

DUE DILIGENCE REPORT 2019/20

Despite the problems of 2020, Drijfhout continued to implement its policies and meet the requirements of the IMVO Gold and the recommendations of OECD. Purchasing officers with specific product line responsibilities to the managing Director continued to monitor supply for an unexpected changes, discussing any issues directly with the MD.

Establishing a relationship with a new supplier or customer occurs only after established KYC procedures have been completed, checked and signed off by either the Managing director or an authorised deputy. These checks include review of the legal and fiscal data of direct partners and checking compliance with appropriate legislation where possible. This applies also to any refiner identified in both product and refining supply chains.

For 2019-20 no risks were identified. However should any red flags be identified (even by omission of data) Drijfhout has a policy of working with suppliers to educate them about the requirements and benefits of OECD, requesting additional data on which to quantify any risk. By discussing the situation with our partner we believe appropriate actions can be taken to manage or minimise the supply chain risk.

During the year, Drijfhout modified its procedures and developed a questionnaire that was sent to all companies supplying products containing gold. This requested them to confirm their own Due diligence and OECD status. Additionally asking if they had identified any refiners and have checked them against the Responsible Minerals Initiative list of compliant refiners/smelters (www.responsiblemineralsinitiative.org/smelters-refiners-lists/). Where refiner details were given, Drijfhout additionally checked these names to ensure external audits had been carried out and that any certification was still valid.

Based on the replies to the questionnaire the company determined that in 2019-20

94%* of all gold sold came refiners that were RMI compliant (2018-19 was 97%)
97% were from refiners reporting OECD compliance (2018-19 was 96%)

* Although a reduction, this was due to the inclusion of a smaller refiner who although not RMI listed, provided evidence to show that OECD recommendations where being followed.

Based on its direct purchases and information provided by suppliers, Drijfhout identified the following refiners in its supply chain -

Heimerle+ Meule
Sempsa JP
Agosi
CHafner

As some companies did not respond to the questionnaire, this list does not include all refiners in the supply chain. This however represents a very small part of the total supply chain.

In addition to this report, this information is supplied verbally and by email to any person or organisation that has a legitimate reason to request the data. Similarly the company will investigate any grievance or concern regarding the products it supplies, responding directly to that person/organisation with its findings along with its intended actions, if required.

As Drijfhout is also active in the recycling chain, similar KYC and due diligence is carried out for companies it purchases materials from and on those it send materials to, For both 2018-19 and 2019-20 , 99,8% of all refining materials were sent to its own Group refiners, Heimerle+Meule and Sempsa JP, both of which are RMI compliant refiners and have the appropriate Environmental, Legal and compliance registrations.

Chris Kuscher
Managing Director

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