

PROMISE GOLD REFINERY FZC



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RESPONSIBLE SOURCING POLICY

PGR/RSP/2023/Rev-01A



2023

PROMISE GOLD REFINERY FZC



RESPONSIBLE SOURCING POLICY (RSP)

SCOPE

As part of the precious metals value chain, **Promise Gold Refinery FZC** is committed to ensure that metal is sourced from a supply chain that respect human rights and avoid contributing to armed conflict. **Promise Gold Refinery FZC** is committed to the high standards set forth by the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Metal from Conflict-Affected and High-Risk Areas and Ministry of Economy -Due Diligence Regulations for Responsible Sourcing of Gold, which forms the basis of our **Responsible Sourcing Policy (RSP)**.

Organisation and Responsibilities



Promise Gold Refinery FZC is a licensed entity and supervised by Ministry of Economy as its reporting entity and is committed to prevent money laundering and countering the financing of terrorism. **Promise Gold Refinery FZC**, as a business entity and trade license holder conduct following business in the UAE recognized as Dealers in precious metals & Stones also known to have its activities categorized under Designated Non-Financial Businesses & Profession "DNFBP's" by its supervisory authorities.

Promise Gold Refinery FZC offers commercial services to the public which include; the refining of precious metals, sales and trading of precious metals, purchase and refining of recycled/scrap metal, the production of finished products, hence **Promise Gold Refinery FZC** is obliged to abide by the Ministry of Economy -Due Diligence Regulations for Responsible Sourcing of Gold.

The management understands the importance of application of the standards and guidelines issued by Ministry of Economy and the supplementary guidance for industry best practices while doing the transactions and conducting businesses in the UAE. The management of **Promise Gold Refinery FZC** believes that the best way to fulfil this commitment is to establish effective AML/CFT policies, procedures, internal policies and processes that are conducive to:

- Carrying out the activities and services provided in accordance with strict ethical standards and current laws and regulations.
- The implementation of codes of conduct and monitoring and reporting systems to prevent that the company is used for money laundering and terrorism financing.
- Ensuring that all the employees of **Promise Gold Refinery FZC** observe this policy manual and performs action to the adherence of the processes mentioned in it.

This Policy Manual is:

Reviewed and recommended by	Reviewed and Approved By
Name: Mohammad Trahum Nawaz Shamsi	Name: Vipin Raj Selvaraj
Designation: Compliance Officer/ MLRO	Designation: Managing Director
Signature 	Signature 
Date: 01.06.2023	Date: 01.06.2023



PROMISE GOLD REFINERY FZC



SUPPLIER POLICY

Promise Gold Refinery FZC aims to pursue its business activities in what it considers to be an ethical and professional manner. Specifically, and subject to the needs of its business, it aims to promote stable, sustainable, long-term relationships with its suppliers and other business partners. **Promise Gold Refinery FZC** intends to live by these principles within its own operations and has adopted Social, Ethical and Environmental Principles and policies to this effect.

All suppliers and in turn their suppliers, should understand company's standards and sets out these expectations of suppliers to align with our responsible sourcing practices. Compliance with the Responsible Sourcing Policy is a requirement for all suppliers.

SUPPLY CHAIN DUE DILIGENCE

Suppliers must ensure that they follow the following compliance procedures and that all compliance criteria are met for the metal supplied to **Promise Gold Refinery FZC**. Compliance with the RSP is based on the OECD's Due Diligence Guidance and Ministry of Economy -Due Diligence Regulations for Responsible Sourcing of Gold

"Responsibly sourced" means that suppliers will avoid contributing to human rights abuses and/or conflict through their sourcing practices. Suppliers must map their supply chain and employ due diligence to identify risks and take appropriate measures to mitigate any identified risks.

All suppliers, and in turn their suppliers, should understand company's sourcing policy that sets out expectations of suppliers to align with our responsible sourcing practices. **Promise Gold Refinery FZC** encourages suppliers to ensure that the responsible sourcing policy is communicated throughout our supply chain. In accordance will apply to subcontractors as apply to direct suppliers. Suppliers therefore need to pass on the requirements to all subcontractors.

Apart from the other criteria adopted by the company in selecting the supplier, their product offering and market reputation is also taken into consideration. The supplier chosen by the company are generally to have completed the company KYC requirements. Any exception to the company KYC requirements may be permitted with approval from Business head.

All suppliers are required to undertake due diligence on their own supply chains in accordance with the OECD's Due Diligence Guidance to ensure that these supplies are responsibly managed and are "conflict-free" and sourced with respect for human rights.

All suppliers of **Promise Gold Refinery FZC** is expected to adhere and abide by the Supplier Code of Conduct, which needs to be signed and stamped before the commencement of business relationship.

