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## **PRISM GOLD HK LIMITED**

### **POLICY DETAILS**

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#### **TABLE OF CONTENTS**

<b>SR.NO</b>	<b>POLICY NAME</b>	<b>PAGE NUMBER</b>
1.	<i>Annual Due Diligence Report – 2025</i>	2-9
2.	<i>Anti-Money Laundering Policy (AML Policy)</i>	10-11
3.	<i>Anti-Bribery and Anti-Corruption Policy</i>	12-17
4.	<i>Responsible Gold Sourcing Policy</i>	18-23
5.	<i>Environmental Compliance &amp; Performance Improvement Framework for Prism Gold Hk Ltd.</i>	24-28
6.	<i>Policy For Labor and Human Rights Policy and Procedure</i>	29-32
7.	<i>Criticality and High-Risk Areas (CHARA) Identification</i>	33-39
8.	<i>Due Diligence &amp; Risk Management Policy</i>	40-49
9.	<i>Grievance Mechanism Procedure</i>	50-55
10.	<i>Occupational Health and Safety Policy</i>	56-60
11.	<i>Risk Mitigation Procedure for Prism Gold Hk Ltd</i>	61-71
12.	<i>Procedure for Third-Party Audits of Choke Point Suppliers</i>	72-77
13.	<i>Supply Chain Policy</i>	78-83

**Prism Gold HK Ltd.**

**Annual Due Diligence Report 2025**

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**1. Introduction**

Prism Gold HK Ltd. is committed to responsible and ethical business operations, aligned with international standards for responsible sourcing. This report summarizes our due diligence activities for 2024, highlighting risk management in the gold supply chain and steps taken to mitigate identified risks. We focus on high-risk suppliers, including refiners, to maintain compliance with environmental, social, and governance (ESG) standards.

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**2. Due Diligence Framework**

Prism Gold HK Ltd. implements its due diligence process based on the **OECD Due Diligence Guidance** and other relevant international frameworks. Key components include:

- **Management Systems:** Policies, audits, and risk assessments for key suppliers and choke points.
  - **Risk Identification Assessment:** Country, supplier, and environmental/social risk evaluation.
  - **Risk Mitigation:** Supplier engagement, corrective action plans (CAPs), enhanced monitoring, and third-party audits.
  - **Monitoring s Reporting:** Continuous supplier monitoring and annual disclosure of due diligence progress.
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**3. Risk Assessment Methodology**

- **Country Risk:** Evaluate sourcing regions for conflict financing or illegal activities using reliable international sources (World Bank, Transparency International).
  - **Sources of such an integrated assessment must include, but are not limited to:**
  - Sanctions list (US, UK, EU, UN, and relevant sanctions list)
  - Dodd Frank s. 1502,
  - EU CHARA list

- Heidelberg Barometer
- Fragile States Index or equivalent.

Below is the complete set of Fragile States Index data from 2007-2021. You can switch between years of data by selecting the desired year from the drop-down box below. Once you have selected a year, don't forget to click the sort button above the Total column to re-sort the countries based on score for that year.

To learn more about the Indicators, [click here](#).

**Fragile States Index 2024**

Sort by Indicator: *Hover your mouse at the top of the column you wish to sort and click the sort button:*

Select Year: 2024

Country	Rank	Total	Indicator 1	Indicator 2	Indicator 3	Indicator 4	Indicator 5	Indicator 6	Indicator 7	Indicator 8	Indicator 9	Indicator 10	Indicator 11	Indicator 12	Indicator 13	Indicator 14
Somalia	1st	111.3	9.7	10.0	9.0	9.2	9.0	8.5	9.7	9.5	8.7	10.0	9.0	9.0		
Sudan	2nd	109.3	9.3	9.6	9.6	9.4	8.8	8.0	9.5	9.0	9.3	8.9	9.7	8.2		
South Sudan	3rd	109.0	10.0	9.2	8.7	8.6	8.6	6.4	9.9	9.8	8.8	9.7	10.0	9.3		
Syria	4th	108.1	9.7	9.9	8.8	9.9	6.6	7.7	10.0	9.1	8.8	8.4	9.2	10.0		
Congo Democratic Republic	5th	106.7	8.3	9.9	9.4	8.2	8.5	6.3	9.4	9.2	9.0	9.8	9.9	8.8		
Yemen	6th	106.6	8.1	9.9	8.8	9.6	7.6	6.2	9.8	9.7	9.3	9.3	9.3	9.0		
Afghanistan	7th	103.9	9.2	8.7	8.0	9.6	8.3	7.0	9.6	9.7	8.8	8.9	8.1	8.0		
Central African Republic	7th	103.9	7.5	9.9	7.8	7.7	9.3	6.0	9.4	10.0	8.7	8.9	9.6	9.1		
Haiti	9th	103.5	7.0	9.7	5.8	8.6	8.9	8.0	10.0	9.9	9.2	8.9	7.8	9.7		
Chad	10th	102.7	8.4	9.5	8.4	8.1	8.4	7.4	8.7	9.6	8.1	9.0	9.5	7.6		
Myanmar	11th	100.0	9.3	9.0	9.4	7.8	7.2	6.0	9.5	9.2	9.6	7.1	8.9	7.0		
Ethiopia	12th	98.1	7.9	9.3	8.6	6.5	7.8	5.9	8.0	8.9	8.5	9.9	9.0	7.8		
Palestine	13th	97.8	8.0	8.3	6.2	7.0	7.0	9.4	8.8	8.0	8.1	9.0	8.0	10.0		
Mali	14th	97.3	9.7	7.6	8.2	7.0	6.9	7.4	8.7	8.9	7.6	9.1	8.2	8.0		
Nigeria	15th	96.6	8.7	9.6	8.3	8.9	8.0	6.6	8.3	8.9	8.3	9.6	6.1	5.3		
Libya	16th	96.5	9.2	9.0	7.0	8.4	6.9	4.9	9.3	7.7	9.4	7.0	8.4	9.3		
Guinea	17th	96.4	8.7	10.0	9.2	7.5	7.2	6.0	9.4	9.2	7.3	9.1	5.9	6.9		
Zimbabwe	18th	95.7	8.1	10.0	5.6	9.3	8.0	7.0	9.1	8.5	7.9	8.5	7.3	6.4		
Niger	19th	95.2	9.0	9.9	7.4	7.0	7.7	6.3	6.7	9.6	6.8	8.8	8.0	8.0		
Cameroon	20th	94.3	7.8	9.6	7.8	6.5	7.3	6.6	9.2	8.4	7.4	9.3	8.1	6.3		
Burkina Faso	21st	94.2	9.5	8.2	5.9	7.1	8.4	6.9	7.1	8.7	7.1	8.6	8.3	8.4		
Ukraine	22nd	93.1	9.7	8.3	7.1	8.0	4.6	8.4	6.3	7.0	7.5	7.0	9.5	9.7		
Lebanon	23rd	92.7	7.5	9.6	8.1	9.3	6.8	6.8	7.7	7.3	6.8	5.5	8.9	8.4		
Burundi	24th	92.6	7.5	8.5	6.4	8.5	7.1	4.9	9.3	7.9	8.7	8.8	7.7	7.3		
Mozambique	25th	92.5	6.5	6.3	7.5	7.2	9.1	7.1	7.6	9.4	6.9	9.7	7.4	7.8		
Eritrea	26th	92.1	5.7	8.4	8.4	6.8	7.6	8.7	9.7	7.9	8.9	7.4	6.3	6.3		
Pakistan	27th	91.7	7.9	9.3	9.1	8.0	5.0	5.5	8.0	7.6	7.8	7.8	7.3	8.4		
Uganda	28th	91.1	6.4	8.9	7.9	6.3	7.6	6.0	8.1	7.7	7.3	8.9	9.0	7.0		
Congo Republic	29th	90.2	6.1	6.7	8.9	9.2	7.4	6.1	9.1	8.8	6.9	8.7	6.2	6.1		
Venezuela	30th	89.0	6.4	9.4	6.2	9.5	6.9	6.4	9.6	8.4	8.6	6.0	6.2	5.4		
Iraq	31st	88.6	7.2	9.6	7.7	6.0	5.6	5.8	8.3	8.0	7.5	7.9	7.4	7.6		
Guinea Bissau	32nd	88.4	7.6	9.9	3.8	6.9	8.6	6.4	8.8	9.1	6.3	8.9	5.2	6.9		

- UN Human Rights Office of the High Commissioner or equivalent.
- Reports (including relevant country reports) by the Financial Action Task Force (FATF)
- Credible market intelligence on high-risk gold centers/transit hubs and on countries where there is a high risk of money laundering.

- **Supplier Risk:** Assess key suppliers, particularly refiners, using third-party audits and accreditation checks (e.g., RJC, LBMA).
- **Environmental s Social Risk:** Review supplier compliance with ISO 14001, ISO 45001, labor, human rights, and environmental standards.

- **C. Map the factual circumstances of the company’s red flagged**

supply chain(s), under way and planned.

1. Undertake an in-depth review of the context of all red-flagged locations

and the due diligence practices of any red flagged suppliers.

a) Review research reports including from governments, international

organisations, NGOs, and media, maps, UN reports and UN Security

Council sanctions, industry literature relating to mineral extraction, and

its impact on conflict, human rights or environmental harm in the

country of potential origin, or other public statements (e.g. from ethical

pension funds).

b) Consult with a combination of local and central governments, local civil

society organisations, community networks, UN peacekeeping units,

and local suppliers. Respond to specific questions or requests for

clarifications made by cooperating companies.

c) Determine (including through desk research; in-site visits to gold

suppliers; random sample verification of purchase records proportional

to risk; and a review and assessment of purchase and anti-money

laundering and counter terrorist financing (AML-CFT) procedures and

directives, if applicable) if upstream suppliers have policies and

management systems that are consistent with this Guidance and that

such policies and management systems are operative.

2. FOR MINED GOLD, establish on-the-ground assessment teams. Local gold exporters, international gold traders or refiners with identified red flags remain in all circumstances individually responsible for ensuring that the information on the factual circumstances of the company's red flagged supply chain(s) is gathered. Local gold exporters, international gold traders or refiners with identified red flags in their supply chains should establish on-the-ground assessment teams to generate and maintain information on suppliers (if relevant) the circumstances of mineral extraction, trade, handling, refining and export. Upstream companies may establish such a team jointly in cooperation with other upstream companies supplying from, or operating in these areas, or via an industry or multi-stakeholder mechanism or initiative. Where 'joint' teams are not possible, or companies would prefer not to work jointly, companies should conduct on-the-ground assessments independently. Companies and other stakeholders establishing on-the-ground assessment teams should:

a) Consider the following factors when contributing to joint on-the-ground assessments: the size of the cooperating companies and the resources available to conduct due diligence; the ability to access on the ground information and the position of the company in the supply chain; the quality of any previously established on-the-ground assessment teams of other upstream companies, including gold producers; and the reliability of the company's due diligence, as demonstrated by crosschecking the data provided by the company on all gold inputs.<sup>29</sup>

b) Ensure that assessors are independent from the activity being assessed and free from conflict of interests. Company assessors must commit to reporting truthfully and accurately and upholding the highest professional ethical standards and exercise “due professional care”.

c) Ensure the appropriate level of competence, by employing experts with knowledge and skill in as many of the following areas: the operational contexts assessed (*e.g.* linguistic abilities, cultural sensitivities), the substance of conflict-related risks (*e.g.* the standards in Annex II, human rights, international humanitarian law, corruption, financial crime, conflict and financing parties to a conflict, transparency), the nature and form of the gold supply chain, and the standards and process contained in this due diligence Guidance.

d) Provide assessment teams with access to mines, intermediaries, consolidators and/or transporters within the company’s control or influence, including:

i) physical access to sites, including in other countries where transshipment or relabeling is likely;

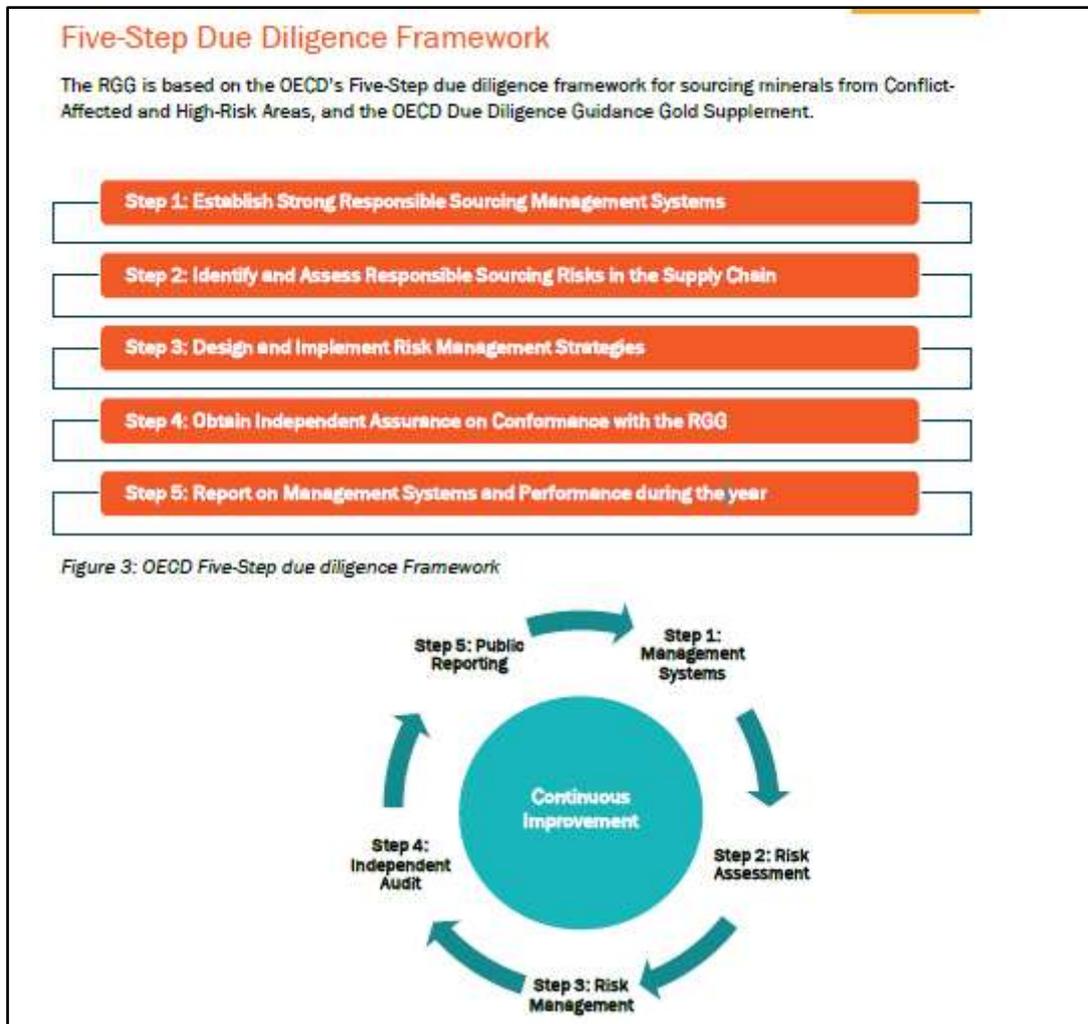
ii) access to books, records or other evidence of procurement practices, tax, fee and royalty payments, and export documentation;

iii) local logistics support and assistance;

iv) security for itself and for any information providers.

e) Establish or support the creation, where appropriate, of community monitoring networks and/or multi-stakeholder information units to feed information into the assessment team. Review, and add to or create if

possible, interactive maps that indicate the location of mines, armed groups, trade routes, roadblocks and airfields.



