risk

Compliance statement – Non- Compliant with High - Risk Deviations

Demonstration of Compliance

Promise Gold Refinery FZC has implemented a comprehensive, risk-based supplier onboarding and lifecycle management framework aligned with UAE Ministry of Economy Due Diligence Regulations and international best practices. The framework ensures that all suppliers are corporate entities engaged in precious metals trading and are onboarded only after successful completion of KYC, risk assessment, and compliance checks. Supplier onboarding requires extensive documentation covering both legal entities and shareholders, including licensing, constitutional documents, AML/CFT policies, sourcing declarations, and ownership verification. Suppliers are classified as low, medium, or high risk using a structured risk matrix that assesses geographical exposure, counterparty profile, business activity, and transaction behavior. Corresponding due diligence measures ranging from standard due diligence to enhanced due diligence are applied, with defined Re-KYC cycles, site visits, transaction monitoring, and escalation protocols.

Currently, all suppliers are UAE-based and categorized as medium risk, having demonstrated compliance with AML/CFT and responsible sourcing requirements. Ongoing monitoring is conducted through Cygnus Scan, with no high-risk transactions or sanctions matches identified during the reporting period.

The framework includes clear procedures for risk mitigation, suspension, and termination of supplier relationships. Where concerns arise, enhanced due diligence, corrective action plans, temporary suspension, or termination may be applied, alongside regulatory reporting to the UAE FIU via GoAML where required. Although no supplier relationships have required suspension or termination to date, Promise Gold Refinery maintains a proactive and preventative risk management approach, ensuring readiness to act decisively to protect supply chain integrity, regulatory compliance, and ethical sourcing standards.

3.2 Risk Control Plan

Regulated Entities that adopt an ‘Establish/Continue’ or ‘Suspend’ approach, shall adopt a Risk Control Plan which should include, at minimum:

Demonstration of Compliance

Promise Gold Refinery FZC has implemented a comprehensive, risk-based Risk Control Plan to proactively and reactively manage the inherent risks associated with the precious metals industry. The framework is aligned with OECD Due Diligence Guidance and UAE Ministry of Economy regulations and is fully embedded within the company’s governance, compliance, and supplier relationship management processes.

Risk governance is supported through bi-annual compliance reporting, senior management oversight, and clearly defined red flag escalation protocols, ensuring timely identification, investigation, and resolution of risks. Enhanced due diligence, shipment isolation, and traceability reviews are triggered where red flags are detected.

The refinery places strong emphasis on chain-of-custody integrity, supplier engagement, and physical security controls, including enhanced documentation requirements, formal supplier declarations, periodic security reviews, and shipment-level segregation where elevated risk exists. Suppliers are contractually obligated to provide accurate and timely information and are subject to annual Re-KYC verification.

A structured escalation and mitigation mechanism governs supplier suspension and termination, with defined timelines for corrective action and regulatory reporting where required. Continuous review and monitoring ensure the effectiveness of controls and readiness to respond to emerging risks. Collectively, this framework reinforces Promise Gold Refinery’s commitment to ethical sourcing, supply chain transparency, and sustained regulatory compliance.

3.3 Continuous Monitoring

Demonstration of Compliance

Promise Gold Refinery FZC operates a fully implemented, risk-sensitive, and continuously evolving Supply Chain Due Diligence Program aligned with UAE Ministry of Economy regulations and international best practices. Although sourcing is limited to scrap and fine gold from UAE-based suppliers, the refinery applies rigorous ongoing monitoring and risk mitigation standards equivalent to those used for internationally exposed supply chains.

Continuous due diligence is conducted through Cygnus Scan and other reliable tools, covering sanctions, PEPs, and adverse media, alongside monitoring for changes in geographic exposure, supplier ownership, or operational structure. Post-mitigation evaluations assess the effectiveness of controls, with remediation reviews and escalation to enhanced due diligence where necessary.



The Compliance Team actively monitors for material changes such as geopolitical developments, new red flags, or altered transport routes—and triggers immediate reassessment when required. This responsive framework ensures sustained compliance, ethical sourcing, and proactive risk management across the entire supply chain.

3.4 Senior Management Reporting

Demonstration of Compliance

Promise Gold Refinery FZC maintains a structured and proactive risk governance framework under its Risk Management Policy, led by the Compliance Department. This framework ensures continuous risk identification, assessment, escalation, and informed decision-making by senior management, reinforcing regulatory compliance and ethical sourcing.

The Compliance Team produces detailed quarterly reports covering supplier onboarding, risk assessments, control measures, GoAML filings, and the status of corrective actions. These are reviewed by the Compliance Officer to ensure timely remediation. Quarterly inputs are consolidated into comprehensive bi-annual compliance reports, which highlight key risk indicators, red flags, and monitoring outcomes and are formally reviewed and signed off by senior management.

Senior management oversight confirms effective implementation of Risk Control Plans, tracking of corrective actions, and alignment with governance objectives. Regulatory reporting is integrated into this process, including summaries of high-risk counterparties, associated mitigation plans, and progress on enhanced due diligence, ensuring transparency and compliance with applicable requirements.