The management of Promise Gold Refinery FZC reserves the right to reject or terminate business relationship with its any of its suppliers if the provided information is found to be falsified or misleading, we reserve the right to terminate the relationship if the supplier is found to be in breach of the supplier's code of ethics issued by Promise Gold Refinery FZC.

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COMPLIANCE REQUIREMENTS

Suppliers must ensure that they follow the following compliance procedures and that all compliance criteria are met for the metal supplied to Promise Gold Refinery FZC -Compliance with the RSP is based on the OECD's Due Diligence Guidance. "Responsibly sourced" means that suppliers will avoid contributing to human rights abuses and/or conflict through their sourcing practices. Suppliers must map their supply chain and employ due diligence to identify risks and take appropriate measures to mitigate any identified risks.

1. Establishing an Effective Governance Framework and Management Systems

Promise Gold Refinery FZC has put in place necessary policies and procedures which are consistent with the RSP compliance criteria. All suppliers should have a dedicated contact person for Promise Gold Refinery FZC Ltd who acts as "compliance officer" for the RSP and who is responsible for the annual RSP compliance report and management of any related audits.

Promise Gold Refinery FZC has appropriately created terms of business with suppliers and documented the same. These documents will be available for review by audit if requested.

Suppliers must be able to demonstrate through transaction documentation that these terms of business and policies have been implemented throughout their business, through documentation such as invoices, delivery notes, product certificates etc.

2. Supply Chain Due Diligence

Suppliers must have a demonstrable due diligence procedure to analyse and map their supply chains (including clear identification of their own suppliers, KYC details, terms of business in accordance with the RSP and any provenance of materials).

Suppliers are required to undertake due diligence on all sources of metals included in the RSP, even if the quantity of the metal is small. Through this due diligence, suppliers should be able to identify any risks in their supply chain, especially any risks relating to the compliance requirements of the RSP. Suppliers must have a procedure to assess the possibility of adverse impacts of these risks relating to the compliance criteria of the RSP, and be prepared to take measures to mitigate or eliminate these risks.

All prospective customers are required to complete standard Promise Gold Refinery FZC. Customer Application Form equivalent to the scale of their business. In addition, any customer wishing to supply metal to the Promise Gold Refinery FZC. refinery will be required to complete a further Supplier Onboarding Process which will be scaled proportionally to the size of their operation and the size of their intended supply.

The categories of Supplier Onboarding are:

Mined Gold	companies supplying mined Dore gold of any quantity
Recycled Gold	all prospective business customers wishing to supply recycled metal in any form, jewellery, scrap, industrial, bars etc.
Retail Suppliers	for smaller entities, small jewellery stores, sole traders, and working students and artists within the jewellery field who wish to sell materials
Individual Suppliers	for any individual conducting a personal transaction wherein they are selling personal items of jewellery, bars, scrap are required to attest to the ownership of the materials they are supplying and the origin of their ownership.



3. Identification of Risks, “Red Flags” and Enhanced Due Diligence

If a supplier identifies a risk in their supply chain to **Promise Gold Refinery FZC**, the supplier should undertake enhanced due diligence as follows;

Report findings of the supply chain risk assessment to Promise Gold Refinery FZC at promisegoldrefinery@gmail.com

- i. Devise and adopt a risk management plan. Devise a strategy for risk management by either
 - o continuing trade throughout the course of measurable risk mitigation efforts;
 - o temporarily suspending trade while pursuing ongoing measurable risk mitigation;
 - o disengaging with a supplier after failed attempts at mitigation or where a company deems risk mitigation not feasible or unacceptable.
 - ii. Implement the supplier’s risk management plan, monitor and track performance of risk mitigation efforts and report back to Promise Gold Refinery .
 - iii. Undertake additional fact and risk assessments for risks requiring mitigation, or after a change of circumstances.
- **Red flags for: locations of gold origin and transit:**
 - o The gold originates from or has been transported through a conflict-affected or high-risk area.
 - o 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).
 - o The gold is claimed to originate from a country through which gold from conflict-affected and high-risk areas is known or reasonably suspected to transit.
 - o 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 is known or reasonably suspected to transit.
 - o In each of these location-based red flag considerations, the risk is increased when Anti-Money laundering laws, anti-corruption laws, customs controls and other relevant governmental oversight laws are weakly enforced; informal banking systems operate, and cash is extensively used.
 - **The Business Relationship, Counterparty, or Customer:**
 - o Suddenly cancels the transaction when asked for identification or information.
 - o Is reluctant or refuses to provide personal information, or the Promise Gold Refinery FZC has reasonable doubt that the provided information is correct or sufficient.
 - o Is reluctant, unable, or refuses to explain:
 - Their business activities and corporate history;
 - The identity of the beneficial owner;
 - Their source of wealth/funds;
 - Why they are conducting their activities in a certain manner;
 - Who they are transacting with;
 - The nature of their business dealings with third parties (particularly third parties located in foreign jurisdictions).
 - o Is under investigation, has known connections with criminals, has a history of criminal indictments or convictions, or is the subject of adverse information (such as allegations of corruption or criminal activity) in reliable publicly available information sources.
 - o Is a designated person or organization (i.e. is on a Sanctions List).
 - o Is related to, or a known associate of, a person listed as being involved or suspected of involvement with terrorists or terrorist financing operations.

