



BUREAU VERITAS CERTIFICATION

Independent 'Reasonable Assurance Report
For
Lazurde Company for Jewelry

SITE(s):
Riyadh 11521, KSA

AUDIT DATE(s):
15 – 18 August, 2016



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**BUREAU
VERITAS**



Independent 'Reasonable Assurance Report to **Lazurde Company for jewelry**

This report is made for the **Lazurde Company for jewelry** for the purpose of a compliance report, in accordance with the terms of our engagement letter dated 18/04/16

1. Responsibilities

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and with DMCC Practical Guidance for market participants in the gold and precious metals industry and in accordance with the DMCC Review Protocol.

Our work has been undertaken so that we report to the **Lazurde company for jewelry** on those matters that we have agreed to state to them in this report. Our tests are related to **Lazurde Company for jewelry** as a whole rather than performed to meet the needs of any particular customer.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the **Lazurde Company for jewelry** for our work, for this report or for the opinions we have formed.

2. Subject matter

This report covers the **Lazurde Company for jewelry** general level of compliance with the DMCC Practical Guidance for market participants in the gold and precious metals industry and in accordance with the DMCC Review Protocol as described in your report as at 04/08/16

3. Scope based on 'Reasonable assurance:

The review procedures undertaken by us will cover the following:

- i. Review whether the **Lazurde Company for jewelry** has established robust sustainable supply chain management systems as detailed in and referring to step 1 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.
- ii. Review whether the **Lazurde Company for jewelry** is able to identify and assess the risks in the supply chain as detailed in and referring to step 2 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol. Four Non conformities with Medium risk were identified under step 2, refer to attached corrective action plan for details.



iii. Review whether the **Lazurde company for jewelry** has developed and implemented a risk mitigation and/or control plan as detailed in and referring to step 3 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.

iv. Review whether the **Lazurde company for jewelry** is reporting annually on its measures implemented for responsible supply chain due diligence and that the measures being reported are consistent with the independent 3rd party audit review program findings as detailed in and referring to step 5 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.

v. Review the **Lazurde company for jewelry** activities related to conducting due diligence for adherence to DMCC's Anti-Money Laundering and Combating Financing of Terrorism Policy (as the minimum acceptable standard for AML/CFT due diligence policy).

4. Emphasis of matter (if required)

Without our conclusion being modified, we refer to the non-compliance description contained in the **Lazurde Company for jewelry** compliance report. This relates to the current implementation of specific due diligence procedures at Lazurde **Company for jewelry** to be in conformance with DMCC's Practical Guidance for Responsible Sourcing and DMCC's AML/CFT policies during the assessment period 1st January 2015 to 31st December 2015.

The company has made good improvements in improving the compliance in consideration to the findings identified during the previous Audit held for the year 2014.

5. Conclusion

In our opinion, in all material respects:

i. The accompanying report by the directors describes fairly the level of general compliance of the refiner's with DMCC Practical Guidance for Market Participants in The Gold and Precious metals Industry and DMCC Review Protocol as at 18/08/16

ii. The compliance controls that were tested, as set out in the attachment to this report, were operating with sufficient effectiveness for us to obtain "reasonable", but not absolute, assurance that the related level of compliance were achieved in the period 1st January 2015 to 31st December 2015.

Four Non conformities with Medium risk were identified under step 2 that requires corrective action to be submitted and taken, refer to attached corrective action plan for details.

Bureau Veritas

Location:

Date: 30.08.16

Sign and Company Stamp:

