

	<b>FINE GOLD LLC</b> <b>RESPONSIBLE SOURCING</b>	No	FG/RSG/02
		Rev No.	002
		Date	2025
		Email	Compliance@finegold.ae

### Statement

**FINE GOLD** is committed to the responsible sourcing of gold in alignment with applicable UAE legislation, including the Ministry of Economy's Due Diligence Regulations for Responsible Sourcing of Gold and relevant Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) frameworks and not limited to:

- LBMA Responsible Gold Guidance.
- OECD Due Diligence Guidance for responsible supply chain of minerals from Conflict-Affected and High-Risk Areas (CAHRAs)
- OECD Due Diligence Guidance Gold Supplement.
- World Gold Council Conflict-free gold standard
- RMI – Responsible Mining Initiative

We recognize the potential risks associated with gold supply chains, particularly from Conflict-Affected and High-Risk Areas (CAHRAs), and aim to mitigate such risks through rigorous due diligence and risk management processes.

### Purpose and Scope

This policy outlines the procedures and responsibilities required to ensure our gold sourcing activities are transparent, ethical, and fully compliant with UAE regulatory requirements and the OECD Due Diligence Guidance. It aims to prevent the contribution of our operations to money laundering, terrorist financing, human rights violations, and other illicit activities.

Enforcing the right procedures and policies to align our business model with decency and reputability.

We develop responsibly and always upgrade ways to make sure that every transaction/negotiation is clear and handle it with all the seriousness that it implicates.

This policy applies to:

- All **FINE GOLD** business units and employees are involved in gold sourcing.
- All gold suppliers and business partners.
- All operations related to the purchasing, refining, and trading of precious metals.

### Governance Framework

- ✓ **Management Structure:** The management is responsible for oversight and strategic direction of this policy/procedure.
- Compliance Officer:** A Compliance Officer has been appointed to implement and supervise responsible sourcing practices and is directly reporting to the management.
- Compliance Training:** Adequate resources are allocated to ensure staff are trained and competent in responsible sourcing practices.

### Roles and Responsibilities

- ✓ **Employees:** All employees within the company group must understand and comply with this policy.
- Compliance Officer & Department:** Responsible for monitoring due diligence activities, training, procedures, reporting, and regulatory framework coordination.

### Due Diligence Measures

- ✓ **Policy Adoption:** **FINE GOLD** has adopted a documented Responsible Sourcing Policy, consistent with OECD Annex II model policy, which includes:
  - Supplier due diligence requirements

- Supply chain risk management procedures
- Reporting and grievance mechanisms
- Training and record-keeping obligations

- ✓ **KYC and Customer Due Diligence:** **FINE GOLD** conducts robust Know Your Customer (KYC) and Customer Due Diligence (CDD) checks on all suppliers, including:
  - Identification of UBO and ownership.
  - Verification of company details
  - Screening against sanctions lists and Adverse media.
  - Verification of origin of gold such as, supply chain and transit.
  - Identification of red flags as per MOE regulations and OECD Guidance

#### **Risk Identification and Assessment**

**FINE GOLD** conducts risk assessments on:

- Counterparty risks (Including PEPs and complex ownership structures)
- Geographic risks (Originating from CAHRAs or sanctioned countries)
- Product and transaction risks (Based on the form and nature of transactions)
- Delivery risks (Including traceability issues or lack of transport security).

All red flags are documented, investigated, and addressed through Enhanced Due Diligence (EDD) as required.

#### **Example:**

Risk Categories	Definition	Due Diligence to be Applied
Low-Risk A	<ul style="list-style-type: none"> <li>✓ Precious Metals with clean source</li> <li>✓ Security in the regions</li> <li>✓ Secured and clean transport routes</li> <li>✓ Customers with strong documentation and records.</li> <li>✓ Companies listed on the recognized stock Exchange</li> </ul>	Basic Due Diligence
Medium-Risk B	<ul style="list-style-type: none"> <li>✓ Gray Listed Countries</li> </ul>	Simplified Due Diligence Enhanced Due Diligence
High-Risk C	<ul style="list-style-type: none"> <li>✓ Precious Metals from high-risk regions</li> <li>✓ Precious Metals from areas affected by conflict and gold with risk transport routes.</li> <li>✓ Mined gold is claimed to originate from a country that has limited known reserves.</li> <li>✓ Recycled gold comes from a country where gold from high-risk areas reasonably suspected to transit. Counterparty is in a country representing high-risk for money laundering.</li> <li>✓ The mined gold originated from artisanal mining (ASM).</li> <li>✓ Mined gold is produced with the use of mercury.</li> <li>✓ Involvement of PEP's</li> </ul>	Enhanced Due Diligence