#### 4. Key Findings 2025

Based on the **RCS Global Ltd. audit dated 13.06.2025.**

- No evidence that Prism Gold HK Ltd. financed or benefited armed groups.
- No evidence of contributing to serious human rights abuses.
- A responsible sourcing policy exists, but improvements are recommended to align procedures fully with OECD Guidance.
- Recommendations include formalizing risk identification, mitigation, annual third- party audits, public reporting, and adherence to HERAEUS Supplier Code of Conduct.

## 5. Actions Taken

- **Corrective Action Plans (CAPs):** Implemented where supplier due diligence was insufficient.
- **Supplier Engagement:** Capacity building in human rights and environmental management.
- **Independent Audits:** Additional third-party audits commissioned for high-risk suppliers.
- **Policy Updates:** Strengthened Ethical Sourcing Policy, including mandatory reporting and audit transparency.
- **Supplier Training:** Training programs conducted to enhance compliance awareness.

### ➤ Risk Assessment Table

Risk Assessment Results																
Location	Transport Route (Air, Intermediate storage or process area)	CARR(s)	The minerals originate from an area been managed via a conflict affected high risk area	The minerals are obtained or extracted from a country that has limited human resources, likely resources or expected production levels of the mineral in question (i.e. the declared volume of mineral from that country are not of keeping with its human resources or reported production levels)	The minerals are obtained or originate from a country in which minerals from conflict affected and high risk areas are known to exist	The company's suppliers or other business operations companies have shareholder or other interests in companies that supply minerals from or operate in one of the above mentioned red flag locations of mineral origin and transit	The company's suppliers' or other business operations companies are known to have received minerals from a red flag location of mineral origin and transit in the last 12 months	Child Labour (over force of child labour)	Forced Labour	Any other human rights violation (Abuse)	Direct or indirect support to non-state armed groups	Public or private security forces	Military and borderless intervention of the origin of minerals (Money Laundering, payment of taxes, fees and royalties due to government)	Enhance Due Diligence / Outreach Activities for the suppliers (Min or Refuse)	Whether this supplier has third party certification or not	Risk Level (Overall)
Hongkong	Hong Kong	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Yes	Yes (IRMA certified)	Low risk supplier
Hongkong	Hong Kong	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Yes	Yes (IRMA certified)	Low risk supplier
Hongkong	Hong Kong	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Yes	Yes (IRMA certified)	Low risk supplier
Hongkong	Hong Kong	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Yes	Yes (IRMA certified)	Low risk supplier
Hongkong	Hong Kong	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Yes	Yes (IRMA certified)	Low risk supplier
Hongkong	Hong Kong	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Yes	Yes (IRMA certified)	Low risk supplier
Hongkong	Hong Kong	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Yes	Yes (IRMA certified)	Low risk supplier
Hongkong	Hong Kong	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Yes	Yes (IRMA certified)	Low risk supplier

## 6. Future Goals and Continuous Improvement

- **Expand Supplier Audits:** Ensure all major suppliers are independently audited by 2025.
- **Enhance Risk Assessments:** Cover new regions and additional suppliers.
- **Sustainability Initiatives:** Require ISO 14001 compliance and improve waste and water management across suppliers.

## 7. Conclusion

Prism Gold HK Ltd. remains committed to socially responsible and transparent operations. In 2026, we identified areas for improvement and are actively mitigating risks to ensure responsible sourcing. Ongoing monitoring, stakeholder engagement, and continuous improvement remain central to our due diligence practices.

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## 8. Contact Information

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**Approved by:** Sanyam Turakhia, Director, Prism Gold HK Ltd.

### G. Contact Information

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+852 5481 5334

*SNTurakhia*



- ANTI-MONEY LAUNDERING POLICY
- POLICY STATEMENT

Prism Gold HK Ltd is a legal, ethical, and transparent company, and it takes the responsibility to ensure and maintain that its assets and resources are not being used for corruption, irregularities, or money laundering. The company has taken it upon itself to detect frauds, irregularities, abuse of position, and institutional gains.

➤ **Purpose**

The purpose of this policy is to make that the company's financial processes and procedures are according to the anti-money laundering laws.

➤ **Scope**

This policy applies to every entity related to Prism Gold HK Ltd and its employees, directors, officers, contractors, or any third party working on behalf of the company.

The policy is for internal use, and the administration is required to convey it to every concerned person or entity. Failure to comply with the policy will result in appropriate action.

➤ **Money Laundering**

Money laundering refers to those assets that are money that is acquired in exchange for money or assets gained unlawfully. It also includes money spent for terror purposes, regardless of the means it was obtained.

Under this policy, money earned by using the following means is considered money laundering, and it is prohibited.

- a. Money or assets received in exchange for criminal or unlawful acts. Money whose origin is not explicit or earned by assisting any activity in evading lawful means.
- b. Property gained after any criminal activity and its origin, location, and disposition are not transparent.
- c. Property which is promoting any unlawful activity
- d. Terrorism financing

➤ **Compliance**

The company will establish a body responsible for the implementation of this policy.

The company will carry out the procedure to identify any irregularity on behalf of any stakeholder under this policy. The company should.

- a. Identify all the financiers of the company and verify their identity.
- b. Take special care where stakeholders want anonymity.
- c. Maintain proper records of the stakeholders.

If anyone in the company knows or suspects that a person is involved in money laundering or terror financing, it is their responsibility to report such person to the body established by the company. In such a case, the company must

- a. Take the details of the people involved.
- b. Verify the type of transactions.
- c. Reason for suspicion
- d. The amount involved.

The company must consult with the legal department before embarking on business with a third party and carefully screen such interactions.

The policy is subject to updates and amendments, which will be communicated to the stakeholder immediately.

This policy can be adapted further based on your specific business needs or additional compliance requirements. Let me know if you'd like to refine any section!

All reports will be handled confidentially and investigated promptly. ---

• **Continuous Improvement**

We are committed to continuously improving our practices, updating this policy as needed, and staying aligned with evolving international standards. ---

For further information, please contact:

[ +852 5481 5334]; Email: prismgoldhk@gmail.com

Approved by:

CEO: - SANYAM TURAKHIYA

Prism Gold HK Ltd ---

*SNTurakhia*



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*Anti-Bribery and Anti-Corruption Policies and Procedures for*

*Prism Gold HK Ltd.*

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**1. Establish a Process to Ensure Consultants and Sales Intermediaries Do Not Offer Benefits to Employees as Consideration for Procurement**

**Objective:** Ensure that consultants and sales intermediaries do not offer or accept any form of benefit, kickback, or inducement in exchange for securing products or services for the company.

**Procedures:**

**Contractual Obligations:** All contracts with consultants, intermediaries, or sales agents will include specific clauses prohibiting the offering or receiving of any form of benefit (e.g., gifts, payments, hospitality, kickbacks) in exchange for the procurement of products or services.

**Due Diligence:** Prism Gold HK Ltd. will conduct thorough due diligence on all third-party consultants and intermediaries before engagement, assessing their compliance with anti-bribery laws and the company's ethical standards.

**Whistleblowing Mechanism:** A confidential whistleblower mechanism will be established, allowing employees, suppliers, and third parties to report any suspicious activities or unethical behaviour related to the procurement process.

**Monitoring and Enforcement:** Regular audits will be conducted to ensure compliance with this policy. Any violation will be subject to disciplinary action, as defined in the company's Code of Conduct.

**2. Establish a Clear Mechanism to Deal with Allegations of Corrupt Behaviour and Ensure Appropriate Disciplinary Action**

**Objective:** Address allegations of corrupt behaviour in a structured and consistent manner, ensuring that appropriate disciplinary measures are taken.

**Procedures:**

**Reporting and Investigation:** Allegations of corrupt behaviour will be reported to the Compliance Officer or a designated Ethics Committee. All reports will be investigated promptly and confidentially by an independent internal or external investigator.

**Disciplinary Action:** If the investigation finds evidence of corrupt behaviour, disciplinary action will be taken in accordance with the severity of the violation. Actions may include:

Verbal or written warnings

Suspension or termination of employment

Legal action, including reporting the issue to relevant authorities if required by law.

**Regarding bribery and fraudulent misrepresentation of the origin of minerals:**

Prism Gold Hk Limited will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

**Regarding money laundering:**

Prism Gold Hk Ltd will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

**Regarding the payment of taxes, fees and royalties due to governments:**

Prism gold Hk ltd will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

**Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments:**

In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organisations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

**Anti-Corruption Policy:** The Anti-Bribery and Anti-Corruption Policy will outline acceptable and unacceptable behaviours and specify the consequences for violating these standards. This policy will be communicated to all employees, contractors, and relevant third parties.

### **3. Provide Training on Anti-Bribery and Anti-Corruption Policy to Relevant Employees**

**Objective:** Equip employees with the knowledge and tools to identify and prevent bribery and corruption within the organization.

**Procedures:**

**Mandatory Training:** All relevant employees, particularly those in procurement, sales, and management positions, will undergo annual training on the Anti-Bribery and Anti-Corruption Policy. This will include:

- Understanding what constitutes bribery and corruption.
- Recognizing common red flags in business transactions.
- Procedures for reporting suspicious activities.
- Real-life case studies and examples.

➤ **BRIBERY AND FRAUDULENT MISREPRESENTATION OF MINERALS ORIGIN –**

**RISK MITIGATION:**

Upstream companies may cooperate through associations, assessment teams or other suitable means to build capabilities of suppliers, in particular SMEs, to conduct due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas.

➤ **MONEY LAUNDERING –**

The following suggested risk mitigation measures may be considered for implementation by upstream companies individually or through associations, joint assessment teams or other suitable means to undertake the following activities:

Develop supplier, customer and transactional red flags to identify suspicious behaviour and activities.

Identify and verify the identity of all suppliers, business partners and customers.

Report suspicious behaviour of criminal activity to local, national, regional and international law enforcement agencies.

For further guidance, see Financial Action Task Force, Guidance on the risk-based approach to combating money laundering and terrorist financing.

#### **4. Establish a Policy to Refrain from Unauthorized Disclosure of Business and Trade Secrets**

**Objective:** Protect the confidentiality of business and trade secrets, preventing unauthorized disclosure to third parties or competitors.

**Procedures:**

**Confidentiality Agreements:** All employees, contractors, and third parties who have access to proprietary information or trade secrets will be required to sign a Non-Disclosure Agreement (NDA). The NDA will clearly define what constitutes confidential information and outline the legal obligations related to its protection.

**Internal Security Measures:** Prism Gold HK Ltd. will implement internal controls to safeguard confidential information, including restricted access to sensitive data, encryption of electronic records, and secure storage of physical documents.

**Employee and Third-Party Obligations:** The Code of Conduct will explicitly state that unauthorized disclosure of trade secrets or business-sensitive information will result in disciplinary action, including termination of employment or contract, and potential legal action.

**Monitoring and Enforcement:** The company will regularly monitor access to sensitive information and review employee compliance with confidentiality agreements through audits and investigations when necessary.

#### **5. Establish a Process to Prevent Unauthorized or Illegal Withdrawal of Land**

**Objective:** Prevent unauthorized or illegal withdrawal of land or resources, ensuring compliance with property laws and ethical business practices.

**Procedures:**

**Due Diligence on Land Ownership:** Before acquiring or using land for business purposes, Prism Gold HK Ltd. will conduct thorough due diligence to verify the legal ownership of the land and ensure that no illegal activities (e.g., land grabbing, unauthorized withdrawals) are involved. This will include reviewing property titles, land use agreements, and local regulatory compliance.

**Engagement with Local Authorities and Stakeholders:** The company will work closely with local authorities, community representatives, and relevant stakeholders to ensure that land transactions are carried out legally and with community consent.

**Legal and Ethical Review:** All land-related activities will undergo a legal and ethical review to ensure that the company complies with all local, national, and international regulations, including environmental protections and human rights considerations.

**Reporting Mechanism:** Prism Gold HK Ltd. will establish a transparent reporting mechanism for employees and third parties to report any suspected illegal or unethical land withdrawals. These reports will be investigated and, where necessary, corrective action will be taken.

**Training for Relevant Employees:** Employees involved in land acquisitions and resource management will receive training on legal and ethical land practices, ensuring they are fully aware of the procedures for preventing unauthorized land withdrawal.

Action	Timeline	Responsible Party
Develop and Implement Anti-Bribery and Anti-Corruption Policies	1-2 months	Legal/Compliance Department
Conduct Employee Training on Anti-Corruption	3-4 months	HR/Compliance Team
Create Confidentiality Agreements and NDAs for All Employees and Third Parties	1-2 months	Legal Department
Establish Whistleblowing Mechanism for Corruption and Land Withdrawal Allegations	2-3 months	Compliance Officer
Complete Due Diligence on Land Acquisitions	Ongoing	Legal/Procurement Team Conclusion

Prism Gold HK Ltd. is committed to maintaining the highest standards of integrity and transparency across its operations. By establishing clear policies and procedures to prevent bribery, corruption, unauthorized disclosure of business secrets, and illegal land withdrawal, we aim to foster a culture of ethical behaviour and compliance. These steps are integral to ensuring that we not only meet legal and regulatory requirements

but also uphold our corporate values of responsibility, fairness, and respect for stakeholders and the environment.

For more information, please contact our Compliance Department at [prismgoldhk@gmail.com](mailto:prismgoldhk@gmail.com)

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Here is a comprehensive Responsible Sourcing Policy for Prism Gold HK Ltd, covering all essential aspects for a robust and ethical supply chain in the gold trading and smelting industry. This extended version ensures compliance with international frameworks and highlights clear commitments and procedures. ---

## **Responsible Gold Sourcing Policy**

### **Prism Gold HK Ltd**

Effective Date: - 30.11.2024

### **Introduction**

Prism Gold HK Ltd is committed to ethical business practices and ensuring transparency, integrity, and responsibility throughout its gold sourcing, trading, and smelting operations. This policy outlines our dedication to responsible sourcing, aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the LBMA Responsible Gold Guidance, and other relevant international standards.

Our policy reflects our core values of sustainability, human rights protection, environmental stewardship, and conflict-free sourcing. ---

### **Scope**

This policy applies to:

1. All gold procured, traded, processed, or refined by Prism Gold HK Ltd.
2. All employees, contractors, and business partners, including suppliers, mines, and transporters.
3. All countries and regions in which we operate, particularly conflict-affected and high-risk areas (CAHRAs). ---

### **Principles and Commitments**

#### **1. Ethical and Conflict-Free Sourcing**

We will ensure that all gold sourced:

Does not contribute to armed conflict or human rights abuses. Is obtained from legitimate, conflict-free, and responsible sources.

Adheres to the requirements of the OECD Annex II Model Policy on Responsible Mineral Supply Chains.

## **2. Human Rights and Labor Standards**

We are committed to:

Avoiding all forms of child labour, forced labour, and human trafficking.

Upholding international human rights as outlined in the Universal Declaration of Human Rights.