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- Insists on the use of an intermediary (either professional or informal) in all interactions, without sufficient justification.
- Actively avoids personal contact without sufficient justification.
- Is a politically exposed person, or has familial or professional associations with a person who is politically exposed.
- Is a foreign national with no significant dealings in the country, and no clear economic or other rationale for doing business with Promise Gold Refinery FZC.
- Is located in a significant geographic distance away from the Promise Gold Refinery FZC, with no logical rationale.
- Refuses to co-operate or provide information, data, and documents usually required to facilitate a transaction, or is unfamiliar with the details of the requested transaction.
- Makes unusual requests (including those related to secrecy).
- Is prepared to pay substantially higher fees than usual, without legitimate reason.
- Appears very concerned about, or asks an unusual number of detailed questions about compliance-related matters, such as customer due-diligence or transaction reporting requirements.
- Is conducting a transaction which appears incompatible with their socio-economic, educational, or professional profile, or about which they appear not to have a good understanding.
- Uses legal persons, legal arrangements, or foreign private foundations that operate in jurisdictions with secrecy laws.
- Requests services that could improperly disguise the nature of the precious Metal and Stones or conceal beneficial ownership from competent authorities, without any clear legitimate purpose.
- Claims to be a legitimate DPMS but cannot demonstrate a history or provide evidence of real activity.
- Is a business that cannot be found on the internet or social business network platforms (such as LinkedIn or others).
- Is registered under a name that does not indicate that activity of the company is related to precious Metal and stones, or that indicates activities different from those it claims to perform.
- Is a business that uses an email address with a public or non-professional domain (such as Hotmail, Gmail, Yahoo, etc.).
- Is registered at an address that does not match the profile of the company, or that cannot be located on internet mapping services (such as Google Maps).
- Is registered at an address that is also listed against numerous other companies or legal arrangements, indicating the use of a mailbox service.
- Has directors or controlling shareholder(s) who cannot be located or contacted, or who do not appear to have an active role in the company, or where there is no evidence that they have authorized the transaction.
- Is incorporated or established in a jurisdiction that is considered to pose a high money laundering, terrorism financing, or corruption risk.
- Has a complex corporate structure that does not appear to be necessary or that does not make commercial sense.
- Appears to be acting according to instructions of the unknown or inappropriate person(s).
- Conducts an unusual number or frequency of transactions in a relatively short time period.
- Asks for shortcuts, excessively quick transactions, or complicated structures even when it poses an unnecessary business risk or expense.
- Requests payment arrangements that appear to be unusually or unnecessarily complex or confusing (for example, unusual deposit or instalment arrangements, or payment in several different forms), or which involve third parties.

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- Provides identification, records or documentation which appear to be falsified or forged.
- Requires that transactions be affected exclusively or mainly through the use of cash, cash equivalents (such as cashier's cheques, gold certificates, bearer bonds, negotiable third-party promissory notes, or other such payment methods), or through virtual currencies, for the purpose of preserving their anonymity, without adequate and reasonable explanation.
- **The Transaction-Based Red Flags:**
 - Involves the use of a large sum of cash, without an adequate explanation as to its source or purpose.
 - Involves the frequent trading of precious Metal and stones (especially diamonds and gold) or Jewellery for cash in small incremental amounts.
 - Involves the barter or exchange of precious Metal and stone (especially diamonds and gold) or Jewellery for other high-end Jewellery.
 - Appears structured so as to avoid the cash reporting threshold.
 - Involves delivery instructions that appear to be unnecessarily complex or confusing, or which involve foreign jurisdictions with no apparent legitimate connection to the counterparty or customer.
 - Includes contractual agreements with terms that are unusual or that do not make business sense for the parties involved.
 - Involves payments to/from third parties that do not appear to have a logical connection to the transaction.
 - Involves merchandise purchased with cash, which the customer then requests the merchant to sell for him/her on consignment.
 - Involves precious Metal and stones with characteristics that are unusual or do not conform to market standards.
 - Involves the unexplained use of powers-of-attorney or similar arrangements to transact business on behalf of a third party.
 - Appears to be directed by someone (other than a formal legal representative) who is not a formal party to the transaction.
 - Involves a person acting in the capacity of a director, signatory, or other authorized representative, who does not appear to have the required competency or suitability.
 - Involves persons residing in tax havens or High-Risk Countries, when the characteristics of the transactions match any of those included in the list of indicators.
 - Is carried out on behalf of minors, incapacitated persons or other categories of persons who appear to lack the mental or economic capacity to make such decisions.
 - Involves several successive transactions which appear to be linked, or which involve the same parties or those persons who may have links to one another (for example, family ties, business ties, persons of the same nationality, persons sharing an address or having the same representatives or attorneys, etc.).
 - Involves recently created legal persons or arrangements, when the amount is large compared to the assets of those legal entities.
 - Involves foundations, cultural or leisure associations, or non-profit-making entities in general, especially when the nature of the merchandise or the characteristics of the transaction do not match the goals of the entity.
 - Involves legal persons which, although incorporated in the country, are mainly owned by foreign nationals, who may or may not be resident for tax purposes.
 - Involves unexplained last-minute changes involving the identity of the parties (e.g. it is begun in one individual's name and completed in another's without a logical explanation for the name change) and/or the details of the transaction.

