

# StoneX<sup>®</sup>

**Responsible Sourcing Policy**  
**(for minerals from conflict-affected and high-risk areas)**

**Version 6.0**

**October 2020**

## Version Control

<b>Version</b>	<b>Date</b>	<b>Approved by</b>
1.0	June 2014	Head of Compliance
2.0	June 2015	Head of Compliance
3.0	October 2016	AML Committee
4.0	October 2017	AML Committee
5.0	November 2018	Financial Crime Prevention Committee
5.1	February 2020 (minor refresh)	Financial Crime Prevention Committee
6.0	October 2020	Financial Crime Prevention Committee

## Contents

1	Introduction to the policy.....	1
2	Scope and application .....	1
3	Responsibilities.....	1
4	Serious Abuses associated with the extraction, transport and trade of minerals .....	2
5	Direct or Indirect support to non-state armed groups .....	2
6	Public or private security forces.....	3
7	Bribery and fraudulent misrepresentation of the origin of minerals .....	4
8	Money Laundering.....	4
9	Payment of taxes, fees and royalties due to governments.....	4
10	Failure to comply with this policy .....	4
11	Training and awareness .....	4
12	Compliance.....	4
13	Further information .....	5

## **1 Introduction to the policy**

- 1.1 StoneX Financial Ltd (SFL) recognises the significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas. We actively support the Organisation for Economic Co-operation and Development (OECD) Framework for Risk-Based Due Diligence in the Mineral Supply Chain and take our responsibilities to respect human rights and not contribute to conflict seriously.
- 1.2 We are committed to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.
- 1.3 We have adopted the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas.

## **2 Scope and application**

- 2.1 This policy considers the steps we take to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas. Including:
- Serious Abuses associated with the extraction, transport and trade of minerals
  - Direct or Indirect support to non-state armed groups
  - Public or private security forces
  - Bribery and fraudulent misrepresentation of the origin of minerals
  - Money Laundering
  - Payment of taxes, fees and royalties due to governments
- 2.2 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.
- 2.3 This policy applies to all SFL staff, i.e. employees, officers, consultants, contractors and to other workers including agency workers, casual workers, volunteers, interns and home workers.
- 2.4 It also applies to any staff of the wider StoneX Group, who serve or support the Global Precious Metals business
- 2.5 All staff must be familiar with this policy and comply with its terms.
- 2.6 This policy does not form part of any contract of employment and we may amend it at any time.

## **3 Responsibilities**

- 3.1 All staff are required to comply with this policy.
- 3.2 We have appointed, The Chief Money Laundering Reporting Officer (MLRO), EMEA as the Senior Manager responsible for overseeing compliance with this policy.

- 3.3 For practical expediency, our MLRO also has responsibility for wider compliance with AML and counter-terrorist financing compliance and other areas of crime prevention, including in relation to:
- 3.3.1 risk assessment;
  - 3.3.2 customer due diligence;
  - 3.3.3 systems and controls;
  - 3.3.4 staff training and awareness;
  - 3.3.5 monitoring and review;
  - 3.3.6 reporting CDD discrepancies;
  - 3.3.7 anti-bribery and corruption;
  - 3.3.8 sanctions;
  - 3.3.9 tax evasion; and
  - 3.3.10 modern slavery

#### **4 Serious Abuses associated with the extraction, transport and trade of minerals**

- 4.1 While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
- 4.1.1 any forms of torture, cruel, inhuman and degrading treatment;
  - 4.1.2 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;
  - 4.1.3 the worst forms of child labour;
  - 4.1.4 other gross human rights violations and abuses such as widespread sexual violence;
  - 4.1.5 war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
- 4.2 We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined above.

#### **5 Direct or Indirect support to non-state armed groups**

- 5.1 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:

- 5.1.1 illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; or
- 5.1.2 illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; or
- 5.1.3 illegally tax or extort intermediaries, export companies or international traders.
- 5.2 We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined above.

## **6 Public or private security forces**

- 6.1 We agree to eliminate, in accordance with paragraph 6.6, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
- 6.2 We recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- 6.3 Where we or any company in our supply chain contract public or private security forces, we will take steps to ensure that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, our screening policies help ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.
- 6.4 We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
- 6.5 We will support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.
- 6.6 In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 6.1, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. Where we identify a reasonable risk of activities inconsistent with paragraphs 6.4 and 6.5, we will respond in the same vein.

## **7 Bribery and fraudulent misrepresentation of the origin of minerals**

- 7.1 We 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. Please see our Anti-bribery and Corruption Policy for more information.

## **8 Money Laundering**

- 8.1 We 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. Please see our Anti-Money Laundering and Counter Terrorist Financing Policy for more information.

## **9 Payment of taxes, fees and royalties due to governments**

- 9.1 Where applicable to our business, we 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.

## **10 Failure to comply with this policy**

- 10.1 Failure to comply puts both you and the organisation at risk.
- 10.2 We take compliance with this policy very seriously. Because of the importance of this policy, failure to comply with any requirement may lead to disciplinary action under our procedures, which may result in dismissal.

## **11 Training and awareness**

- 11.1 All relevant employees and agents will be trained regularly on how to recognise and deal with adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas.
- 11.2 Completion of training is compulsory.
- 11.3 The MLRO will continually monitor training needs but if you feel that you need further training on any aspect of this policy, please contact the MLRO or [AMLKYCQueries@stonex.com](mailto:AMLKYCQueries@stonex.com).

## **12 Compliance**

### **12.1 How will compliance with this policy be monitored?**

- (a) compliance will be continually monitored through any or all of the following methods:
- (b) review of records maintained by the MLRO;
- (c) compliance reviews;
- (d) reports or feedback from staff;
- (e) Internal Audit; and
- (f) any other method which may be required from time to time.

## **12.2 Policy review**

12.2.1 We will review this policy at least annually as part of our overall risk management process. We will also review this policy if:

- (a) there are any major changes in the law or practice;
- (b) we identify or are alerted to a weakness in the policy; or
- (c) there are changes in the nature of our business, our customers or other changes which impact on this policy.

## **13 Further information**

13.1 Please refer to the Compliance Policy Centre <https://intlfcstone.sharepoint.com/sites/IFLCompliance> for further information which can be found in the Financial Crime section.

13.2 You can also get further advice and guidance from the MLRO, or [AMLKYCQueries@stonex.com](mailto:AMLKYCQueries@stonex.com).