Ensuring safe and fair working conditions across our supply chain.

## **3. Environmental Sustainability**

We will promote practices that minimize environmental degradation, support biodiversity, and ensure the responsible use of natural resources.

## **4. Anti-Bribery and Anti-Corruption**

We have zero tolerance for corruption, bribery, and money laundering. We will work to prevent the use of gold for financing illegal activities.

## **5. Compliance with Legal and Regulatory Standards**

**We will fully comply with:**

Hong Kong regulations and the Chinese Gold and Silver Exchange (CGSE) standards.

International frameworks such as the Dodd-Frank Act Section 1502, the EU Conflict Minerals Regulation, and other applicable laws. --

### **Due Diligence Process**

**Our due diligence process is aligned with the OECD's Five-Step Framework:**

#### **Step 1: Establish Strong Management Systems**

**Policy Communication:** This policy will be publicly available and shared with all suppliers and stakeholders.

**Internal Controls:** Establish clear roles and responsibilities within our organization to oversee compliance.

**Grievance Mechanism:** Create a channel for anonymous reporting of concerns or violations.

**Record Keeping:** Maintain documentation of supply chain due diligence for at least five years.

## **Step 2: Identify and Assess Risks in the Supply Chain**

Conduct thorough risk assessments to identify CAHRAs using reliable sources such as the OECD Annex II list and UN reports.

Engage with suppliers to evaluate their sourcing practices, mine origin, and transportation routes.

Utilize third-party audits and verification for high-risk suppliers.

## **Step 3: Design and Implement a Risk Mitigation Strategy**

Collaborate with suppliers to address identified risks through capacity-building and corrective actions.

Disengage from suppliers who fail to comply with the policy or remediate issues effectively.

## **Step 4: Carry Out Independent Third-Party Audits**

Facilitate regular audits of supply chain activities, particularly for high-risk sources.

Work with industry-recognized auditors and certification bodies.

## **Step 5: Report on Due Diligence Efforts**

Publish an annual report detailing our due diligence practices, risk management outcomes, and supply chain transparency efforts. ---

Supplier Code of Conduct

### **All suppliers must:**

1. Comply with Prism Gold HK Ltd.'s Responsible Sourcing Policy.
2. Provide complete transparency regarding the origin and chain of custody of the gold.
3. Ensure adherence to international labour, human rights, and environmental standards.
4. Submit to third-party audits and respond promptly to any corrective action plans. ---

### Implementation and Training

**Capacity Building:** Conduct regular training for employees and suppliers on responsible sourcing and due diligence processes.

**Supplier Engagement:** Collaborate with suppliers to improve compliance and support continuous improvement. ---

## **Governance and Accountability**

The Board of Directors and senior management are responsible for policy oversight and implementation.

A dedicated compliance team will monitor supply chain activities, ensure adherence to this policy, and review it annually. ---

## **Conduct supply chain due diligence to identify potential risks**

Refiners must perform supply chain due diligence following a risk-based approach. This includes mapping the supply chain to identify and assess risks effectively. Due diligence must be undertaken before entering a new business relationship with a gold-supplying counterparty and must continue throughout the relationship.

## **Supply chain due diligence**

A risk-based due diligence approach requires an assessment of the location and the supply chain that the gold-bearing material is sourced from as well as the type of gold-bearing material sourced. To identify high-risk supply chains, Refiners should undertake the following measures as a minimum.

### **Location risk identification should include, but limited to:**

- **Determination of the origin of the gold source:**

- o **Mined Gold:** The location of the mine (LSM and ASM).

- o **Recycled Gold:** The point in the gold supply chain where the gold is returned to the Refiner or other downstream intermediate processor or recycler.

- o **Mining By-product:** The point of separation of gold from the mineral base, as provided under the World Customs Organization's Revised Kyoto Convention Annex K.9

- o **Grandfathered Stocks:** The determination of origin is not required for stocks with a Verifiable Date prior to 1 January 2012, otherwise origin is the location of the gold-supplying counterparty.

- Determination of the general transportation routing of the gold source from origin to refinery.

- Verification that sourcing from the Country of Origin is not in breach of any international sanctions.

➤ **Location risk identification should include**

**1) Dodd- Frank covered countries.**

Angola, Burundi, The Central African Republic, The Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia.

**2) EU CHARA List**

Africa – Afghanistan, Iraq, Libya, Myanmar, Pakistan, Somalia, Syria, Yemen Etc.

Asian countries - such as Myanmar, North Korea, Pakistan and parts of the Philippines.

European Russia (especially in the occupied territories of Ukraine), Ukraine (conflict Zones) etc.

Latin America – Colombia, Venezuela, etc.

• **Red Flag Identification –**

➤ **Red flag locations of gold origin and transit:**

❖ The gold originates from or has been transported through a conflict-affected or high-risk area.

❖ 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).

❖ 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.

❖ 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 are known or reasonably suspected to transit.

**Non-Compliance and Remediation**

Prism Gold HK Ltd reserves the right to terminate relationships with suppliers who:  
Violate this policy or fail to implement corrective actions.

Refuse to participate in audits or provide required documentation.

We will work to remediate issues where possible, prioritizing collaboration over exclusion. ---

### **Reporting and Transparency**

This policy will be published on our official website for public access.

Annual progress reports will include insights into risk mitigation, audit findings, and improvements in supply chain practices. ---

### **Grievance Mechanism**

We encourage stakeholders to report any concerns or violations of this policy through our grievance mechanism:

Email: [ [prismgoldhk@gmail.com](mailto:prismgoldhk@gmail.com) ]

Phone: [ + 852 63554554 ]

All reports will be handled confidentially and investigated promptly. ---

### **Continuous Improvement**

We are committed to continuously improving our practices, updating this policy as needed, and staying aligned with evolving international standards. ---

For further information, please contact: +852 5481 5334

Approved by:

CEO: - SANYAM TURAKHIA

Prism Gold HK Ltd ---

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## **Environmental Compliance and Performance Improvement Framework for Prism Gold HK Ltd.**

### **1. Commitment to Comply with All Applicable Legal Provisions for the Protection of the Environment**

**Objective:** Prism Gold HK Ltd. will adopt a formal, comprehensive approach to ensure compliance with all relevant environmental laws, including those related to chemical management, waste management, and minimizing impacts on air, water, and soil. This commitment will be part of the company's broader effort to reduce its environmental footprint and continuously improve its environmental performance.

Environmental Compliance Procedures

#### **A. Commitment to Legal Compliance**

##### **Environmental Compliance Policy:**

**Environmental Policy Declaration:** Prism Gold HK Ltd. will create and publicly share an Environmental Compliance Policy to formalize its commitment to environmental protection. This policy will state the company's commitment to complying with local, regional, and international environmental laws.

##### **The policy will cover key areas, including:**

**Chemical Legislation:** Compliance with all regulations concerning the use, storage, and disposal of chemicals, including national chemical safety laws and international frameworks like REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals).

**Waste Management Legislation:** Compliance with waste management laws, including proper disposal and recycling of hazardous and non-hazardous waste.

**Air, Water, and Soil Protection:** Adherence to regulations aimed at minimizing pollution and protecting air, water, and soil from contamination.

##### **Monitoring of Legal Requirements:**

**Regulatory Tracking:** Prism Gold HK Ltd. will establish a Regulatory Tracking System to ensure ongoing awareness and compliance with environmental legislation. This will involve:

**Regular review of environmental regulations and updates.**

**Environmental Compliance Audits (if required):** Internal and External Audits: Prism Gold HK Ltd. will schedule annual environmental audits, both internal and with third-party auditors, to evaluate the company's compliance with relevant environmental laws. These audits will focus on all critical areas, including chemical safety, waste disposal, emissions, and water management.

**Audit Reports:** The results of these audits will be documented and reviewed by senior management, with corrective actions taken where necessary.

**B. Minimizing Environmental Impacts**

**Pollution Prevention and Control (If Applicable):**

**Air, Water, and Soil Protection:** Prism Gold HK Ltd. will implement procedures to minimize its environmental impacts in key areas:

**Air Quality:** Regular monitoring of air emissions from operations to ensure compliance with emission limits for pollutants such as CO<sub>2</sub>, particulate matter, and volatile organic compounds (VOCs).

**Water Protection:** The company will ensure wastewater is treated according to relevant regulations, including the installation of water treatment systems to meet discharge standards.

**Soil Contamination:** Safe handling, storage, and disposal of hazardous chemicals to prevent soil contamination. Special attention will be given to spill prevention and emergency response plans.

**Chemical Management (If Applicable):**

**Chemical Safety and Compliance:** Prism Gold HK Ltd. will establish a Chemical Management Program to comply with chemical legislation (e.g., REACH, OSHA), ensuring the safe storage, use, and disposal of chemicals.

**Safety Data Sheets (SDS)** will be maintained for all chemicals, and employees will be trained in safe handling procedures.

The company will track chemical inventory to ensure proper disposal and compliance with regulations regarding chemical usage and disposal.

### **Waste Management:**

**Waste Reduction Strategy:** The company will implement a Waste Reduction Program, aimed at minimizing waste generation and increasing recycling. This program will focus on:

**Waste Segregation:** Ensuring proper segregation of hazardous and non-hazardous waste to facilitate safe disposal and recycling.

**Hazardous Waste Disposal:** All hazardous waste will be disposed of according to local regulations, with certified waste management companies handling its disposal.

**Waste Audits:** Prism Gold HK Ltd. will conduct annual waste audits to identify areas for improvement in waste reduction and recycling.

### **C. Continuous Improvement of Environmental Performance**

#### **Environmental Management System (EMS):**

**ISO 14001 Certification:** Prism Gold HK Ltd. will implement an **Environmental Management System (EMS)** in line with the **ISO 14001** standard, which will help monitor and continually improve environmental performance.

#### **The EMS will:**

Set environmental objectives and targets, such as reducing emissions, water consumption, and waste generation.

Include a process for regular review and evaluation to measure progress and implement improvements.

#### **Environmental Training and Awareness:**

**Employee Training:** Prism Gold HK Ltd. will provide regular environmental training to all employees, focusing on:

Legal compliance with environmental regulations.

Best practices for waste management, pollution prevention, and energy conservation.

Safe handling of chemicals and hazardous materials.

**Sustainability Programs:** The company will encourage employees to participate in sustainability initiatives aimed at reducing environmental impacts.

#### **Environmental Performance Monitoring:**

**Performance Indicators:** The company will develop and track environmental performance indicators (KPIs), including:

Energy usage

Water consumption

Waste production

Carbon emissions

Chemical inventory levels

**Regular Reporting:** Prism Gold HK Ltd. will produce an annual environmental report that outlines its progress toward environmental goals, compliance with regulations, and future environmental objectives.

**Stakeholder Engagement:**

**Public Reporting:** The company will publish an annual sustainability report, detailing its environmental performance, compliance with environmental laws, and efforts to minimize environmental impacts.

**Engagement with Local Communities:** Prism Gold HK Ltd. will engage with local communities and stakeholders to ensure transparent communication about its environmental practices and address any concerns.

Implementation Timeline Action	Timeline	Responsible Party
Establish Environmental Compliance Policy	1 month	Environmental Compliance
Officer Implement Chemical Management and Waste Reduction Programs	2-3 months	Environmental Manager
Obtain ISO 14001 Certification	6-9 months	Compliance Officer
Conduct Initial Environmental Audits	3 months	Internal Audit/Environmental Compliance Team
Launch Employee Environmental Awareness Training	1-3 months	HR/Environmental Compliance Officer
Publish Annual Environmental Performance Report	Annually	Environmental Manager/Compliance Officer

## Conclusion

Prism Gold HK Ltd. is fully committed to complying with all applicable legal provisions for environmental protection, including those related to chemicals, waste management, and pollution prevention. By adopting comprehensive environmental management procedures, conducting regular audits, minimizing environmental impacts, and engaging in continuous performance improvement, the company aims to contribute to sustainability and ensure the protection of the environment for future generations.

For more information on Prism Gold HK Ltd.'s environmental policies or to request specific environmental reports, please contact our Environmental Compliance Department at [prismgoldhk@gmail.com](mailto:prismgoldhk@gmail.com)

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## **Labor and Human Rights Policies and Procedures for Prism Gold HK Ltd.**

### **1. Establish a Formal Commitment to Respect the Dignity and Human Rights of Employees**

**Objective:** Ensure that Prism Gold HK Ltd. upholds the dignity, rights, and well-being of all employees in accordance with international human rights standards.

**Procedures:**

**Human Rights Commitment Statement:** Prism Gold HK Ltd. will issue a Human Rights Commitment Statement that outlines the company's dedication to respecting the rights of all employees. This statement will align with international conventions such as the Universal Declaration of Human Rights (UDHR) and the International Labour Organization (ILO) conventions.

**Key Principles:** The company's commitment to respecting employees' dignity and human rights will include:

**Non-Discrimination:** Ensuring that no employee is discriminated against based on race, gender, age, religion, sexual orientation, disability, or any other characteristic.

**Freedom of Association:** Supporting employees' rights to freely form or join trade unions and to engage in collective bargaining.

**No Forced Labor or Child Labor:** Explicitly prohibiting forced labor, human trafficking, or the employment of children under the legal working age.

**Fair Treatment and Equal Opportunities:** Guaranteeing fair treatment in hiring, compensation, promotion, and access to benefits.

**Health and Safety:** Providing a safe and healthy working environment for all employees.

**Employee Awareness:** The Human Rights Commitment Statement will be made publicly available and distributed to all employees, contractors, and business partners. New employees will be required to acknowledge their understanding of these principles during their onboarding process.

**Monitoring and Accountability:** Regular audits will be conducted to ensure compliance with the company's human rights policies. Any violations of these principles will be dealt with swiftly and fairly in accordance with the company's Code of Conduct.

## 2. Maintain Personal Files Including Age Proof Document for Each Employee

**Objective:** Ensure that all employee records are complete and accurate, including proof of the employee's age, to comply with legal working age requirements and employment standards.

### **Procedures:**

**Employee Personal Files:** Prism Gold HK Ltd. will maintain comprehensive personal files for each employee, which will include the following documents:

**Personal Identification:** A copy of a valid government-issued ID (e.g., passport, national ID card).

**Age Verification:** A document proving the employee's age, such as a birth certificate, passport, or other legal document that can confirm the employee's date of birth.

**Employment History:** Records of previous employment, if applicable.

**Health and Safety Documents:** Documentation related to health assessments and safety training.

**Other Required Documents:** Any additional documents as required by local labor laws or company policies.

**Confidentiality and Security:** Personal employee files will be stored in a secure manner, with access restricted to authorized HR and management personnel only. The company will ensure compliance with data protection laws, including the General Data Protection Regulation (GDPR) or local data protection regulations where applicable.

**Regular Updates:** Employee files will be kept up to date, with any changes in personal information, job position, or legal status (e.g., change in address, marital status, health condition) documented and updated regularly.

## 3. Sign a Labour Contract with Every Employee

**Objective:** Formalize the employment relationship and ensure that all employees have a clear and mutually agreed-upon labor contract that complies with local and international labor standards.

### **Procedures:**

**Employment Contract:** Prism Gold HK Ltd. will sign a written labor contract with each employee before they commence work. The contract will include, at a minimum:

**Job Description:** The employee's role, responsibilities, and expected duties.

**Compensation:** The agreed-upon salary, payment schedule, and any benefits (e.g., health insurance, bonuses, allowances).

**Working Hours:** Standard working hours, overtime policies, and rest periods.

**Employment Term:** Whether the employment is permanent or temporary, including any probationary period.

**Termination Clause:** Conditions under which the employment can be terminated, including notice periods and severance arrangements.

**Health and Safety:** Rights related to workplace safety and protection.

**Anti-Discrimination and Harassment Clauses:** A statement committing to a workplace free from discrimination and harassment.

**Confidentiality Agreement:** If applicable, terms regarding the protection of confidential company information.

**Compliance with Local and International Laws:** The labor contract will be drafted in compliance with local labor laws, including minimum wage requirements, working hours, and other employee protections. Additionally, the contract will comply with international labor standards, such as those set out by the International Labour Organization (ILO).

**Employee Acknowledgment:** Both the employee and the employer will sign the contract, and each party will receive a copy. The employee will be given time to review the contract and seek clarification before signing.

**Language and Clarity:** The labor contract will be written in clear and understandable language, and where necessary, will be translated into the employee's native language to ensure full understanding.

### Implementation Timeline

Action	Timeline	Responsible Party
Develop and Approve Human Rights Commitment Statement	1 month	HR/Legal Department
Establish Employee Personal Files and Age Verification Process	1-2 months	HR Department
Create and Implement Standardized Labor Contracts	2-3 months	HR Department
Provide Employee Awareness Training on Human Rights and Employment Policies	3 months	HR Department
Monitor and Audit Compliance with Labor Policies	Ongoing	HR/Compliance Officer

### Conclusion

Prism Gold HK Ltd. is dedicated to creating a fair, respectful, and legally compliant working environment for all employees. By establishing formal commitments to human rights, maintaining comprehensive employee records, and signing labor contracts, we ensure that our workforce is treated with dignity and respect. These measures are integral to our commitment to compliance, employee well-being, and responsible business practices.

For further information or inquiries regarding our labor policies, please contact our Human Resources Department at [prismgoldhk@gmail.com](mailto:prismgoldhk@gmail.com)

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## POLICY

To identify Criticality and High-Risk Areas (CAHRA), the procedure generally involves a comprehensive risk management process, where specific areas of concern within an organization or operation are assessed based on their potential impact, vulnerability, and the resources they require. Here's an outline of the procedure to identify CAHRAs, define the resources, criteria, and frequency of review:

### 1. Identification of CAHRA

The first step is to identify and categorize the areas or assets within an organization that are considered critical or high-risk. This typically involves the following:

**Risk Assessment:** Conduct a detailed risk assessment to evaluate vulnerabilities that could affect the asset or system's ability to function effectively. This includes analyzing:

**Internal Risks:** Such as system failures, employee turnover, process inefficiencies.

**External Risks:** Such as economic changes, supply chain disruptions, regulatory changes, or natural disasters.

**Impact Analysis:** Evaluate the potential impact of risks on organizational operations, reputation, legal compliance, and financial performance.

**Prioritization:** Rank areas based on their criticality (i.e., how vital they are to operations)

Below is the complete set of Fragile States Index data from 2007-2021. You can switch between years of data by selecting the desired year from the drop-down box below. Once you have selected a year, don't forget to click the sort button above the Total column to re-sort the countries based on score for that year.

To learn more about the indicators, [click here](#)

#### Fragile States Index 2024

Sort by indicator. Hover your mouse at the top of the column you wish to sort and click the sort button.

Country	Rank	Total	Political Rights	Civil Liberties	Government Effectiveness	Corruption Perception	Government Stability	Investor Confidence	Business Freedom	Financial Freedom	Human Development	Environmental Quality	Healthcare Quality	
Somalia	1st	111.3	9.7	10.0	9.0	9.2	9.0	8.5	9.7	9.5	8.7	10.0	9.0	9.0
Sudan	2nd	109.3	9.3	9.6	9.6	9.4	8.8	8.0	9.5	9.0	9.3	8.9	9.7	8.2
South Sudan	3rd	109.0	10.0	9.2	8.7	8.6	8.6	6.4	9.9	9.8	8.8	9.7	10.0	9.3
Syria	4th	108.1	9.7	9.9	8.8	9.9	6.6	7.7	10.0	9.1	8.8	8.4	9.2	10.0
Congo Democratic Republic	5th	106.7	8.3	9.9	9.4	8.2	8.5	6.3	9.4	9.2	9.0	9.8	9.9	8.8
Yemen	6th	106.6	8.1	9.9	8.8	9.6	7.6	6.2	9.8	9.7	9.3	9.3	9.3	9.0
Afghanistan	7th	103.9	9.2	8.7	8.0	9.6	8.3	7.0	9.6	9.7	8.8	8.9	8.1	8.0
Central African Republic	7th	103.9	7.5	9.9	7.8	7.7	9.3	6.0	9.4	10.0	8.7	8.9	9.6	9.1
Haiti	9th	103.5	7.0	9.7	5.8	8.6	8.9	8.0	10.0	9.9	9.2	8.9	7.8	9.7
Chad	10th	102.7	8.4	9.5	8.4	8.1	8.4	7.4	8.7	9.6	8.1	9.0	9.5	7.6
Myanmar	11th	100.0	9.3	9.0	9.4	7.8	7.2	6.0	9.5	9.2	9.6	7.1	8.9	7.0
Ethiopia	12th	98.1	7.9	9.3	8.6	6.5	7.8	5.9	8.0	8.9	8.5	9.9	9.0	7.8
Palestine	13th	97.8	8.0	8.3	6.2	7.0	7.0	9.4	8.8	8.0	8.1	9.0	8.0	10.0
Mali	14th	97.3	9.7	7.6	8.2	7.0	6.9	7.4	8.7	8.9	7.6	9.1	8.2	8.0
Nigeria	15th	96.6	8.7	9.6	8.3	8.9	8.0	6.6	8.3	8.9	8.3	9.6	6.1	5.3
Libya	16th	96.5	9.2	9.0	7.0	8.4	6.9	4.9	9.3	7.7	9.4	7.0	8.4	9.3
Guinea	17th	96.4	8.7	10.0	9.2	7.5	7.2	6.0	9.4	9.2	7.3	9.1	5.9	6.9
Zimbabwe	18th	95.7	8.1	10.0	5.6	9.3	8.0	7.0	9.1	8.5	7.9	8.5	7.3	6.4
Niger	19th	95.2	9.0	9.9	7.4	7.0	7.7	6.3	6.7	9.6	6.8	8.8	8.0	8.0
Cameroon	20th	94.3	7.8	9.6	7.8	6.5	7.3	6.6	9.2	8.4	7.4	9.3	8.1	6.3
Burkina Faso	21st	94.2	9.5	8.2	5.9	7.1	8.4	6.9	7.1	8.7	7.1	8.6	8.3	8.4
Ukraine	22nd	93.1	9.7	8.3	7.1	8.0	4.6	8.4	6.3	7.0	7.5	7.0	9.5	9.7
Lebanon	23rd	92.7	7.5	9.6	8.1	9.3	6.8	6.8	7.7	7.3	6.8	5.5	8.9	8.4
Burundi	24th	92.6	7.5	8.5	6.4	8.5	7.1	4.9	9.3	7.9	8.7	8.8	7.7	7.3
Mozambique	25th	92.5	6.5	6.3	7.5	7.2	9.1	7.1	7.6	9.4	6.9	9.7	7.4	7.8
Eritrea	26th	92.1	5.7	8.4	8.4	6.8	7.6	8.7	9.7	7.9	8.9	7.4	6.3	6.3
Pakistan	27th	91.7	7.9	9.3	9.1	8.0	5.0	5.5	8.0	7.6	7.8	7.8	7.3	8.4
Uganda	28th	91.1	6.4	8.9	7.9	6.3	7.6	6.0	8.1	7.7	7.3	8.9	9.0	7.0
Congo Republic	29th	90.2	6.1	6.7	8.9	9.2	7.4	6.1	9.1	8.8	6.9	8.7	6.2	6.1
Venezuela	30th	89.0	6.4	9.4	6.2	9.5	6.9	6.4	9.6	8.4	8.6	6.0	6.2	5.4
Iraq	31st	88.6	7.2	9.6	7.7	6.0	5.6	5.8	8.3	8.0	7.5	7.9	7.4	7.6
Guinea Bissau	32nd	88.4	7.6	9.9	9.8	6.9	8.6	6.4	8.8	9.1	6.3	8.9	5.2	6.9

## 2. Define Resources for CAHRA

For each identified CAHRA, define the resources required to maintain, protect, or recover these areas in case of disruption:

**Personnel:** Identify key personnel, including leadership, experts, or specialized staff.

**Technology/Systems:** Identify critical software, hardware, IT infrastructure, and communication systems.

**Financial Resources:** Determine the budget, investments, or funding necessary to safeguard the CAHRA or respond to any threats or disruptions.

**Physical Infrastructure:** Identify any physical assets (e.g., machinery, facilities, transportation infrastructure) that are critical.

**Suppliers/Partners:** Identify external partners, suppliers, or contractors who play a role in maintaining the CAHRA.

## 3. Criteria Used for Identifying CAHRA

The following criteria are commonly used to identify and assess the criticality of an area or asset:

**Impact on Core Operations:** How essential is the asset to business continuity? Does it directly affect the ability to deliver products/services?

**Regulatory and Legal Compliance:** Are there legal or regulatory requirements that demand a certain level of focus on the asset?

**Safety and Security:** Does the asset contribute to physical, cybersecurity, or health and safety concerns?

**Interdependencies:** How does the CAHRA interact with or depend on other areas within the organization or external parties?

**Reputation:** What would be the impact on the organization's reputation if the CAHRA were compromised or failed?

**Cost of Failure:** What are the financial implications of a disruption to this asset (e.g., downtime, penalties, loss of business)?

**Countries whose score is above 80 is consider as CHARA**

*(Source Fragile States Index 2024)*

#### **4. Frequency of Review**

The identification and assessment of CAHRAs should be a dynamic and ongoing process. The frequency of review depends on the type of risk and the environment in which the organization operates. Consider the following:

**Regular Reviews:** Typically, CAHRA reviews should be performed annually or bi-annually to ensure that the assessments remain current and relevant.

**Trigger-Based Reviews:** In some cases, the review process should be triggered by specific events or changes, such as:

**Changes in Operations:** New systems, processes, or infrastructure might introduce new CAHRAs.

**Emerging Threats:** New risks, such as cybersecurity threats or regulatory changes, might affect CAHRAs.

**After an Incident:** Following any incident (e.g., business disruption, system failure, security breach), a review of the CAHRAs may be necessary to update assessments or refine mitigation strategies.

**Continuous Monitoring:** In high-risk environments (e.g., healthcare, energy, finance), continuous monitoring of CAHRAs and associated risks is often necessary to ensure resilience.

#### **5. Mitigation and Continuous Improvement**

Once CAHRAs have been identified and reviewed, organizations should develop and implement mitigation strategies, such as:

**Contingency Planning:** Establish contingency plans to ensure business continuity if a CAHRA is disrupted.

**Resource Allocation:** Allocate appropriate resources (e.g., funding, personnel, technology) to protect critical areas.

**Training and Awareness:** Train employees and stakeholders on the importance of CAHRAs and their role in protecting them.

**Audits and Testing:** Regularly audit and test the resilience of CAHRAs through simulation exercises, vulnerability assessments, and penetration testing.

## 6. Documentation and Reporting

Document the entire process, including:

### List of Identified CAHRAs: A detailed register of critical areas.

1. Sanctions list (US, UK, EU, UN, and relevant sanctions lists)
2. Dodd Franks 1502
3. EU CAHRA list
4. Heidelberg Barometer
5. Fragile Sates Index or equivalent
6. UN Human Rights office of the High Commissioner or equivalent.
7. Reports by the Financial Action Task Force

### ➤ Process to identify Red Flag, -

#### Red flag locations of gold origin and transit:

The gold originates from or has been transported through a conflict-affected or high-risk area.

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).

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.

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.

In each of these location-based red flag considerations, the risk is increased when antimony 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.

#### Supplier red flags:

Suppliers or other known upstream companies operate in one of the abovementioned red flag locations of gold origin and transit or have shareholder or other interests in suppliers of gold from one of the above-mentioned red flag locations of gold origin and transit.

Suppliers or other known upstream companies are known to have sourced gold from a red flag location of gold origin and transit in the last 12 months.

Credible market intelligence on high-risk gold centres / transit hubs and on countries where there is a high risk of money laundering.

Risk Assessment Results: A description of risks and their potential impact.

Resource Requirements: A clear outline of resources allocated to mitigate or respond to risks.

Review and Update Schedule: A defined schedule for periodic reviews and assessments.

**Red flag circumstances:**

*Anomalies or unusual circumstances are identified through the information collected in Step 1 which give rise to a reasonable suspicion that the gold may contribute to conflict or serious abuses associated with the extraction, transport or trade of gold.*

- a) **No red flags identified:** If the gold producer can reasonably determine that these red flags do not arise in that supply chain, no additional due diligence is required for that supply chain. The management systems established in Step 1 should be maintained and regularly reviewed

**I. UPSTREAM COMPANIES**

Upstream companies are expected to clarify chain of custody and the circumstances of mineral extraction, trade, handling and export and identify and assess risk by evaluating those circumstances against the model supply chain policy on minerals from conflict-affected and high-risk areas in Annex II. Upstream companies may cooperate to carry out the recommendations in this section through joint initiatives. However, companies retain individual responsibility for their due diligence, and should ensure that all joint work duly takes into consideration circumstances specific to the individual company

**7. IMPLEMENTATION**

Review the history / past record of the Individual / Corporate Customer from the screening software, i.e. <https://cygnusscanuae.crowe.ae/auth/login>

Identify the risk status of the UBO / Authorised Representative from time to time. This process shall identify the CAHRA. Maintain physical documents in file as evidence to get it audited from third party

**Format 1: CAHRA Identification Table**

CAHRA Location	Criteria Used	Date Identified	Sources Used	Status
[Region/Country]	[Regulatory, Conflict]	[MM/DD/YYYY]	<a href="https://cygnusscanuae.crowe.ae/auth/login">https://cygnusscanuae.crowe.ae/auth/login</a>	[Active/Closed]

**Format 2: Risk Assessment Report**

1. Customer Risk Report
2. Detailed KYC Report

**1. Executive Summary:**

- We are having scanning software (CYGNUS SCAN) that scans the details like name of the supplier / customer in the various list. Includes UN List, UAE Local terrorist List, Dow Jones Security Council Committee, Consolidated-Non-SDN, European Union, OFAC, HM Treasury etc. And As per the nature of business, considering all the paraments like – Country of Incorporation, Business Activity, Partner/UBO Nationality, whether partner is politically exposed person. On this basic the risk is calculated and taking the average rating to consider the risk of the business.

**2. Risk Assessment Table:**

Risk ID	Risk Description	Location	Severity	Mitigation Plan	Status
R001	Supplier X uses cash deals	[Country]	High	Switch to bank payment	In Progress

**3. Conclusion:**

Summary of actions taken and follow-up plans.