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

Compliance statement – Non- Compliant with High - Risk Deviations

DEMONSTRATION OF COMPLIANCE

Promise Gold Refinery FZC reaffirms its full commitment to compliance with the UAE Ministry of Economy's Due Diligence Regulations for Responsible Sourcing of Gold through the appointment of an independent, Ministry-approved third-party auditor. AVS Lewis and Pecker Auditing & Business Advisors has been formally engaged to conduct the annual external review, meeting all regulatory independence and eligibility requirements, with no conflicts of interest or ancillary services provided beyond the mandated audit scope.

A comprehensive audit plan has been submitted, with an on-site assessment scheduled for July 2025. Promise Gold Refinery will grant the auditor full and unrestricted access to relevant documentation, personnel, and operational facilities. The review will include verification of policies and controls, on-site inspections, staff interviews, and a structured assessment of regulatory compliance. A detailed Compliance Report and Independent Assurance Report will be issued and published on the company's website to ensure transparency.

The refinery is committed to implementing all audit recommendations and making the final report available to competent authorities upon request. Building on prior public disclosures, this engagement underscores Promise Gold Refinery FZC's dedication to transparency, continuous improvement, and leadership in ethical sourcing and supply chain governance.

STEP 5: ANNUAL REPORTING ON DUE DILIGENCE MEASURES

Compliance statement – Non- Compliant with Medium - Risk Deviations

Demonstration Of Compliance

Regulated Entities should submit all audit reports stipulated under section 12 of ANNEX I to the MoE on annual basis. The Comprehensive Management Report issued by the Reviewer should consist of the following elements at a minimum

Promise Gold Refinery reaffirms its full commitment to the UAE Ministry of Economy's Due Diligence Regulations for Responsible Sourcing of Gold through a structured, risk-based compliance framework aligned with OECD Due Diligence Guidance and international best practices.

The refinery has established robust management systems with clearly defined governance structures, documented policies and procedures, comprehensive KYC and counterparty verification processes, and secure record-keeping systems to ensure full supply chain transparency and traceability. A systematic risk assessment framework is in place to identify, categorize, and document red flags using both internal and external data sources, enabling early detection and informed risk evaluation. Identified risks are addressed through a comprehensive risk management program, supported by defined internal controls, escalation protocols, mitigation strategies, ongoing monitoring, and detailed documentation of remedial actions.



Promise Gold Refinery sources exclusively recyclable scrap and fine gold from within the UAE and does not engage in mined gold sourcing or CAHRA-linked activities. To reinforce accountability and transparency, the refinery has engaged AVS Lewis and Pecker Auditing & Business Advisors, a Ministry-approved independent auditor, to conduct its annual responsible sourcing audit, with the Independent Assurance Report to be publicly disclosed and made available to competent authorities.

This integrated due diligence framework demonstrates Promise Gold Refinery’s commitment to regulatory compliance, ethical sourcing, and sustained stakeholder trust across its gold supply chain.

MANAGEMENT CONCLUSION

Promise Gold Refinery FZC has completed its internal compliance self-assessment across the five core regulatory components outlined by the UAE Ministry of Economy. Below are the Self Risk Rating on all the five categories as per below:

Regulatory Rule	Self-Rating
Rule 1 - Supply Chain Management Systems	Non-Compliant with Medium-Risk Deviations
Rule 2 - Supply Chain Risk Identification and Assessment	Non-Compliant with High-Risk Deviations
Rule 3 - Risk Control Plan	Non-Compliant with High-Risk Deviations
Rule 4 - Independent Third-Party Audits	Non-Compliant with High-Risk Deviations
Rule 5 - Annual Reporting on Responsible Supply Chain Due Diligence	Non-Compliant with Medium-Risk Deviations

Overall Self-Rating:

Promise Gold Refinery FZC confidently affirms that its overall compliance status is **Non-Compliant with High-Risk Deviations** in accordance with the UAE Ministry of Economy’s Due Diligence Regulations for Responsible Sourcing of Gold.

Promise Gold Refinery FZC – Statement of Compliance and Commitment to Responsible Sourcing

Promise Gold Refinery FZC is committed to ethical conduct, regulatory compliance, and sustainable value creation through a transparent and responsible supply chain governance framework. Responsible sourcing is central to its business strategy, ensuring all gold processed is conflict-free, ethically sourced, and fully compliant with applicable laws and international standards.

The refinery sources 100% of its gold locally within the UAE, limited to recycled gold and fine gold bars, with no exposure to mined gold, international sourcing, or CAHRA-linked regions—thereby significantly reducing geopolitical and human rights risks. Its Supply Chain Due Diligence Program is aligned with UAE Ministry of Economy regulations and OECD Due Diligence Guidance.

Through clearly defined governance structures, robust KYC procedures, continuous screening, and risk-based supplier assessments, Promise Gold Refinery maintains high standards of integrity and compliance. The company remains focused on continuous improvement to improve the risk rating from High to Medium/Low and continue on ethical trade practices, and leadership in responsible gold sourcing.

OTHER REPORT COMMENTS

If users of this report wish to provide any feedback to Promise Gold Refinery FZC with respect to its contents, they are encouraged to contact the Compliance Department at:

For **Promise Gold Refinery FZC**



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