

C. HAFNER is a precious metal manufacturing and recycling company founded in 1850 in Pforzheim/Germany. It is now managed by the founder's family in the 5<sup>th</sup> generation.

The purpose is recycling precious metal scrap from the watch- and jewellery industry, dental laboratories and other precious metal users. From these recycled precious metals C. HAFNER produces semi-finished products for the watch- and jewellery industry and dental alloys.

The due diligence process according to the LBMA Responsible Gold Guidance is implemented since 2013. It is controlled by internal audits and independent service.

C. HAFNER is acting in European countries and Switzerland. Due its business structure and behavior C. HAFNER avoids getting conflict-affected materials into its recycling system; conflict-affected implies methods of modern slavery. The due diligence process would detect mismatches to our policy and unfair suppliers will be locked out from our business process.

The effectiveness of the system is determined by annual audits ordered, validated and approved by the managing partners.

The result of this audit is taken as base for trainings for managers and staff performed by the Compliance Officer.

It is mandatory to publish the audit results of the independent auditor.

Our link is: <http://www.c-hafner.de/de/unternehmen/chafner/lbma-good-delivery-status/>.

Regarding the effectiveness:

**Our operation indicators for FY 2014:**

Number of transactions:	11612
Number of rejected or non-compliant deliveries	32
Number of locked out	9
Number of supplier audits (since 2013)	163

There was no proving for slavery or any kind of contempt of human rights.

**Our target for FY 2015 is:**

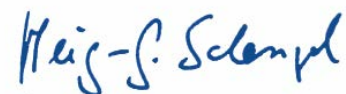
Number of supplier audits (since 2013)	180
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Dr. Philipp Reisert  
Managing Partner



Mrs. Birgitta Hafner  
Managing Partner



Company Management