The whole supply chain must be declared transparently and below information shall be provided, but not limited to:

- Evidence/certificates determining the origin of gold - Mining concession documentation approved by the Mining agency of each country or body regulatory.
- Mining licenses, mining titles and/or precious metals Licenses
- Mining capacity/Feasibility Reports along with GPS Locations
- Mining agreements between trader and gold source
- Import/Export license
- A legitimate tax Register

- Commercial register issued by the Chamber of commerce - country of jurisdiction.
- Judicial background of each shareholder, authorized signatories implementing (Screening) and national legal control authority of each country
- Taxation receipts must include the name of the company and tax number assigned by the government.
- Royalty fees along with the shipping documents are issued by the mining agency or tax authority control.
- Artisanal Mining - Gold declaration receipts along with the ID identification and site source.
- Environmental license
- Official Bank Accounts
- AML Framework documents

### **Risk Management Strategy:**

Depending on the level of risk, **FINE GOLD** will:

- Develop a Risk Control Plan for each high-risk supplier and/or transaction.
- Decide whether to establish, suspend, or terminate supplier relationships based on risk level and evaluation.
- Continuously monitor customer information, transactions and update risk profiles.]

All mitigation plans are reviewed and approved by management and continuously tracked.

**FINE GOLD** is committed to following an ethically responsible policy for each source, responsible sourcing that do not integrate any international violations while conducting business and acquiring mineral; none of the issues below will be tolerated:

- ✓ Money Laundering – AML
- ✓ Armed Conflict and/or Terrorism Financing
- ✓ Sourcing from black countries
- ✓ People under TFS sanctions
- ✓ Illegal mining - Extraction method.
- ✓ Illegal mine Sources and mining concession alterations
- ✓ Human Rights violations such as: Inhumane behavior, torture, sexual violence, slavery and oppression
- ✓ Crimes such as race-hatred and genocide
- ✓ Forced labor or non-voluntary work Child labor
- ✓ Direct or indirect type of bribery
- ✓ Negative Environmental Impacts, environmental violations of restricted areas and world heritage sites
- ✓ Illegal taxation and unlawful documentation

If any serious violations are identified, relevant transactions and relationships will be immediately suspended or terminated.

### **Third-Party Audit/Evaluation**

An annual independent audit shall be implemented.

The findings are:

- Used to improve internal controls
- Incorporated into our annual management report

### **Training and Awareness**

**FINE GOLD** conducts training sessions for relevant employees covering:

- The MOE's Responsible Sourcing Regulations
- Know your customer/Customer Due Diligence procedures
- Identification of high-risk scenarios
- Record-keeping and grievance protocols
- SAR/STAR Reports

Training effectiveness is measured through assessments, and feedback.

### **Grievance Mechanism**

**FINE GOLD** has established a secure and confidential grievance mechanism accessible to:

- Employees
- Suppliers/customer
- External stakeholders
- Third-party companies

Reports submitted are investigated independently and used to enhance due diligence processes.

### **Record Keeping**

All due diligence, evaluations transactions, audit reports, and grievance records are:

- Retained for at least five years during the operations period and additionally 5 years after the business closure.
- Securely stored in digital format and safe server
- Accessible to regulators upon request.

### **Reporting Obligations**

**FINE GOLD** shall perform an annual, including:

- Supply chain risk assessments
- Mitigation actions
- Outcomes of third-party audits

### **Compliance and Enforcement**

Any Violation of this policy will result in disciplinary measures, which may include:

- Employee sanctions
- Termination of supplier relationships
- Reporting to the Financial Intelligence Unit (FIU)

### Changes to the Policy

The Compliance Department along with the Board reserves the right to change this Policy from time to time as it considers necessary.

Board Approval Date: October 01, 2024

Effective Date: October 07, 2024

**Due for review: May 06, 2025**

**Next Review: November 05, 2025**

### Signatures

Shiyad Kattuparambil Abdulkareem  
Manager



Mohamed Ahamed Meeran  
Manager



Luisa Fernanda  
Compliance Officer



### Communication Details:

For questions and/or concerns related to above policy, please send an email to [Compliance@finegold.ae](mailto:Compliance@finegold.ae)

For anonymous inquiries /concerns/ whistleblowing and grievances, please contact us through the following link:

<https://www.finegoldllc.com/Contact>

### Policy Acknowledgement

By signing this document, we acknowledge that we have received, read and understand the Responsible Sourcing Policy.

We hereby undertake to commit to compliance with the Policy.

We also understand that **FINE GOLD** is open to considering ways to support and assist in establishing processes to promote, improve and develop our practices, if necessary.

Name:

Designation:

Company Name:

Date & Place

Signature:

Stamp: