



www.safina.cz

In Vestec,

27.3.2019

SAFINA, a.s. - CAHRAs

SAFINA's definition of conflict-affected and high-risk area is in accordance of OECD Due Dilligence Guidance for responsible supply chains of Minerals from Conflict-Affected and High-Risk Areas supplement on Gold.

..... *Conflict-affected and high-risk areas –areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars. High-risk areas are those where there is a high risk of conflict or of widespread or serious abuses as defined in paragraph 1 of Annex II of the Guidance. Such areas are often characterised by political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, widespread violence and violations of national or international law.*

“Direct or indirect support” to non-state armed groups or public or private security forces through the extraction, transport, trade, handling or export of gold 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 (includes négociants, consolidators, intermediaries, and others in the supply chain that work directly with armed groups to facilitate the extraction, trade or handling of gold) who:

- *illegally control mine sites or otherwise control transportation routes, points where gold is traded and upstream actors in the supply chain means overseeing extraction, including by granting access to mine sites and/or coordinating downstream sales to intermediaries, export companies or international traders; (ii) making recourse to any forms of forced or compulsory labour to mine, transport, trade or sell gold; or (iii) acting as a director or officer of, or holding beneficial or other ownership interests in, upstream companies or mines ; and/or*
- *illegally tax or extort money or gold at points of access to mine sites, along transportation routes or at points where gold is traded, means the demanding, under the threat of violence or any other penalty, and for which the person has not voluntarily offered, sums of money or gold, often in return for granting access to exploit the mine site, access transportation routes, or to transport, purchase, or sell gold.; and/or*
- *Illegally tax or extort intermediaries, export companies or international traders.*

SAFINA PERFORMS RISK BASED DUE DILIGENCE, SCREENING AND MONITORING OF TRANSACTIONS AND DOES NOT SOURCE MATERIALS FROM ORIGINATED IN CONFLICT-AFFECTED OR HIGH-RISK AREAS.

We do not to engage with, respectively immediately discontinue engagement with any business opportunity or business partner where we identify a reasonable risk that they are sourcing materials from the Democratic Republic of Congo, its neighboring countries or any high-risk areas.



www.safina.cz

Identification of main risks:

- Risk of sourcing from or that you are linked to any party committing serious abuses associated with the extraction, transport or trade of minerals
 - any forms of torture, cruel, inhumane and degrading treatment;
 - any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
 - the worst forms of child labour;
 - other gross human rights violations and abuses such as widespread sexual violence;
 - war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
- Risk of providing direct or indirect support to non-state armed or public or private security forces (e.g. criminal networks within the police or army units (FARDC) or private mine security)
 - illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
 - 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
 - illegally tax or extort intermediaries, export companies or international traders.
- Risk of inadequate, inaccurate and fraudulent chain of custody and/or traceability information

We conduct business in honest manner, in accordance with ethical and social standards. SAFINA would never tolerate, contribute, assist in, nor profit from:

- War crimes nor genocide
- Violation of international human rights laws
- Torture and/or inhuman treatment
- Corruption and royalties paid to governments for the purposes of extraction of Precious Metals
- Money laundering
- Misrepresentation of taxes
- Financing of terrorism
- Child labour
- Any form of forced labour

Establishing business relationships with suppliers which acts against above stated principles is not tolerated. Moreover SAFINA is monitoring supply chain regularly and continuously and would immediately stop any kind of cooperation with suppliers if any form of abuse stated above would be identified by us.