PROMISE GOLD REFINERY FZC



- Involves a price that appears excessively high or low in relation to the value (book or market) of the goods, without a logical explanation.
- Involves circumstances in which the parties:
 - Do not show particular interest in the details of the transaction.
 - Do not seem particularly interested in obtaining a better price for the transaction or in improving the payment terms.
 - Insist on an unusually quick completion, without a reasonable explanation.
 - Takes place through intermediaries who are foreign nationals or individuals who are non-resident for tax purposes.
 - Involves unusually high levels of assets or unusually large transactions compared to what might reasonably be expected of clients with a similar profile.
 - Involves indications that the counterparty does not have or does not wish to obtain necessary governmental approvals, filings, licenses, or other official requirements.
 - Involves any attempt by a physical person or the controlling persons of a legal entity or legal arrangement to engage in a fraudulent transaction (including but not limited to: over- or under-invoicing of goods or services, multiple invoicing of the same goods or services, fraudulent invoicing for non-existent goods or services; over- or under- shipments (e.g. false entries on bills of lading); or multiple trading of the same goods and services).
- **Means of Payment**
 - Involves cash, cash equivalents (such as cashier's cheques, gold certificates, bearer bonds, negotiable third-party promissory notes, or similar instruments), negotiable bearer instruments, or virtual currencies, which do not state the true payer, especially where the amount of such instruments is significant in relation to the total value of the transaction, or where the payment instrument is used in a non-standard manner.
 - Involves unusual deposits (e.g. use of cash or negotiable instruments, such as traveller's cheques, cashier's cheques and money orders) in round denominations (to keep below the reporting threshold limit) to pay for precious Metals and stones. The negotiable instruments may be sequentially numbered or purchased at multiple locations, and may frequently lack payee information.
 - Is divided into smaller parts or instalments with short intervals between them.
 - Involves doubts as to the validity of the documents submitted in connection with the transaction.
 - Involves third-party payments with no apparent connection or legitimate explanation.
 - Cannot be reasonably identified with a legitimate source of funds.

PROMISE GOLD REFINERY FZC



4. KNOW YOUR COUNTERPARTY (SUPPLIER'S SUPPLIER)

Suppliers are required to apply Know Your Customer/Counterparty principles ("KYC") to their supply chains, which require businesses to establish the identity of all organisations with which they deal, have a clear understanding of their business relationships and have a reasonable ability to identify and react to transaction patterns appearing out of the ordinary or suspicious. KYC procedures may include;

- Collection and analysis of basic identity information.
- Name matching against lists of known parties.
- Details of the supplier's policies and procedures (especially relating to identification of sources of scrap/recycled supply).
- Determination of the supplier's risk, especially in terms of propensity to supply metal from an area of conflict or human rights abuses and the trade of metal on a cash transaction basis.
- An expectation of a customer's transactional behaviour.
- Monitoring of a customer's transactions against their expected behaviour and recorded profile.
- Documentation relating to the application of KYC is required for all sources of recycled or "scrap" materials.

Promise Gold Refinery FZC implement KYC FORM to ensure all category of customers (including but not limited to natural or legal persons or legal structures) are subject to adequate identification and monitoring measures.

Verifying the identity of customers and true beneficial owners using reliable, independent sources, and keeping a record of all reference documents used to verify their identity is critical to any business relationship. Additionally, Promise Gold Refinery FZC would corroborate with reference to independent sources in identifying true beneficial owner.

Customers/Business Relationships should be made aware of Promise Gold Refinery FZC explicit policy that business transactions will not be conducted with applicants who fail to provide competent evidence of their identity, but without derogating from Promise Gold Refinery FZC obligations to report suspicious transactions. Where initial verification fails to identify the applicant, or give rise to suspicious that the information provided is false, additional verification measures should be undertaken to determine whether to proceed with the business. Details of the additional verifications are to be recorded.