**Format 3: Qualitative Information Update Log**

Date Updated	Information Updated	Source	Responsible Team	Remarks
[MM/DD/YYYY]	New CAHRA added (Region)	UN Conflict Report	[Team/Individual]	Next review [Date]

POLICY APPROVED BY

PRISM GOLD HK LTD.

Director – Mr. Sanyam N. Turakhia

*S.N. Turakhia*



## **\*Prism Gold HK Ltd. - Due Diligence and Risk Management Policy\***

\*Version\*: 1.0

\*Effective Date\*: 30.11.2024

\*Reviewed and approved by\*: Mr. Sanyam N. Turakhia

### **### \*1. Purpose\***

This policy outlines the due diligence procedures Prism Gold HK Ltd. will follow to identify, assess, and mitigate risks in its supply chain. These risks include issues related to \*conflict-affected and high-risk areas (CAHRAs)\*, \*\*red flags\* in mineral sourcing (including the purchase of gold), and \*human rights violations\*. The policy is designed to ensure compliance with the \*\*OECD Due Diligence Guidance\* for responsible supply chains of minerals, including gold, and to promote responsible sourcing and ethical business practices. ---

### **### \*2. Scope\***

This policy applies to all business operations of Prism Gold HK Ltd. and its supply chain, including:

- \*Sourcing and trading of gold\* (both through direct suppliers and third-party intermediaries).
- \*Supply chain activities\*, including transportation, processing, and export.
- \*Employees, suppliers, contractors, and third-party service providers\* involved in any activities related to gold sourcing.
- \*Stakeholders\*, including local communities, non-governmental organizations (NGOs), and industry groups, where applicable. ---

### **### \*3. Policy Objectives\***

- \*Ensure responsible sourcing\* of gold and other minerals by assessing and mitigating risks, especially those related to \*conflict financing\*, \*\*child labor\*, \*\*forced labor\*, and \*\*inhumane treatment\*\*.
- \*Comply with OECD Due Diligence Guidance\* for responsible mineral supply chains.
- \*Promote transparency\* and accountability in the supply chain.
- \*Identify and address risks\* in \*conflict-affected and high-risk areas (CAHRAs)\*.
- \*Prevent and address red flags\* related to unethical or illegal practices in the supply chain. ---

### ### \*4. Key Definitions\*

- \*Conflict-Affected and High-Risk Areas (CAHRAs)\*: Regions where there is significant political instability, conflict, or human rights abuses, which may involve the exploitation of minerals to finance armed conflict or organized crime.
- \*Red Flags\*: Indicators of potential risk within the supply chain, including irregularities such as untraceable payments, ties to illegal or unethical actors, and discrepancies in sourcing documentation.
- \*OECD Annex II Risks: Specific risks outlined in the OECD guidelines that must be considered in the supply chain, including risks related to \*\*child labor, \*\*forced labor, \*\*environmental degradation, and \*\*human rights violations\*. ---

### ### \*5. Procedure for Identifying Conflict-Affected and High-Risk Areas (CAHRAs)\*

#### #### \*5.1 Criteria for Identifying CAHRAs\*

Prism Gold HK Ltd. will use the following criteria to identify CAHRAs in its supply chain:

- \*Active conflict\* or \*armed groups\* controlling mining or trade activities.
- \*Political instability\* or government-backed militias involved in mineral extraction or trade.
- \*Environmental harm\* from mining practices, including unsafe working conditions and ecological destruction.
- \*International sanctions\* or \*trade restrictions\* related to specific regions.

#### **Dodd- Frank covered countries**

Angola, Burundi, The Central African Republic, The Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia.

#### **EU CAHRA List**

Africa, Afghanistan, Iraq, Libya, Myanmar, Pakistan, Somalia, Syria, Yemen. Etc.

Asian countries such as Myanmar, North Korea, Pakistan, and parts of the Philippines.

European Russia (especially in the occupied territories of Ukraine), Ukraine (Conflict Zones) etc.

Latin America – Colombia, Venezuela. Etc

- Countries whose score is above 80 is consider is CAHRA
- Source – Fragile States Index 2024

Below is the complete set of Fragile States Index data from 2007-2021. You can switch between years of data by selecting the desired year from the drop-down box below. Once you have selected a year, don't forget to click the sort button above the Total column to re-sort the countries based on score for that year.

To learn more about the Indicators, [click here](#).

**Fragile States Index 2024**

Select Year: 2024

Sort by Indicator: Hover your mouse at the top of the column you wish to sort and click the sort button:

Country	Rank	Total	Police	Corruption	Human Rights	Government Effectiveness	Political Rights	Press Freedom	Internet Freedom	Democracy	Human Development	Gender Equality	Environmental Quality
Somalia	1st	111.3	9.7	10.0	9.0	9.2	9.0	8.5	9.7	9.5	8.7	10.0	9.0
Sudan	2nd	109.3	9.3	9.6	9.6	9.4	8.8	8.0	9.5	9.0	9.3	8.9	9.7
South Sudan	3rd	109.0	10.0	9.2	8.7	8.6	8.6	6.4	9.9	9.8	8.8	9.7	10.0
Syria	4th	108.1	9.7	9.9	8.8	9.9	6.6	7.7	10.0	9.1	8.8	8.4	9.2
Congo Democratic Republic	5th	106.7	8.3	9.9	9.4	8.2	8.5	6.3	9.4	9.2	9.0	9.8	9.9
Yemen	6th	106.6	8.1	9.9	8.8	9.6	7.6	6.2	9.8	9.7	9.3	9.3	9.3
Afghanistan	7th	103.9	9.2	8.7	8.0	9.6	8.3	7.0	9.6	9.7	8.8	8.9	8.1
Central African Republic	7th	103.9	7.5	9.9	7.8	7.7	9.3	6.0	9.4	10.0	8.7	8.9	9.6
Haiti	9th	103.5	7.0	9.7	5.8	8.6	8.9	8.0	10.0	9.9	9.2	8.9	7.8
Chad	10th	102.7	8.4	9.5	8.4	8.1	8.4	7.4	8.7	9.6	8.1	9.0	9.5
Myanmar	11th	100.0	9.3	9.0	9.4	7.8	7.2	6.0	9.5	9.2	9.6	7.1	8.9
Ethiopia	12th	98.1	7.9	9.3	8.6	6.5	7.8	5.9	8.0	8.9	8.5	9.9	9.0
Palestine	13th	97.8	8.0	8.3	6.2	7.0	7.0	9.4	8.8	8.0	8.1	9.0	8.0
Mali	14th	97.3	9.7	7.6	8.2	7.0	6.9	7.4	8.7	8.9	7.6	9.1	8.2
Nigeria	15th	96.6	8.7	9.6	8.3	8.9	8.0	6.6	8.3	8.9	8.3	9.6	6.1
Libya	16th	96.5	9.2	9.0	7.0	8.4	6.9	4.9	9.3	7.7	9.4	7.0	8.4
Guinea	17th	96.4	8.7	10.0	9.2	7.5	7.2	6.0	9.4	9.2	7.3	9.1	5.9
Zimbabwe	18th	95.7	8.1	10.0	5.6	9.3	8.0	7.0	9.1	8.5	7.9	8.5	7.3
Niger	19th	95.2	9.0	9.9	7.4	7.0	7.7	6.3	6.7	9.6	6.8	8.8	8.0
Cameroon	20th	94.3	7.8	9.6	7.8	6.5	7.3	6.6	9.2	8.4	7.4	9.3	8.1
Burkina Faso	21st	94.2	9.5	8.2	5.9	7.1	8.4	6.9	7.1	8.7	7.1	8.6	8.3
Ukraine	22nd	93.1	9.7	8.3	7.1	8.0	4.6	8.4	6.3	7.0	7.5	7.0	9.5
Lebanon	23rd	92.7	7.5	9.6	8.1	9.3	6.8	6.8	7.7	7.3	6.8	5.5	8.9
Burundi	24th	92.6	7.5	8.5	6.4	8.5	7.1	4.9	9.3	7.9	8.7	8.8	7.7
Mozambique	25th	92.5	6.5	6.3	7.5	7.2	9.1	7.1	7.6	9.4	6.9	9.7	7.4
Eritrea	26th	92.1	5.7	8.4	8.4	6.8	7.6	8.7	9.7	7.9	8.9	7.4	6.3
Pakistan	27th	91.7	7.9	9.3	9.1	8.0	5.0	5.5	8.0	7.6	7.8	7.8	7.3
Uganda	28th	91.1	6.4	8.9	7.9	6.3	7.6	6.0	8.1	7.7	7.3	8.9	9.0
Congo Republic	29th	90.2	6.1	6.7	8.9	9.2	7.4	6.1	9.1	8.8	6.9	8.7	6.2
Venezuela	30th	89.0	6.4	9.4	6.2	9.5	6.9	6.4	9.6	8.4	8.6	6.0	6.2
Iraq	31st	88.6	7.2	9.6	7.7	6.0	5.6	5.8	8.3	8.0	7.5	7.9	7.4
Guinea Bissau	32nd	88.4	7.6	9.9	3.8	6.9	8.6	6.4	8.8	9.1	6.3	8.9	5.2

➤ **Conduct supply chain due diligence to identify potential risks**

Refiners must perform supply chain due diligence following a risk-based approach. This includes mapping the supply chain to identify and assess risks effectively. Due diligence must be undertaken before entering a new business relationship with a gold-supplying counterparty and must continue throughout the relationship.

➤ **Supply chain due diligence**

A risk-based due diligence approach requires an assessment of the location and the supply chain that the gold-bearing material is sourced from as well as the type of gold-bearing material sourced. To identify high-risk supply chains, Refiners should undertake the following measures as a minimum.

➤ **Location risk identification should include, but is not limited to:**

- Determination of the origin of the gold source:
  - o Mined Gold: The location of the mine (LSM and ASM).
  - o Recycled Gold: The point in the gold supply chain where the gold is returned to the Refiner or other downstream intermediate processor or recycler.
  - o Mining By-product: The point of separation of gold from the mineral base, as provided under the World Customs Organization's Revised Kyoto Convention Annex K.9
  - o Grandfathered Stocks: The determination of origin is not required for stocks with a Verifiable Date prior to 1 January 2012, otherwise origin is the location of the gold-supplying counterparty.
- Determination of the general transportation routing of the gold source from origin to refinery.
- Verification that sourcing from the Country of Origin is not in breach of any international sanctions.
- Verification that the mine site is not located in a World Heritage Site.

**#### \*5.2 Data Sources and Tools\***

Prism Gold HK Ltd. will rely on the following sources to identify CAHRAs:

**Sources of such an integrated assessment must include, but are not limited to:**

- Sanctions lists (US, UK, EU, UN, and relevant sanctions lists)
- Dodd Frank s. 1502
- EU CAHRA list
- Heidelberg Barometer
- Fragile States Index or equivalent
- UN Human Rights Office of the High Commissioner or equivalent
- Reports (including relevant country reports) by the Financial Action Task Force (FATF)
- Credible market intelligence on high-risk gold centres/transit hubs and on countries where there is a high risk of money laundering.

## **Type of material risk identification**

Sections below detail additional due diligence measures specific to various types of sourced material and scale of sourcing operations. Refiners should use reasonable and good faith efforts to apply each of the measures described but may determine the extent of such measures on a risk-sensitivity basis depending on the location of the company and transit zones, and the type of company, business relationship or transaction.

Refiners may use independent audit, assurance or certification reports of conformance with recognised responsible sourcing standards (other initiatives) as supporting evidence for all or part of the requirements outlined below. The onus is on the Refiner to determine which aspects of the RGG are being addressed through other initiatives and to ensure residual RGG requirements are appropriately met.

### **1: Risk identification for gold sourced from owned mines**

Where Refiners are sourcing from mines within the same corporate group as the Refiner, i.e., owned mines, it is expected that risk-based due diligence is still performed on applicable risks, e.g., management of third-party stock and ESG factors.

### **2: Risk identification for gold sourced from Mining By-Products**

Where Refiners source gold as a Mining By-product, a risk identification assessment should be undertaken along the supply chain up to the smelter where the gold is separated from the base or other metal.

The Refiner will be expected to conduct due diligence on the responsible sourcing policies and practices of the by-product supplying counterparty and assess whether the counterparty has appropriately identified and managed its high-risk supply chains in relation to threat financing risks, at a minimum.

The Refiner may adapt the KYC Questionnaire for Recycled Material to assess the smelter supplying the by-product, or use audits, assurance or certification reports for other recognised responsible sourcing initiatives (see Recognised Responsible Sourcing Standards), as supporting evidence.

A Refiner that only sources Mining By-product is still subject to an RGG assurance over its policies, processes and systems to manage the risk of false misrepresentations of origin.

#### #### \*5.3 Review Frequency\*

- \*Annual Review\*: CAHRA identification will be reviewed at least annually to ensure the most up-to-date information is incorporated into due diligence efforts.
- \*Ad-hoc Reviews\*: In the event of a sudden political, economic, or environmental change, or when a \*\*red flag\* is raised, a more immediate review will take place.

#### #### \*5.4 Action Plan\*

- \*Mapping of CAHRAs\*: Maintain a \*\*listing\* or \*table\* of identified CAHRAs, with details on:
  - Region/Country
  - Risk Level (e.g., high, medium, low)
  - Specific suppliers or operations in the affected regions
  - Relevant geopolitical events
- \*Mitigation Measures\*: Based on the assessment, Prism Gold HK Ltd. will either:
  - Avoid sourcing from identified CAHRAs.
  - Implement additional due diligence and monitoring measures (e.g., third-party audits, enhanced supplier screening). ---

### ### \*6. Procedure for Identifying Red Flags in the Supply Chain\*

#### #### \*6.1 Red Flag Indicators\*

Prism Gold HK Ltd. will monitor the following \*red flag indicators\* within its supply chain:

- \*Suspicious or irregular transactions\*: Large, untraceable cash purchases or unusual purchasing patterns from high-risk regions.
- \*Non-compliant suppliers\*: Suppliers with weak due diligence processes or a lack of transparency in their operations.
- \*Supplier links to high-risk entities\*: Evidence of suppliers being involved with armed groups, illegal mining operations, or regions under sanction.
- \*Lack of documentation\*: Missing or incomplete sourcing documentation, including export/import permits or certification documents.
- \*Unusual transportation routes\*: Gold being transported through conflict zones or high-risk areas without sufficient scrutiny.

#### #### \*6.2 Process for Handling Red Flags\*

1. \*Red Flag Detection\*: Continuous monitoring of suppliers and transactions for potential red flags.

2. \*Verification\*: Once a red flag is detected, Prism Gold HK Ltd. will conduct an investigation, including:

- Verifying the source and legitimacy of the gold or materials.
- Engaging with suppliers to understand the nature of the transaction and ensure transparency.
- Consulting third-party auditors or experts for additional validation.

#### 3. \*Corrective Actions\*:

- Suspend or halt sourcing from suppliers flagged for non-compliance or illegal activities.
- Initiate a full supplier audit if necessary.
- Implement corrective actions (e.g., supply chain restructuring, enhanced monitoring).

