

## **Procurement guidelines for conflict minerals - 3TG/Cobalt/ Mica**

### **Background**

In various countries, in particular the Democratic Republic of Congo and the neighboring states, armed conflicts are financed directly or indirectly by the proceeds from the mine of conflict minerals. The term „conflict minerals“ refer to gold, tantalum, tin, tungsten (3TG) and all other minerals defined as such in current regulations on the procurement of conflict minerals. Significant human rights violations occur in connection with the mine of these minerals. For this reason, legal foundations and global initiatives have been created to prevent the use of conflict minerals.

The legal basis for this is the US Dodd-Frank Act. Act in Section 1502 with its requirements and guidelines, which resulted in a global legal adjustment.

In accordance with EU Regulation 2017/821 of May 17, 2017 on curbing trade in conflict minerals, minerals from other conflict and high-risk areas are also considered regulated conflict minerals. This also includes areas in which there is an armed conflict or which are in a weakened situation following a conflict, as well as areas with a weak security structure. Countries that systematically violate international law, including human rights violations, are also affected.

### **Our standards/ expectations**

**ELEKTRA** is guided by the global requirements and guidelines for the procurement of conflict minerals.

**ELEKTRA** is aware of its corporate duty of care and responsibility and sees this as an essential prerequisite for a sustainable and successful corporate policy.

Our commitment is not only focused within our own group of companies; in particular, all direct and, if possible, indirect suppliers should be involved as far as possible.

**ELEKTRA** expects its direct suppliers to endeavor to implement the requirements and obligations set out in the **ELEKTRA**-contract documents as early as the nomination phase. This should enable **ELEKTRA** to meet its own ethical expectations as well as the requirements of its customers, to gather extensive information on the origin and sources of the minerals used in order to obtain meaningful information within its own supply chain.

**The aim is to be able to guarantee that all primary materials used in ELEKTRA-products come from sources that are as conflict-free and verifiable as possible and that meet the standards of the OECD guidelines on "Due diligence to promote responsible supply chains for minerals from conflict-affected and high-risk areas".**

## **Requirements for ELEKTRA-suppliers**

**ELEKTRA** expects its suppliers to support compliance with the applicable rules and regulations for the procurement of minerals from conflict and high-risk areas. The implementation of the required due diligence within the supply chain is crucial for this.

**ELEKTRA** therefore obliges its suppliers to submit all necessary reports, documents and written confirmations on request.

### **In detail ELEKTRA obliges its direct suppliers:**

- not to purchase products and materials containing conflict minerals directly from „Conflict Mines“
- not to discriminate against legitimate sources of conflict minerals and thereby ensure conflict-free trade
- provide reports upon request that document the presence and origin of materials from legitimate sources using the Responsible Minerals Initiative (RMI) „Conflict Minerals Reporting Template (CMRT) and Extended Mineral Reporting Template (EMRT)“
- source materials from smelters that have been declared „compliant“ or at least „active“ by RMI audit protocols or mutually recognized audit protocols and
- comply with EU Regulation 2017/821
- report conflicting smelters as soon as they become aware of them and exclude them from the supply chain immediately.

### **The following ELEKTRA-contract documents include the subject matter described here:**

- General Terms and Conditions of Purchase
- Code of Conduct for Suppliers / Code of Conduct (CoC)
- Quality assurance agreement (QAA)

**ELEKTRA** carries out a responsible pre-selection of its suppliers and expects the nominated suppliers to place the same demands on their direct suppliers.

**An open and committed approach by all parties within the supply chain is essential in order to fulfil the goal of conflict-free procurement.**

Feedback regarding the use of conflict minerals is mandatory for **ELEKTRA**-suppliers without exception. A lack of response in the event of an existing and justified suspicion of proven use of criminal sources (e.g. smelters) can lead to further measures up to the cancelation of future cooperation.