Promise Gold Refinery FZC will maintain customer accounts only in the name of the account holder. It shall not open or keep anonymous accounts, fictitious names accounts, incorrect name accounts and similar accounts. All documents as such requested in the due diligence process would be consider and classified as true copies of the original. The KYC FORM should capture the Customer due diligence requirements:

CUSTOMER DUE DILIGENCE (CDD)

All information and documents must be collected before entering into business relationship:

NATURAL PERSONS:

- Applicant's full name (as per passport);
- Date and place of birth;
- Nationality;
- Physical Address (residential and business / home country and UAE);
- Contact details;
- Previous personal / business activities / occupation (type and volume);
- Anticipated type and volume of company's activities;

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- Bank reference and introductory letter; and
- Source of funds

DOCUMENTS REQUIRED

- The passport and identity card (Emirates ID) of individual customers must be checked and a certified copy thereof must be maintained.
- List of non-exhaustive documents for example Driving license, Recent Utility bill, rates or council tax bill, Statement from a regulated bank, building society or credit card company, mortgage statement issued from a regulated lender, Salary Certificate from customer's current employer on a company letter head signed by the authorized person with company stamp, Tenancy Contract or Rental Agreement.
- The Company shall request individual applicants who present only photocopies of identifications and other documents to produce or show the original documents for verification purposes. The prospective customers shall be interviewed personally.

The following checks shall be instituted for non-face-to-face prospective applicants and customer:

- Telephone contact with the applicant at an independently verified home or business number;
- Subject to the applicant's consent, telephone verification of the applicant's employment with the employer's personnel department at a listed business number;
- Income or salary details appearing on recent bank statements, income tax returns or any other document evidencing income or compensation;
- Confirmation of the address through an exchange of correspondence or by other appropriate methods;
- An initial deposit drawn on another financial institution regulated by the central bank of uae will provide additional assurance as to identity.

CORPORATES

- Incorporated name
- Shareholders and or controlling interest (in case applicant company being non-publicly traded);
- Ultimate beneficial owners (in case applicant company is not publicly-traded);
- Managers Details
- Signatories Details
- Country of origin / UAE physical address (if applicable);
- Contact details
- Anticipated type and volume of activities;
- Audited financial statements
- Source of funds; and Source of Wealth

DOCUMENT REQUIRED

- Valid Registration Certificate, Trade & Regulatory License showing registration details.
- Valid VAT Certificate.
- Copy of the Memorandum of Association and Articles of Association showing the renewal date and all the partners including their shareholding pattern.
- Tenancy Contract of the Office to validate the names and addresses and official presence of the business
- Audited Financial Copy of the Firm to validate the source of wealth and source of funds.or
- Statement from a regulated bank,
- Certified copies of the identification document of Ultimate Beneficial owners, Corporate Organisation Chart etc
- Certified copies of the identification document of authorized signatories.

PROMISE GOLD REFINERY FZC



- Self Attested copy of Tenancy Contract /utility bill of the UBO and shareholders name and residential address to validate the Residency Status.
- As for public shareholding companies, the names and addresses of the Chairman, members of the Board of Directors and shareholders whose holdings are in excess of 5% each.
- As for companies where the ownership has an involvement of Trust, we would require a copy of the Trust Deed, and Identification document of the Trustee (Nominal and Beneficial).
- Any additional documents as necessary for placement of any specific risks or carrying out additional diligence. List of non-exhaustive documents such as Recent Company Utility Bill

TRUSTEE NOMINEE OR FIDUCIARY ACCOUNTS

Promise Gold Refinery FZC shall establish whether the applicant for business relationship is acting on behalf of another person as trustee, nominee or agent. Promise Gold Refinery FZC will obtain satisfactory evidence of the identity of such agents and authorized signatories, and the nature of their trustee or nominee capacity and duties.

Where the Compliance officer or Promise Gold Refinery FZC staff entertains doubts as to whether the trustee, nominee or agent is being used as a dummy in circumvention of existing laws, it shall immediately make further inquiries to verify the status of the business relationship between the parties. If satisfactory evidence of the beneficial owners cannot be obtained, the Promise Gold Refinery FZC shall consider whether to proceed with the business, bearing in mind the "Know-Your-Customer" principle.

Promise Gold Refinery FZC does not deal with shell companies or illegal organization or sanction individual or entities by UAE Sanctioned List or the UNSCR Consolidated List.

Enhanced Due Diligence (EDD)

In addition to the CDD, Enhanced due diligence is required for the High-risk customers including Politically Exposed Persons (PEPs) or in cases where the compliance has requested to perform enhanced due diligence as case may be. In ensuring carrying out enhanced due diligence Promise Gold Refinery FZC would:

- Increase scrutiny and will implement higher standards of verification and documentation from reliable and independent sources with regard to customer identity;
- Carry out more detailed inquiry and evaluation of reasonableness in regard to the purpose of the Business Relationship, the nature of the customer's business, the customer's source of funds and source of wealth, and the purpose of individual transactions;
- Increase supervision of the Business Relationship, including the requirement for owner approval, more frequent monitoring of transactions, and more frequent review and updating of customer due diligence information.
- EDD should also be applied where the Red flags has been identified (Refer Appendix 1 for list of Red Flags). In doing so Promise Gold Refinery FZC should ensure that it take reasonable measures to obtain adequate, substantiated, information about the customer, commensurate with the level of the risks identified.