#### #### \*6.3 Documentation and Reporting\*

- \*Red Flag Reporting\*: Maintain a log of all identified red flags, investigation results, and actions taken.
- \*Management Review\*: Ensure senior management is regularly updated on red flag issues and resolutions.
- \*Corrective Action Tracking\*: Implement a corrective action plan for each red flag, with timelines and responsible personnel. ---

#### ### \*7. Procedure for Identifying Risks in the Supply Chain (OECD Annex II) \*

##### #### \*7.1 OECD Annex II Risk Categories\*

Prism Gold HK Ltd. will focus on the following risk categories as set out in \*OECD Annex II\*:

- \*Child Labor\*: Any form of child labor within the supply chain.
- \*Forced Labor\*: Any evidence of forced or bonded labor.
- \*Environmental Risks\*: Environmental damage resulting from mining operations, including unsafe extraction practices.

- \*Human Rights Violations\*: Abuse of workers' rights, including unsafe working conditions, discrimination, and exploitation.

#### #### \*7.2 Identifying and Assessing Risks\*

##### ➤ **Risk identification for Mined Gold from ASM should include**

Using the KYC Questionnaire in the Refiners Toolkit, identification of risks by obtaining, assessing and, where possible, verifying against publicly available information:

- Suppliers of ASM gold sources, including o local artisanal mining team, association or cooperatives (it is not necessary to identify individual diggers)

- o ore processing plant

- o aggregators and traders

- o local gold exporter

- Whether the mining project can be considered legitimate ASM (i.e., legally registered, cooperative-based and/or government-recognised, or central bank supported initiative)

- Mining practice, including extraction, processing and transportation method

- Use, storage and recovery of mercury, and if applicable, impact on the environment and the health of those involved in the production, handling and processing of gold

- Human rights practices and policies to the extent available

- Environmental practices and policies to the extent available

- Health and safety practices and policies to the extent available

- Labour practices and policies to the extent available

- Community engagement practices and policies to the extent available

- Payments to government practices and policies to the extent available

##### ➤ **Risk identification for Recycled Gold should include,**

Using the KYC Questionnaire for Recycled Material in the Refiners Toolkit, identification of risks by obtaining, assessing and, where possible, verifying against publicly available information:

- Main markets, products and customer segments of the counterparty

- Profiles of the counterparty's gold and precious metals suppliers

- Types and forms of precious metals sourced by the counterparty

## Monitoring of transactions

The Refiner should conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship to ensure that the transactions are consistent with the Refiner's knowledge of the supply chain and risk profile. The monitoring of transactions should be undertaken by applying a risk-based approach.

### Transactions monitoring should include,

Checking volumes, types and concentrations of gold-bearing material for consistency with previous shipments

- Monitoring the actual transportation routing for each shipment
- Verifying physical shipment against shipping/transportation documents (assays, weights, serial numbers)
- Confirming that documents and materials are consistent with each other (purchase order, goods receipt, invoice) and with the KYC information (mine capacity, origin, sources).

Where material inconsistencies or suspicions are identified:

- The gold should be physically segregated and secured (until the inconsistencies are resolved)
- An investigation should be undertaken and documented
- Findings should be reported to the Compliance Officer, Board and appropriate authorities, as applicable.

## #### \*7.3 Review and Monitoring\*

- \*Annual Risk Review\*: The risk assessment process will be reviewed annually to ensure that it reflects the most current data and industry best practices.

- \*Continuous Monitoring\*: Prism Gold HK Ltd. will continuously monitor suppliers and other stakeholders for potential risks and take appropriate actions when new risks are identified.

## #### \*7.4 Documentation of Risks\*

- Maintain a \*risk register\* that documents:

- Identified risks.
- Supplier-specific risks.
- Mitigation measures and action plans.
- Monitoring and audit results.

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**### \*8. Procedures for Updating and Maintaining Qualitative Information\***

**#### \*8.1 Information Sources\***

- Prism Gold HK Ltd. will ensure that qualitative information is regularly updated using credible sources, including:

1. Dodd- Frank covered countries
2. EU CAHRA List
3. Fragile States Index 2024

**#### \*8.2 Annual Update\***

- All qualitative data will be reviewed and updated \*at least annually\* to reflect any changes in geopolitical conditions, supplier operations, or industry best practices.

**#### \*8.3 Record-Keeping\***

- Maintain \*detailed records\* of all due diligence activities, risk assessments, red flags, and mitigation efforts for at least \*5 years\*. ---

*SNTwakhia*



## **POLICY**

Grievance Mechanism Procedure for Prism Gold HK Ltd.

Version: 1.0

Effective Date: [30.11.2025]

**Reviewed and approved by: [DIRECTOR OF PRISM GOLD HK LTD]**

### **1. Objective**

The objective of this procedure is to provide a clear, accessible, and confidential process for reporting grievances and complaints, ensuring that all concerns related to child labor, forced labor, inhumane treatment, and unethical practices in gold mining, trading, handling, or export are addressed in a timely and effective manner. It ensures the protection of whistle-blowers and prevents retaliation against individuals reporting grievances.

### **2. Scope**

This procedure applies to:

All employees of Prism Gold HK Ltd. and its subsidiaries.

Suppliers and contractors in the supply chain.

Stakeholders in communities impacted by Prism Gold's operations, including mining, refining, and trading activities.

Whistle-blowers or third parties reporting concerns on any of the above issues.

### **3. Grievance Channels**

Prism Gold HK Ltd. provides several channels through which grievances can be reported:

#### **Physical Reporting Channels:**

**Grievance Box:** A physical grievance box located in prominent areas such as the company office, factory locations, and areas accessible to workers and suppliers.

**In-person Reporting:** Employees, suppliers, and community members can report grievances directly to HR or designated personnel. Reports may be made in writing or verbally.

#### Digital Reporting Channels:

Email: Grievances can be submitted via email to a dedicated address  
prismgoldhk@gmail.com

#### Third-Party Reporting:

An independent third-party service provider (e.g., a whistleblowing platform) may be used to receive anonymous grievances. This ensures an impartial and confidential process for those who wish to remain anonymous.

### **4. Reporting Process**

The following steps outline the process for reporting grievances:

#### 4.1 Submission of Grievance

Individuals can submit grievances through one of the channels above.

The grievance should ideally include:

A description of the issue (e.g., child labor, forced labor, inhumane treatment).

Specific details (e.g., who, what, when, where, how).

Any available evidence or supporting information (e.g., photographs, witness accounts).

A preferred outcome or resolution (if known).

#### 4.2 Acknowledgment of Receipt

Upon receiving a grievance, Prism Gold HK Ltd. will acknowledge receipt within 48 hours via the chosen reporting channel (email or message).

#### 4.3 Evaluation of Grievance

Grievances will be evaluated for:

**Urgency:** Critical issues (e.g., forced labor, child labor, immediate safety concerns) will be prioritized.

**Validity:** The seriousness and credibility of the grievance will be assessed.

**Impact:** The potential impact of the grievance on individuals, communities, and the company will be considered.

If the grievance pertains to criminal activity or violates local or international laws,

Prism Gold will report the issue to relevant authorities.

## **5. Investigation Process**

Once a grievance has been acknowledged, Prism Gold HK Ltd. will initiate an investigation to determine the validity of the complaint and take appropriate actions.

### **5.1 Investigation Team**

A Grievance Committee or investigative team will be formed, consisting of the following members:

HR Representative

Compliance Officer

External Expert or Auditor (if needed for sensitive cases)

### **5.2 Investigation Steps**

**Initial Assessment:** Determine whether the grievance is within the scope of this procedure (e.g., child labor, forced labor, inhumane treatment).

**Data Collection:** Collect and review any documents, evidence, and testimonies related to the grievance. This may include site visits, interviews with witnesses, and review of records (e.g., payroll, contracts).

**Interviews:** If applicable, interview the complainant (if known), witnesses, and individuals involved in the grievance.

**Verification:** Verify the facts of the grievance by cross-checking information and considering any external evidence.

### **5.3 Timeline for Investigation**

The investigation should be completed within 15 business days of the grievance being reported, unless the complexity of the issue requires more time. The complainant (if not anonymous) will be informed of the investigation timeline.

### **5.4 Corrective Action Plan**

Based on the investigation findings, if the grievance is found to be valid, a Corrective Action Plan will be developed. The plan will outline the steps to address the issue and prevent future occurrences.

For example, if forced labor is identified, the affected individuals will be removed from the situation, the supplier involved will be audited, and corrective training will be provided.

## **6. Protection of Identity & Non-Retaliation**

Prism Gold HK Ltd. is committed to protecting the identity of all individuals involved in the grievance process, especially whistle-blowers.

### **6.1 Protection of Identity**

All grievances will be treated confidentially. The identity of the complainant will only be disclosed with their consent or where legally required.

If the complainant wishes to remain anonymous, the company will ensure that their identity is protected throughout the process.

### **6.2 Non-Retaliation Policy**

No retaliation: Prism Gold will not tolerate retaliation against anyone who reports a grievance in good faith, whether it is substantiated or not. Retaliation may include harassment, discrimination, job loss, or threats.

Any form of retaliation will result in disciplinary action against the individual(s) responsible, which may include termination of employment or contracts.

A separate process will be available for reporting retaliation, which will be handled independently.

## **7. Communication of Outcome**

After the investigation is completed, Prism Gold will communicate the outcome of the grievance resolution to the complainant (if known) and any affected parties.

If the grievance is resolved successfully, the complainant will be informed of the action taken to remedy the situation.

If the grievance cannot be substantiated, the complainant will be given a reasoned explanation.

In the case of complex or ongoing investigations, interim updates may be provided to the complainant.

## **8. Documentation and Record Keeping**

All grievances, investigation findings, and actions taken will be documented and stored securely for a minimum of 5 years.

Records will be accessible only to authorized personnel involved in the grievance process and will be protected from unauthorized access.

## **9. Monitoring and Review**

The effectiveness of the grievance mechanism will be monitored regularly by the Grievance Committee.

Annual reviews will be conducted to assess the system's effectiveness, identify improvements, and ensure that all grievances are addressed appropriately.

Feedback from employees, suppliers, and other stakeholders will be solicited periodically to evaluate the accessibility and efficiency of the grievance mechanism.

## **10. Training and Awareness**

All employees, suppliers, and key stakeholders will be trained on how to use the grievance mechanism and understand their rights.

New employees will receive training during onboarding, and periodic refresher training will be provided to all employees.

## **11. Reporting and Continuous Improvement**

Prism Gold HK Ltd. will periodically report on the number of grievances received, the types of grievances, and the actions taken. These reports will be shared with senior management and external auditors (if applicable).

The grievance mechanism will be updated as necessary to ensure continuous improvement and compliance with relevant laws and international standards.

## **12. Conclusion**

This Grievance Mechanism Procedure is designed to provide a clear, accessible, and fair process for addressing grievances related to human rights abuses, labor violations, and other unethical practices within Prism Gold HK Ltd.'s operations. It is crucial that this process is implemented effectively, maintained with confidentiality, and ensures the protection of whistle-blowers and complainants from any form of retaliation.

### **Approved by:**

[Name] SANYAM TURAKHIYA

[Title] DIRECTOR

Prism Gold HK Ltd.

[Date] 30.11.2025

**NOTE & DECLARATION:**

This procedure ensures that Prism Gold HK Ltd. is compliant with both ethical standards and legal requirements and promotes a transparent, accountable approach to grievance handling. It protects the rights of workers and stakeholders, helping to foster a culture of integrity within your supply chain and operations.

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Here is a detailed Occupational Health and Safety (OHS) Compliance Framework tailored for Prism Gold HK Ltd. to ensure proper maintenance of records and documentation for occupational safety inspections, assessments, and certifications in compliance with relevant laws and regulations.

## **Occupational Health and Safety (OHS) Compliance Framework for Prism Gold HK Ltd.**

### **1. Maintain Up-to-Date Records and Documentation of Occupational Safety Inspections, Assessments, and Certifications**

Objective: To ensure compliance with occupational health and safety laws and regulations, Prism Gold HK Ltd. will maintain accurate and up-to-date records of all occupational safety inspections, risk assessments, and necessary certifications, demonstrating a commitment to safeguarding the well-being of employees.

#### **Procedures for Maintaining Safety Records**

##### **A. Regular Occupational Safety Inspections and Risk Assessments**

###### **Safety Inspections:**

Scheduled Inspections: Prism Gold HK Ltd. will conduct regular occupational safety inspections at all workplace locations, including production areas, offices, and any other facilities where employees may be exposed to potential hazards.

Inspection Frequency: Inspections will be carried out on a quarterly basis or more frequently if required by local regulations or specific industry safety standards.

Inspection Checklist: Each inspection will follow a standardized safety checklist covering various areas such as:

Fire safety and emergency exits

Hazardous material handling

Electrical safety and equipment checks

Workplace ergonomics (e.g., chair and desk setups, lifting equipment)

Personal Protective Equipment (PPE) availability and usage

###### **Risk Assessments:**

Comprehensive Risk Assessments: Prism Gold HK Ltd. will perform detailed risk assessments for all activities, identifying potential hazards, evaluating risk levels, and outlining mitigation measures.

**Hazard Identification:** All potential risks, including physical, chemical, biological, and ergonomic hazards, will be identified.

**Risk Control Measures:** Based on the findings, appropriate control measures will be implemented to mitigate identified risks, such as updating safety protocols, providing additional training, or upgrading equipment.

**Documentation:**

**Inspection Reports:** Detailed reports will be created after every inspection, documenting the findings, identified risks, and corrective actions taken. These reports will be reviewed and approved by senior management.

**Risk Assessment Records:** Risk assessment documents will detail the methodology used, identified hazards, the level of risk, control measures, and timelines for mitigation. These records will be regularly reviewed and updated to ensure they remain current.

**Action Plans:** For any issues identified, an Action Plan will be developed with assigned responsibilities, deadlines for corrective actions, and monitoring mechanisms to ensure completion.

**B. Occupational Health and Safety Certifications**

**Obtaining and Maintaining Certifications:**

**ISO 45001 Certification:** Prism Gold HK Ltd. will pursue ISO 45001 certification for Occupational Health and Safety Management Systems (OHSMS). This certification demonstrates that the company adheres to global best practices for managing employee safety and well-being.

**Regulatory Certifications:** In addition to ISO 45001, Prism Gold HK Ltd. will obtain and maintain any local certifications required by labor and safety regulatory bodies, including certifications for fire safety, hazardous material handling, or industry-specific safety certifications.

**Up-to-Date Certification:**

All certifications will be renewed on time. The company will designate a Compliance Officer responsible for tracking certification expiration dates and ensuring timely renewals.

Copies of all safety-related certifications will be stored in the company's centralized document management system and available for internal audits and inspections by regulatory authorities.

## **C. Record Retention and Documentation Management**

### **Centralized Record System:**

Prism Gold HK Ltd. will implement a centralized electronic record-keeping system to store all occupational safety records, including:

Inspection reports

Risk assessments

Action plans

Safety certifications

Employee safety training records

Retention Policy:

**Record Retention:** Safety-related records will be retained for a minimum of 5 years or as per legal requirements. Records will be archived securely after the retention period expires.

**Access Control:** Access to sensitive safety records will be restricted to authorized personnel, including the Health and Safety Officer, Compliance Officer, and relevant management. All records will be protected in compliance with applicable data protection laws (e.g., GDPR or local data protection regulations).

### **Documentation Review and Audit:**

**Regular Audits:** The Health and Safety Officer will conduct regular internal audits of safety records and practices to ensure compliance with company policies and regulatory requirements.