NATURAL PERSONS/INDIVIDUALS

- Obtain the information source of wealth and source of fund and verify by obtaining the Last three-month/Six-month Bank statements based on the risk assessment.
- Tax assessment documents or any other official correspondence issued by the central or local govt.
- Banking references;
- Domicile/ Residency Status

PROMISE GOLD REFINERY FZC



- Description of the customer's primary trade area and whether international transactions are expected to be routine;
- Description of the business operations, the anticipated volume of currency and total sales, and a list of major customers and suppliers; and
- Explanations for changes in business activity

CORPORATES

- Obtain the Source of Fund used in the transaction and verify using Audited Annual report/Financial Statement the annual income, Turnover etc. for the last three years.
- Obtain the name of the bank that the customer or the beneficiary deals with.
- Banking references;
- Domicile and Residency Status of the UBO, Shareholder and Director.
- Description of the customer's primary trade area and whether international transactions are expected to be routine;
- Description of the business operations, the anticipated volume of currency and total sales, and a list of major customers and suppliers; and

Compliance Officer has full discretion to request for any additional documentation to establish the identification of the Customer, Ultimate Beneficial Owner and/or the Source of Funds and the business relationship non-involvement into any conflict activity.

SIMPLIFIED DUE DILIGENCE (SDD)

Simplified due diligence is required if a customer is:

- Customer is from a Low Risk Country
- Customers has well established Source of Funds
- In case of listed company where such information is available from the third-party sources such as audited financial statement of the listed company on their website or in case of legal entity beneficial owner where the customer is holding the controlling interest of the legal entity listed on the stock exchange.
- Cases that are internally assessed and documented for simplified due diligence from time to time.

5. CONFLICT-FREE

Promise Gold Refinery FZC will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of metal used in supplies to Promise Gold Refinery FZC.

Direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of metal includes, but is not limited to, procuring metal from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who;

- Illegally control mine or manufacturing sites or otherwise control transportation routes, points where metal are traded and upstream actors in the supply chain and/or
- Illegally tax or extort money or metal at points of access to mine or manufacturing sites, along transportation routes or at points where metal is traded; and/or
- Illegally tax or extort intermediaries, export companies or international traders.

Suppliers must ensure that all metal supplied to Promise Gold Refinery FZC do not directly or indirectly contribute to conflict.

PROMISE GOLD REFINERY FZC



Suppliers should ensure that the metal are “conflict-free” through compliance with the criteria listed in the Appendices to the RSP and associated standards and guidance

Suppliers may source from areas of conflict (e.g. DRC and neighbouring countries) providing those sources are certified in accordance with international metal standards as listed in the Appendices to the RSP, and any such certification must require an independent third-party audit.

In the absence of verification against such accredited standards in the RSP, suppliers must undertake due diligence to ensure metal are not sourced from areas of conflict.

6. HUMAN RIGHTS

Suppliers shall respect Human Rights and observe the UN Guiding Principles on Business and Human Rights in ways appropriate to their size and circumstances, including as a minimum;

- A policy commitment to respect Human Rights,
- Inclusion measures in the supplier’s due diligence process that seek to identify, prevent, mitigate and account for how they address their impacts on Human Rights,
- Where suppliers identify that they have caused or contributed to adverse Human Rights impacts, they shall provide for or cooperate in legitimate processes to enable the remediation of those impacts.

Suppliers’ due diligence on their supply chains should also verify that their own suppliers also follow these minimum Human Rights requirements.

7. PRODUCT INTEGRITY & DISCLOSURE

Suppliers must ensure that the metal supplied to Promise Gold Refinery FZC and to the supplier through the supplier’s supply chain are correctly and accurately represented, including providing certificates where applicable

Traceability procedures will be applied to any customer on a risk-based approach as deemed necessary, and always when EDD is triggered:

Promise Gold Refinery FZC. request by way of traceability compliance:

- Clarification on the Proof of mining origin for primary product (e.g., official government-issued certificate of origin, audited chain of custody documentation, blockchain traceability records, formal packing list).
- Proof of origin for recycled gold and grandfathered stocks (receipts)
- Any unique reference number assigned to each input and output in order for any tampering to be evident.
- Describing in advance of the type of gold that will be received
- Weight and assay: declared and processed.
- Export and import forms where applicable
- Shipping/transportation documents (waybill/airway bill, pro forma invoice, if applicable) to establish chain of custody from origin to refinery
- Record Date of arrival at the refinery and date of assay finalization.
- Declaration of taxes and royalties’ compliance

8. AML, BRIBERY AND FACILITATION PAYMENTS

Suppliers must establish policies that:

- Prohibit bribery in all business practices and transactions carried out by the supplier and by agents acting on behalf of the supplier.
- Protect Employees from any penalty or adverse consequences for identifying in good faith concerns

PROMISE GOLD REFINERY FZC



related to suspected Bribery, for refusing to participate in Bribery, or refusing to pay a Facilitation Payment where Facilitation Payments are prohibited.

- Set the criteria and approval procedures to be followed by Employees in respect of the offer and/or acceptance of gifts with third parties.
- Train relevant managers and employees on policies and procedures.
- Record relevant gifts to and from third parties in a gift register, as per the supplier's policy.
- Investigate any incidences of suspected bribery within their organization.

Where facilitation payments are permitted by applicable law, suppliers shall:

- Undertake actions to eliminate all Facilitation Payments, or to reduce the size and frequency of Facilitation Payments over time.
- Ensure that any Facilitation Payments are of limited nature and scope.
- Implement controls to monitor, oversee and fully account for any Facilitation Payments made by or on behalf of the supplier.

Suppliers shall apply Know Your Counterparty ("KYC", see above) principles for business partners that are suppliers or customers, including monitoring transactions for unusual or suspicious activity and reporting suspicions of money laundering or finance of terrorism to the relevant designated authority. Suppliers shall maintain records of all cash or cash-like transactions which occur above the relevant defined financial threshold under applicable law and, where required, report these to the relevant designated authority.

9. Early Warnings, Grievances and Whistle-Blowing

Suppliers must have evidence of a company-level, or industry-wide, grievance mechanism as an early-warning risk-awareness system. Suppliers can also use the annual RSP Compliance Report as a means of communicated grievances relating to the RSP to Promise Gold Refinery FZC. Suppliers can also report risks in their own or others' supply chains through the RSP Compliance Report. All grievances or reporting of identified risks will be treated in strict confidence by Promise Gold Refinery FZC.

Employees are trained to recognize, report any knowledge or suspicion of the following practices

- Modern Slavery
- Bribery and corruption
- Money Laundering
- Fraud
- Property Damage and theft
- Employee Misconduct
- Health and Safety Violations
- Inadequate Working Conditions
- Inadequate Security (People, Metal, Property)
- Environmental Impacts
- Child Labour
- Human Rights Violations

Anonymity: Any employee reporting or whistleblowing should not be named if anonymity is necessary for their privacy and protection. Any report made will be investigated to a satisfactory level so as to substantiate the claim.

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Evidence: Information provided must include, whenever possible:

- Name(s) of affected person, community and/or organization
- Factual description
- Witnesses
- Date
- Time
- Location
- Identity of buyers of minerals from the stated location.

Insufficient information may hinder any prevalent investigations, providing as much information as possible is strongly advised.

Stakeholder Intelligence: Information will be relayed to appropriate stakeholders. Stating whom was informed, with contact details (e-mail address, phone number, postal address, etc.) and all correspondence had with them.

This may include the following:

- Local/Provincial/National Authority
- Non-Governmental Organisations
- Lawyers
- Members of Parliament Media

NGO Reports: When informing Promise Gold Refinery FZC. Ltd of incidents pertaining to the Supply Chain in which we are associated with the following information will be required: clear research methodology highlighting educational and professional experiences, precise locations as to where the research was conducted. Persons interviewed should also be included. Also ensure accurate referencing to all sources with correct and accurate dates. Sources need to avoid being concentrated, as to avoid weakly supported reports. Should confidentiality of sources be of concern, an appropriate system to mask, but still link them, should be adopted. Victim viewpoints should be included wherever possible, ensuring protection of all vulnerable interviewees in the process. It is vital that information generating a link to the actors within the supply chain is established specifying where the incident took place, or who the trader/exporters were, or if any actors were members of a cooperative (with specifics to which one).

Internal Reporting: Internal grievances and complaints are to be reported to their relevant manager. Should the individual(s) not find it possible nor appropriate then grievances and complaints can be filed through the formal whistleblowing process.

Formal Reporting: Any whistle-blower may make written or electronic disclosures via the following channels:

- By emailing: promisegoldrefinery@gmail.com
- **Postal disclosures to:**
Q3-49, SAIF Zone
Airport Freezone,
Sharjah



10. SUPPLIER SITE VISIT

Promise Gold Refinery endeavours to undertake on-site visits of suppliers wherever deemed possible, or will engage an independent third party to do so. When and where feasible all customers supplying metal to Promise Gold Refinery, should receive a visitation during their relationship with Promise Gold Refinery. Site visits will be planned, depending on the inherent risk, on a frequency of either yearly (High Risk), tri-yearly (Medium Risk) or every 5 years (Low Risk).