**Management Reviews:** Senior management will review occupational safety records quarterly to assess the effectiveness of safety measures, compliance with regulations, and identify opportunities for improvement.

## **D. Employee Health and Safety Training**

Initial and Ongoing Safety Training:

**Onboarding Training:** All new employees will receive health and safety training as part of their onboarding process. This training will include:

Emergency procedures (e.g., fire drills, first aid)

Safe work practices and use of PPE

Identification and reporting of workplace hazards

Ongoing Training: Employees will undergo refresher training on safety policies at least annually or more frequently if there are significant changes in safety regulations or work processes.

**Specialized Training:**

Employees working in high-risk areas (e.g., machinery operators, chemical handlers) will receive specialized safety training tailored to their specific roles.

Certification Tracking: Safety training completion will be tracked, and employees will receive certificates upon successful completion of safety courses.

**Implementation Timeline**

Action	Timeline	Responsible Party
Establish Safety Inspection and Risk Assessment Schedule	1 month	Health and Safety Officer
Implement Centralized Safety Record-Keeping System	2 months	IT Department/Compliance Officer
Obtain ISO 45001 Certification	3-4 months	Compliance Officer
Conduct Initial Safety Inspections and Risk Assessments	1-2 months	Health and Safety Officer
Launch Employee Health and Safety Training Program	1-3 months	HR/Health and Safety Department
Begin Quarterly Internal Safety Audits	Ongoing (quarterly)	Internal Audit/Health and Safety Officer

## CONCLUSION

Prism Gold HK Ltd. is committed to maintaining a safe and healthy working environment for all employees. By implementing a structured approach to occupational safety inspections, assessments, certifications, and record-keeping, we ensure compliance with all applicable laws and regulations while safeguarding the well-being of our workforce. This framework outlines our proactive measures to manage safety risks and continuously improve workplace safety practices.

For more information on our safety practices or to request specific safety records, please contact our Health and Safety Department at [prismgoldhk@gmail.com](mailto:prismgoldhk@gmail.com)

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## **Risk Mitigation Procedure for Prism Gold HK Ltd.**

### **1. Communication of the Risk Mitigation Plan with Senior Management**

Prism Gold HK Ltd. will establish clear communication channels to ensure that the risk mitigation plan is regularly communicated to senior management. This includes:

**Monthly/Quarterly Reviews:** Regular updates and reviews of the risk mitigation plan to keep senior management informed.

**Documentation:** Written reports to ensure that decisions and actions are well-documented and accessible to all relevant stakeholders.

### **2. Monitoring and Reviewing of the Risk Mitigation Plan**

The effectiveness of the risk mitigation plan will be monitored and reviewed on a bi-annual basis to ensure it remains aligned with the company's objectives and evolving risk landscape. This includes:

**Risk Review Meetings:** Every 6 months, the Risk Management Team will review the plan, assess current risks, and adjust mitigation strategies where needed.

**Performance Tracking:** An internal system will be developed to track key risk indicators and the effectiveness of mitigation actions over time.

### **3. Risk Mitigation Strategies**

Prism Gold HK Ltd. will define and apply risk mitigation strategies to address identified risks. These strategies will include the following options:

**Suspension:** Suspend (temporarily) business activities or relationships if risks are deemed significant but not critical.

**Termination:** Cease business relationships or activities if risks are deemed critical and the potential consequences outweigh the benefits of continuing.

### **4. Assignment of Manager Responsibilities: -**

To ensure accountability, Prism Gold HK Ltd. will assign specific risk mitigation responsibilities to senior managers and department heads:

**Training and Development:** Managers will receive ongoing training on risk management practices and how to respond to identified risks.

### **5. Criteria to Establish Measurable Indicators: -**

**C. Map the factual circumstances of the company's red flagged supply chain(s), under way and planned. (For Enhance Due Diligence)**

1. Undertake an in-depth review of the context of all red-flagged locations and the due diligence practices of any red flagged suppliers.

a) Review research reports including from governments, international organisations, NGOs, and media, maps, UN reports and UN Security Council sanctions, industry literature relating to mineral extraction, and its impact on conflict, human rights or environmental harm in the country of potential origin, or other public statements (e.g. from ethical pension funds).

b) Consult with a combination of local and central governments, local civil society organisations, community networks, UN peacekeeping units, and local suppliers. Respond to specific questions or requests for clarifications made by cooperating companies.

c) Determine (including through desk research; in-site visits to gold suppliers; random sample verification of purchase records proportional to risk; and a review and assessment of purchase and anti-money laundering and counter terrorist financing (AML-CFT) procedures and directives, if applicable) if upstream suppliers have policies and management systems that are consistent with this Guidance and that such policies and management systems are operative.

**2. FOR MINED GOLD, establish on-the-ground assessment teams.** Local gold exporters, international gold traders or refiners with identified red flags remain in all circumstances individually responsible for ensuring that the information on the factual circumstances of the company's red flagged supply chain(s) is gathered. Local gold exporters, international gold traders or refiners with identified red flags in their supply chains should establish on-the-ground assessment teams to generate and maintain information on suppliers (if relevant) the circumstances of mineral extraction, trade,

handling, refining and export. Upstream companies may establish such a team jointly in cooperation with other upstream companies supplying from, or operating in these areas, or via an industry or multi-stakeholder mechanism or initiative. Where 'joint' teams are not possible, or companies would prefer not to work jointly, companies should conduct on-the-ground assessments independently. Companies and other stakeholders establishing on-the-ground assessment teams should:

a) Consider the following factors when contributing to joint on-the-ground assessments: the size of the cooperating companies and the resources available to conduct due diligence; the ability to access on the ground information and the position of the company in the supply chain; the quality of any previously established on-the-ground assessment teams of other upstream companies, including gold producers; and the reliability of the company's due diligence, as demonstrated by crosschecking the data provided by the company on all gold inputs.<sup>29</sup>

b) Ensure that assessors are independent from the activity being assessed and free from conflict of interests.<sup>30</sup> Company assessors must commit to reporting truthfully and accurately and upholding the highest professional ethical standards and exercise "due professional care".<sup>31</sup>

c) Ensure the appropriate level of competence, by employing experts with knowledge and skill in as many of the following areas: the operational contexts assessed (e.g. linguistic abilities, cultural sensitivities), the substance of conflict-related risks (e.g. the standards in Annex II, human rights, international humanitarian law, corruption, financial crime, conflict and financing parties to a conflict, transparency), the nature and form of the gold supply chain, and the standards and process contained in this due diligence Guidance.

- d) Provide assessment teams with access to mines, intermediaries, consolidators and/or transporters within the company's control or influence, including:
- i) physical access to sites, including in other countries where transshipment or relabelling is likely.
  - ii) access to books, records or other evidence of procurement practices, tax, fee and royalty payments, and export documentation.
  - iii) local logistics support and assistance.
  - iv) security for itself and for any information providers.
- e) Establish or support the creation, where appropriate, of community monitoring networks and/or multi-stakeholder information units to feed information into the assessment team. Review, and add to or create if possible, interactive maps that indicate the location of mines, armed groups, trade routes, roadblocks and airfields.

3. **FOR MINED GOLD**, determine if the Mined Gold is LSM Gold or ASM Gold.

a) **For LSM Gold**, cooperate with medium and large-scale gold producers to obtain evidence, where applicable to the position of the company in the supply chain, of the factual circumstances of gold extraction, trade, handling and export, which may include:

- i) Location and identity by name of all gold mines for every output.
- ii) Location of points where gold is processed, e.g., consolidated, blended, crushed, milled and smelted into gold doré or alluvial gold output.
- iii) Methods of gold processing and transportation.
- iv) Location of transportation routes, points where gold is traded, and points of export and import where borders are crossed (if applicable).
- v) Current production and capacity of mine(s), a comparative analysis of

mine capacity against recorded mine production if possible, and record any discrepancies.

*vi)* Current processing production and processing capacity of mine smelt house(s), and a comparative analysis of processing capacity against recorded processing production if possible, and record of any discrepancies.

*vii)* Identification and “know your counterparty” information of all actors in the upstream supply chain, including, but not limited to, the gold producers, intermediaries, gold traders and exporters and reporters, as well as third party service providers handling the gold (e.g. logistics, processors and transportation companies) or providing security at mine sites and along transportation routes. The identification should comprise the following measures, but the extent to which such measures are carried out should be determined on a risk sensitive basis:

1. identification of the ownership (including beneficial ownership) of the companies and corporate structure, including the names of corporate officers and directors).
2. identification of the related businesses, subsidiaries, parents, affiliates.
3. verification of the identity of the companies using reliable, independent source documents, data or information (e.g. business registers extract, certificate of incorporation);
4. checking government watchlist information (e.g. UN sanctions lists, OFAC Specially Designated Nationals Lists, World-Check search);
5. identification of any affiliation of the company with the government, political parties, military, criminal networks or nonstate

armed groups,, including any reported instances of affiliation with non-state armed groups and/or public or private security forces.

**FOR RECYCLABLE GOLD**, collect additional information (including through desk research, in-site visits to gold suppliers and random sample verification of purchase records proportional to risk) for Recyclable Gold

from red flagged supply chains of Recyclable Gold using a risk-based approach, with priority given to persons, places and transactions that present higher risk. As an important part of risk-based due diligence, suppliers and transactions should be identified and records made and maintained at all levels. Such risk factors include, but are not limited to:

**a) Value of a transaction.** Beginning with the threshold of 15,000 US dollars for any transaction of recyclable gold outside a conflict-affected or high-risk area, due diligence should be proportional to increasing value. However, transactions at or near a mining area may include very small amounts, e.g., one gram of gold. Therefore, any transactions of recyclable gold inside a conflict-affected or high-risk area, regardless of value, should attract enhanced scrutiny.

**b) Place of a transaction.** Gold is valuable in small quantities and easily transported, so no place is completely risk-free but higher risk places of transactions include places where the location(s) of gold transit and export is not reasonably reconciled with the declared location of gold origin, where there is ready access to competitive markets or processing operations closer to the declared location of gold origin; where AML/CFT laws, anti-corruption laws, customs controls and other relevant governmental oversight laws are weakly enforced; and where informal banking systems operate in the country, including cash-based

economies.

c) **Type of material.** Unprocessed Recyclable Gold is not as likely a vehicle for laundering mined gold from conflict-affected and high-risk areas as Melted Recyclable Gold (see Definitions), although there are cases where the Unprocessed Recyclable Gold originates from areas where there is a known practice of fabricating gold products directly from Mined Gold as a means of tax avoidance or laundering gold. Mined Gold that has been produced in a conflict area at a high concentration (e.g., 90% pure from alluvial mining) is unlikely to be laundered through lower value materials that require many more processes to upgrade and refine, as well as significantly longer time for production of marketable gold.

Examples of low value materials that are not likely to be laundering vehicles would be electronic scrap or residue cell slimes from refining of other metals. High concentration gold jewellery, on the other hand, may have similar physical characteristics to mined conflict gold.

d) **unusual circumstances.** Material claimed to be recycled should be considered for its reasonableness in context. For example, sudden unusual increases in volume of high-grade material from a supplier or area should be explained. If jewellery worn in a country is typically 14k (58%), an offer claimed to be recycled jewellery at 90% should be questioned.

e) **Supplier.** Different suppliers of recyclable gold will present varying levels of risk for laundering-type activities. For example, recyclable gold produced on a controlled facility during manufacturing/processing presents lower risks than a collector sourcing recyclable gold from multiple sources. Other high-risk factors include any reasonable inconsistency between the recommended due diligence processes of this

Guidance and the practices of suppliers; or the supplier “has significant and unexplained geographic distance” from a supplier or counterparty in the supply chain.

5. **FOR RECYCLABLE GOLD**, collect the following information of those transactions requiring enhanced scrutiny, including through desk research, in-site visits to gold suppliers, random sample verification of purchase records proportional to risk, and a more in-depth review and assessment of purchase and anti-money laundering and counter terrorist financing (AMLCFT) procedures and directives, if applicable:

a) Whether there are manufacturing facilities where scrap may be generated.

b) Whether there are significant ownership and turnover of privately-held gold jewellery.

c) Determine, through in-site visits and examination of documents, the reasonably approximate level of business being done in recyclable/scrap gold, recognising that it will vary, particularly with the price of gold and economic conditions.

**D. Assess risks in the supply chain.** Assess the information collected and learned through mapping the factual circumstances of the company’s red flagged supply chain(s). The company should consider a “risk” any reasonable inconsistency between the information obtained and the following:

1. The standards of the company supply chain policy, consistent with Annex II
2. The due diligence standards and processes contained in this Guidance.
3. National laws of the countries where the company is domiciled or publicly traded (if applicable); of the countries from which the gold is likely to

originate, and of transit or re-export countries.

4. Legal instruments governing company operations and business relations, such as financing agreements, contractor agreements, and supplier agreements.

5. Other relevant international instruments, such as the OECD Guidelines for Multinational Enterprises, international human rights and humanitarian law and international anti-money laundering recommendations and guidance.

### **Objective**

To ensure risks within the gold supply chain are identified, assessed, and managed in alignment with the Responsible Gold Sourcing Policy and OECD Annex II guidelines.

### **Policy Statements**

#### **1. Procedure for Risk Identification and Assessment**

##### **Scope:**

The policy will cover all tiers of the gold supply chain, including direct and indirect suppliers, transportation, and processing units.

##### **Criteria for Risk Assessment:**

The organization will assess risks based on the following:

Risks outlined in OECD Annex II (e.g., human rights violations, conflict financing, and environmental impact).

Criteria from the Responsible Gold Sourcing Policy.

Geographic and supplier-specific risk factors.

##### **Frequency of Review:**

Regular risk assessments will be conducted annually.

Trigger-based reviews will occur in response to significant changes, such as regulatory updates, new suppliers, or identified incidents.

##### **Stakeholder Consultation:**

Collaborate with stakeholders, including suppliers, civil society, and regulatory bodies, to validate risk findings and mitigation strategies.

## 2. Retention of Risk Assessment Records

### Documentation:

Maintain comprehensive records of risk assessments, including identified risks, assessment criteria, and mitigation actions.

Records will be reviewed and updated annually or after significant changes.

### Auditable Trail:

All risk assessments will be documented in an auditable format and made available to management and external auditors upon request.

### Implementation Plan

Develop SOPs for Risk Assessment

Define a standard operating procedure (SOP) for identifying and assessing risks across the gold supply chain.

Include a detailed process for supplier verification, red-flag identification, and mitigation planning.

Establish a Review Framework

Set an annual review schedule for risk assessments.

Define trigger events that require additional reviews (e.g., supplier changes, geopolitical events, or incidents).

Assign Responsibility

Assign a compliance officer or dedicated team to oversee risk assessments and record retention.

Design Reporting Formats

Use the following templates to standardize risk assessment and reporting:

#### Template 1: Risk Identification and Assessment Report

Date	Risk ID	Description	Source of Risk	Severity	Mitigation Action	Status
[MM/DD/YY]	R001	Supplier operating in CAHRA	<a href="https://cygnusscanuae.crowe.ae/auth/login">https://cygnusscanuae.crowe.ae/auth/login</a>	High	Supplier Policy Alignment	In Progress

**Template 2: Risk Assessment Review Log**

Review Date	Trigger/Event	Action Taken	Next Review Date	Responsible Team
[MM/DD/YYYY]	New supplier onboarding	Conducted supplier audit	[MM/DD/YYYY]	Compliance Team

**Training and Capacity Building**

Train compliance teams on OECD Annex II and Responsible Gold Sourcing Policy criteria.