Protocol for site visits is as follows:

- Site visit must be conducted before any transactions occur or, at the least, within six months of the business relationship commencing
- Site visit must be conducted by competent employees or independent third-party consultants, who are free of any conflict of interest with the supplier. Everyone conducting an on-site visit must commit to reporting truthfully and accurately
- Site visit must consult relevant internal and external stakeholders (for example, local or central authorities, upstream companies, international or civil society organizations, or affected third parties), where applicable
- Site visit must generate accurate documentation onto a Site Visit Report templates:
- Determine if the Mined Gold is LSM Gold or ASM Gold.
- Any site visit report of a mine should include:
 - Basic Customer Details
 - Permits
 - Miners
 - Health & Safety
 - Gold Extraction & Processing Methods
 - Artisanal Mining Next to the Mine Site
 - Community
 - Conflict Area & Security
 - Transportation
 - An overall Relationship Manager Assessment
- The Site Visit Report for those supplying recycled material covers several topics, , including:
 - Basic Customer Details
 - Business Activity
 - Origin of Metal & Sourcing
 - Regulatory Environment
 - Due Diligence Procedures
 - Security
 - Office Set Up
 - An overall Relationship Manager Assessment
- Site visits must be followed up, depending on the number and severity of issues identified and documented in the improvement plans.
- EDD measures should comprise the following steps based on the type of gold-bearing material received. These measures may be conducted during the on-site visit or remotely, as appropriate

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SUPPLY CHAIN RISK MANAGEMENT POLICY

Promise Gold Refinery FZC would evaluate and respond to identified risks through EDD in order to mitigate the identified risks. The following steps are minimum expected in order to mitigate the risks identified. We would consider the potential social and economic impacts of risk mitigation measures adopted by them. A risk management plan would be subject to continuous review based on changes in circumstances related to business, operations or supply base, risk nature, or a major change in applicable rules and regulations.

According to the risks identified as per procedures mentioned above of this document, Promise Gold Refinery FZC would adopt risk appetite approach which should establish the methods of risk treatment as below. Risk appetite policy should be part of the overall Supply Chain risk policy.

- **Establish or continue:** Based on the documents and information gathered through EDD Promise Gold Refinery FZC would establish or continue existing relationships if it assesses that the supplier is managing the risks to a reasonable extent. This would be subject to remedial actions for improvement of supplier's due diligence program in agreement with the us. We would measure the improvement through quantitative/qualitative analysis. The plan would be approved by senior management and Compliance officer. Promise Gold Refinery FZC would seek significant improvement within 6 months of adoption of the plan. After failed attempts of risk mitigation, in conformity with the recommended risk management plan, Regulated Entities should suspend or terminate the relationship
- **Suspend:** If EDD concludes that there is a founded suspicion of Money Laundering, Terrorist Financing, human rights abuses, environmental degradation direct or indirect support to illegitimate non-state armed groups, fraudulent misrepresentation of origin of goods, the Promise Gold Refinery FZC would suspend engagement with such supply chain till risk mitigation measures are adequately completed.
- **Terminate:** Upon identifying instances of Money Laundering and Terrorist financing, human rights abuse and support to armed conflicts, Promise Gold Refinery FZC would immediately terminate its relationship with the supplier. During such instances, the Promise Gold Refinery FZC would submit an appropriate report to the FIU in Go AML Portal.

RISK CONTROL PLAN

Promise Gold Refinery FZC would Establish/Continue' or 'Suspend' approach, shall adopt a Risk Control Plan which should include, at minimum:

- reporting mechanisms for identified risks to the senior management;
- enhanced engagement with suppliers through establishing a Chain of Custody and/or traceability system where a red flag has been identified;
- enhancement of the physical security practices;
- physical segregation and security of shipments where a red flag has been identified;
- an agreement with the supplier which facilitates timely and accurate provision of additional information related to supply chain with identified risks.
- disengaging with suppliers for at least 3 months, when they fail to comply with the mitigating controls within a period of 6 months, and/or disengaging entirely if such controls are not feasible and/or unacceptable in light of the cost-benefit analysis and the capabilities of the Regulated Entities conducting the due diligence;
- reviewing on a regular basis the results of the mitigation measures, undertaking additional fact & risk assessments for identified risks requiring mitigation or after a change of circumstances.

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CONTINUOUS MONITORING

Supply Chain Due Diligence is a dynamic process and requires ongoing risk monitoring. After implementing a Risk Control Plan, Regulated Entities should assess the risk should be repeated or, any further enhanced measures are required. Any changes in the Supply Chain may require the Promise Gold Refinery FZC to repeat some due diligence steps to ensure effective monitoring of risk.

SENIOR MANAGEMENT REPORTING

The identified risks in the Supply Chain and Risk Control Plan should be reported to a Promise Gold Refinery FZC's board of directors (or equivalent) and senior management on periodic basis (at least every 3 months). The report should include counterparties identified as high-risk and the respective Risk Control Plan