Conduct periodic training for suppliers on compliance expectations.

**Continuous Monitoring and Updates**

Update the risk assessment policy and procedures based on audit findings and new industry best practices.

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## **Procedure for Third-Party Audits of Choke Point Suppliers (Refiners)**

**Company: Prism Gold HK Ltd.**

**Procedure Title: Third-Party Audits for Choke Point Suppliers' Due Diligence Management Systems**

**Date Created: 29.01.2026**

**Review Date – 09/02/2026**

**Version: 1.0**

**Approved By: [DIRECTOR of PRISM GOLD HK LTD]**

**Next Review Date: [29.03.2027]**

### **1. Purpose**

This procedure is designed to establish and formalize the process by which Prism Gold HK Ltd. ensures that all choke point suppliers (i.e., refiners) in the gold supply chain have their due diligence management systems audited by independent third parties. This ensures compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals, as well as other international standards and regulations. It also establishes a framework to track and retain evidence of these third-party audits.

### **2. Scope**

This procedure applies to all refiners (choke point suppliers) in Prism Gold HK Ltd.'s supply chain involved in the processing, refining, or handling of gold or other precious minerals. The process will ensure that these suppliers' due diligence systems are independently audited and comply with established standards, including OECD due diligence, anti-money laundering (AML), and counter-terrorist financing (CFT) regulations.

### **3. Methodology**

The process for ensuring third-party audits of choke point suppliers will follow these key steps:

#### **Step 1: Identify Choke Point Suppliers (Refiners)**

Identify Key Refiners:

The first step is to identify choke point suppliers, specifically those refiners in the supply chain who are responsible for the final stages of processing and refining the minerals.

Action: Maintain a detailed list of all refiners that process gold or other minerals in the supply chain. This includes direct and indirect refiners, as well as third-party service providers who are involved in any aspect of the refining process.

### **Step 2: Third-Party Audit Requirements for Refiners**

Establish Third-Party Audit Requirements:

Prism Gold HK Ltd. will ensure that all identified refiners undergo third-party audits of their due diligence management systems. These audits must be conducted by independent and accredited third-party organizations.

Action: Define that third-party audits must be conducted at regular intervals (e.g., annually) and must be accredited by recognized programs such as:

#### **The Responsible Jewelry Council (RJC) Certification.**

OECD-Accredited Auditors.

ISO 14001 (Environmental Management) or other relevant certifications.

Audit Scope and Content:

The audits must assess the refiner's entire due diligence management system, including:

#### **Human rights and conflict-free sourcing.**

AML/CFT compliance.

Environmental practices.

Supply chain traceability (from origin of gold to final product).

### **Step 3: Develop a Third-Party Audit Tracking System**

Create a Centralized Audit Tracking System:

Prism Gold HK Ltd. will establish a tracking system to monitor the status of third-party audits for all refiners in the supply chain. The tracking system will capture key details such as:

Date of the last third-party audit.

The auditor's accreditation status.

Audit findings and any corrective actions taken.

Action: Maintain a central database or document management system to store these details, including copies of certificates, audit reports, and related documentation.

#### **Step 4: Retain Evidence of Third-Party Audits**

Retain Documentation of Third-Party Audits:

To comply with regulatory and audit requirements, Prism Gold HK Ltd. will retain documented evidence confirming that refiners have undergone third-party audits. This evidence may include:

Third-party audit certificates issued by accredited organizations.

Audit reports or summaries, including findings and corrective actions.

Public listings of accredited refiners on third-party websites or certifications.

Action: Ensure all relevant documents (certificates, reports, audit findings, etc.) are stored securely for a minimum of five years and are readily accessible for review.

#### **Step 5: Managing Non-Compliance with Third-Party Audit Requirements**

Action Plan for Non-Compliance:

If any refiner is found not to have undergone a third-party audit or does not have the necessary accreditation, Prism Gold HK Ltd. will take corrective actions.

Immediate Action: Suspend sourcing from the non-compliant refiner until they undergo an accredited third-party audit.

Corrective Action Plan: Work with the refiner to resolve the audit non-compliance and ensure they are audited within a reasonable timeframe.

Alternative Sourcing: If non-compliance persists or the refiner refuses to comply with the audit requirement, explore alternative refiners who meet the due diligence expectations.

#### **4. Roles and Responsibilities**

Identify refiners and ensure they meet third-party audit requirements.

Ensure that all refiners are properly tracked in the audit system.

Compliance and Legal Team:

Ensure that the process aligns with local and international regulations, including OECD guidelines, AML/CFT, and other relevant laws.

Ensure compliance with due diligence obligations for responsible sourcing and human rights standards.

Audit and Verification Team:

Coordinate and manage third-party audits for refiners.

Ensure audits are conducted by recognized, accredited auditors.

Review audit findings and coordinate with refiners on any corrective actions required.

Records Management Team:

Maintain and store third-party audit certificates, audit reports, and supporting documentation.

Ensure that all records are retained securely for a minimum of five years.

➤ **Process to evaluate of identified risks includes ongoing monitoring of the upstream actors.**

1. The Mined Gold is known to originate from areas designated as World Heritage Sites.
2. The Mined or Recycled Gold is known to be sourced in breach of international sanctions (including but not limited to those of the UN, EU, UK and US)
3. The Mined or Recycled Gold supplying counterparty, other known upstream companies or their UBOs are known money launderers, fraudsters or terrorists, or have been implicit in serious human rights abuses, or in direct or indirect support to illegitimate non-state armed groups.

➤ **High-risk supply chains**

- *Supply chains classified as high risk will trigger Enhanced Due Diligence (EDD).*
- *Mined Gold risk classification*

➤ **For location-based high risks, the Mined Gold:**

- Originates from, has transited or has been transported via a Conflict-Affected and High-Risk Area (CAHRA)
- Is claimed to originate from a country through which gold from CAHRAs is known, or reasonably suspected, to transit
- Is claimed to have originated from a country that has limited known reserves, likely resources or expected production levels.

For supplier-based high risks, the gold-supplying counterparty or other known upstream companies:

- Have shareholders, or UBOs, or other gold supplying interests in one of the location-based high-risk criteria
- Have UBOs that are Politically Exposed Persons (PEPs)

- Have activities in a higher-risk business activity such as arms, gaming and casino industry, antiques and art, and sects and their leaders
- Have been known to have sourced gold from a high-risk country in the last 12 months
- Have material discrepancies/inconsistencies in the documentation provided or have refused to provide requested documentation.

➤ **For type of material-based high risks, the Mined Gold is:**

- Sourced from ASM
- Produced with the use of mercury
- Contributing to catastrophic harm or highly adverse ESG factors, to the extent that the Refiner is able to identify this (e.g., through a record in the public domain or in the Refiner's due diligence file).

➤ **Recycled Gold risk classification**

Risk classification of Recycled Material should be proportionate to the risks identified, with priority given to persons, place and transactions that present higher risk.

➤ **For supplier-based high risks, the gold-supplying counterparty or other known upstream companies:**

- Operate in a money laundering high-risk country
- Have shareholders, or UBOs, or other gold-supplying interests in one of the location-based high-risk criteria
- Have UBOs who are Politically Exposed Persons (PEPs)
- Have activities in a higher-risk business activity such as arms, gaming and casino industry, antiques and art, and sects and their leaders
- Have been known to have sourced gold from a high-risk country in the last 12 months
- Have significant unexplained geographic routing from their supplier or counterparty in the supply chain.

➤ **For type of material-based high risks, the Recycled Gold is:**

- From an Intermediate Refinery or trader with a high-risk supply chain or a trading counterparty sourcing from an Intermediate Refinery with a high-risk supply chain.

## 5. Documentation Requirements

To implement this procedure, the following documents must be maintained:

Supplier and Refiner List:

A comprehensive list of all refiners and choke point suppliers in the supply chain.

Third-Party Audit Tracking System:

A centralized system or database that tracks third-party audit compliance for all refiners, including the audit date, auditor accreditation, and findings.

## **6. Review and Continuous Improvement**

This procedure will be reviewed annually or in response to significant changes in regulations or operational practices. Feedback from third-party audits, supplier assessments, and regulatory updates will be incorporated into this procedure to continuously improve the due diligence and audit process.

*SNTwakhia*



## **Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas**

### **Responsible Gold Sourcing Policy**

**Prism Gold HK Ltd**

**Effective Date: 29.11.2024**

**Updated on 5/02/2026**

### **Introduction**

Prism Gold HK Ltd is committed to ethical business practices and ensuring transparency, integrity, and responsibility throughout its gold sourcing, trading, and smelting operations. This policy outlines our dedication to responsible sourcing, aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the LBMA Responsible Gold Guidance, and other relevant international standards.

Our policy reflects our core values of sustainability, human rights protection, environmental stewardship, and conflict-free sourcing.

### **Scope**

#### **This policy applies to:**

1. All gold procured, traded, processed, or refined by Prism Gold HK Ltd.
2. All employees, contractors, and business partners, including suppliers, mines, and transporters.
3. All countries and regions in which we operate, particularly conflict-affected and high-risk areas (CAHRAs).

### **Principles and Commitments**

#### **1. Ethical and Conflict-Free Sourcing**

We will ensure that all gold sourced:

Does not contribute to armed conflict or human rights abuses.

Is obtained from legitimate, conflict-free, and responsible sources.

Adheres to the requirements of the OECD Annex II Model Policy on Responsible Mineral Supply Chains.

## 2. Human Rights and Labour Standards

### **We are committed to:**

Avoiding all forms of child labour, forced labour, and human trafficking.

Upholding international human rights as outlined in the Universal Declaration of Human Rights.

Ensuring safe and fair working conditions across our supply chain.

## 3. Environmental Sustainability

We will promote practices that minimize environmental degradation, support biodiversity, and ensure the responsible use of natural resources.

## 4. Anti-Bribery and Anti-Corruption

We have zero tolerance for corruption, bribery, and money laundering. We will work to prevent the use of gold for financing illegal activities.

## 5. Compliance with Legal and Regulatory Standards

### **We will fully comply with:**

International frameworks such as the Dodd-Frank Act Section 1502, the EU Conflict Minerals Regulation, and other applicable laws.

## **DUE DILIGENCE PROCESS**

### **Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain**

#### **1. Establish strong company management systems. Companies should:**

A) Adopt, and clearly communicate to suppliers and the public, a company policy for the supply chain of minerals originating from conflict-affected and high-risk areas. This policy should incorporate the standards against which due diligence is to be conducted, consistent with the standards set forth in the model supply chain policy in Annex II.

B) Structure internal management to support supply chain due diligence.

C) Establish a system of controls and transparency over the mineral supply chain. This includes a chain of custody or a traceability system or the identification of upstream actors in the supply chain. This may be implemented through participation in industry-driven programs.

D) Strengthen company engagement with suppliers. A supply chain policy should be incorporated into contracts and/or agreements with suppliers. Where possible, assist suppliers in building capacities with a view to improving due diligence performance.

E) Establish a company-level, or industry-wide, grievance mechanism as an early-warning risk-awareness system.

**2. Identify and assess risk in the supply chain.** Companies should:

A) Identify risks in their supply chain as recommended in the Supplements.

B) Assess risks of adverse impacts in light of the standards of their supply chain policy consistent with Annex II and the due diligence recommendations in this Guidance.

**3. Design and implement a strategy to respond to identified risks.** Companies should:

A) Report findings of the supply chain risk assessment to the designated senior management of the company.

B) Devise and adopt a risk management plan. Devise a strategy for risk management by either *i*) continuing trade throughout the course of measurable risk mitigation efforts; *ii*) temporarily suspending trade while pursuing ongoing measurable risk mitigation; or *iii*) disengaging with a supplier after failed attempts at mitigation or where a company deems risk mitigation not feasible or unacceptable. To determine the correct strategy, companies should review Annex II (*Model Supply Chain Policy for Responsible Global Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*) and consider their ability to influence, and where necessary take steps to build leverage, over suppliers who can most effectively prevent or mitigate the identified risk. If companies pursue risk mitigation efforts while continuing trade or temporarily suspending trade, they should consult with suppliers and affected stakeholders, including local and central government authorities, international or civil society organisations and affected third parties, where appropriate, and agree on the strategy for measurable risk mitigation in the risk management plan. Companies may draw on the suggested measures and indicators under Annex III of the *Due Diligence Guidance* to design conflict and high-risk sensitive strategies for mitigation in the risk management plan and measure progressive improvement.

C) Implement the risk management plan, monitor and track performance of risk mitigation efforts and report back to designated senior management. This may be done in cooperation and/or consultation with local and central government authorities,

upstream companies, international or civil society organisations and affected third parties where the risk management plan is implemented and monitored in conflict-affected and high-risk areas.

D) Undertake additional fact and risk assessments for risks requiring mitigation, or after a change of circumstances

**4. Carry out independent third-party audit of supply chain due diligence at**

**identified points in the supply chain.** Companies at identified points (as indicated in the Supplements) in the supply chain should have their due diligence practices audited by independent third parties. Such audits may be verified by an independent institutionalised mechanism.

**5. Report on supply chain due diligence.** Companies should publicly report on their supply chain due diligence policies and practices and may do so by expanding the scope of their sustainability, corporate social responsibility or annual reports to cover additional information on mineral supply chain due diligence.

**Supplier Code of Conduct**

**All suppliers must:**

1. Comply with Prism Gold HK Ltd Responsible Sourcing Policy.
2. Provide complete transparency regarding the origin and chain of custody of the gold.
3. Ensure adherence to international labour, human rights, and environmental standards.
4. Submit to third-party audits and respond promptly to any corrective action plans.

**Capacity Building:** Conduct regular training for employees and suppliers on responsible sourcing and due diligence processes.

**Supplier Engagement:** Collaborate with suppliers to improve compliance and support continuous improvement.

**Governance and Accountability**

The Board of Directors and senior management are responsible for policy oversight and implementation.

A dedicated compliance team will monitor supply chain activities, ensure adherence to this policy, and review it annually.

**Regarding direct or indirect support to non-state armed groups:**

3. We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. “Direct or indirect support” to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who

*i)* illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or

*ii)* illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or

*iii)* illegally tax or extort intermediaries, export companies or international traders.

**Non-Compliance and Remediation**

Prism Gold HK Ltd reserves the right to terminate relationships with suppliers who:

Violate this policy or fail to implement corrective actions.

**Implementation and Training**

Refuse to participate in audits or provide required documentation.

We will work to remediate issues where possible, prioritizing collaboration over exclusion.

**Reporting and Transparency**

This policy will be published on our official website for public access.

Annual progress reports will include insights into risk mitigation, audit findings, and improvements in supply chain practices.

**Grievance Mechanism**

We encourage stakeholders to report any concerns or violations of this policy through our grievance mechanism:

**Email:** prismgoldhk@gmail.com

**Online Portal:** <https://prismx.org/>

**Contact:** +852 5481 5334

All reports will be handled confidentially and investigated promptly.

**Continuous Improvement**

We are committed to continuously improving our practices, updating this policy as needed, and staying aligned with evolving international standards.

**Approved by: SANYAM TURAKHIA**

**Prism Gold HK Ltd**

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