

Responsible Sourcing of Conflict Minerals

**Ensuring an ethical and
compliant supply chain**

Legislative context



European Regulation on
Conflict Minerals (entry into
force January 2021)



Minerals concerned:
tin, tantalum, tungsten, gold
(all 3TG).



High-risk areas:
Democratic Republic of
Congo, Burma, certain
regions of Latin America and
Southeast Asia.



Goal:
Regulate supply chains to
prevent the financing of
armed conflict and human
rights violations.

These industries use ores such as tin, tantalum, tungsten and gold in key components (solders, alloys, electronics, etc.).

Why This Question Concerns You

- Conflict Minerals: Impact on Various Sectors

Sectors affected include, but are not limited to:

- Metallurgy, screw-cutting, metal components, electronic assembly
- Automotive, aerospace, high-tech, jewelry
- Telecommunications, medical equipment, energy
- Surface treatment, industrial subcontractors



Risks for businesses

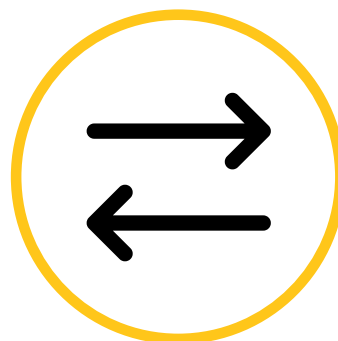


- Consequences of a non-compliant supply chain
- Legal sanctions: In Europe, companies must comply with new regulations, or face sanctions.
- Reputational impact: An irresponsible supply chain can damage brand image.
- Supply chain disruption: Non-compliant suppliers can lead to stock-outs or compliance problems.

Mine



Trader

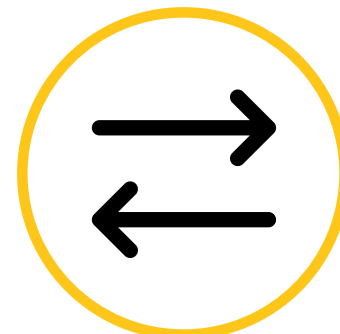


Refinery /
Foundry

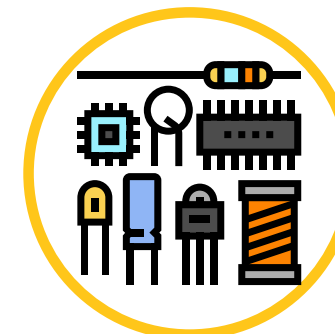


UPSTREAM

DOWNSTREAM



Trader



Component
manufacturer



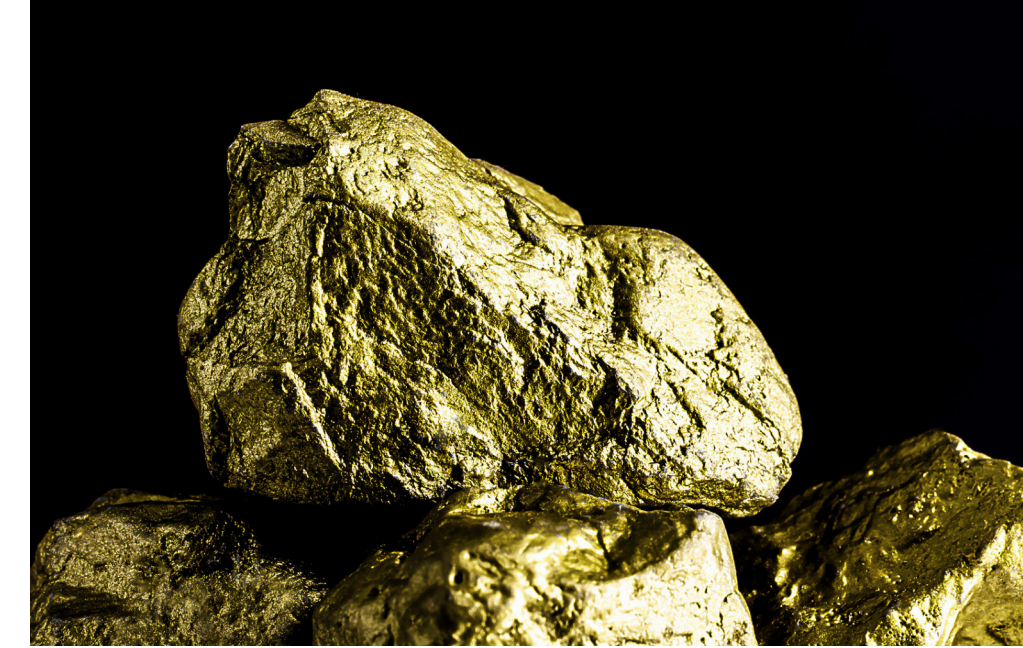
Manufacturer /
Assembler



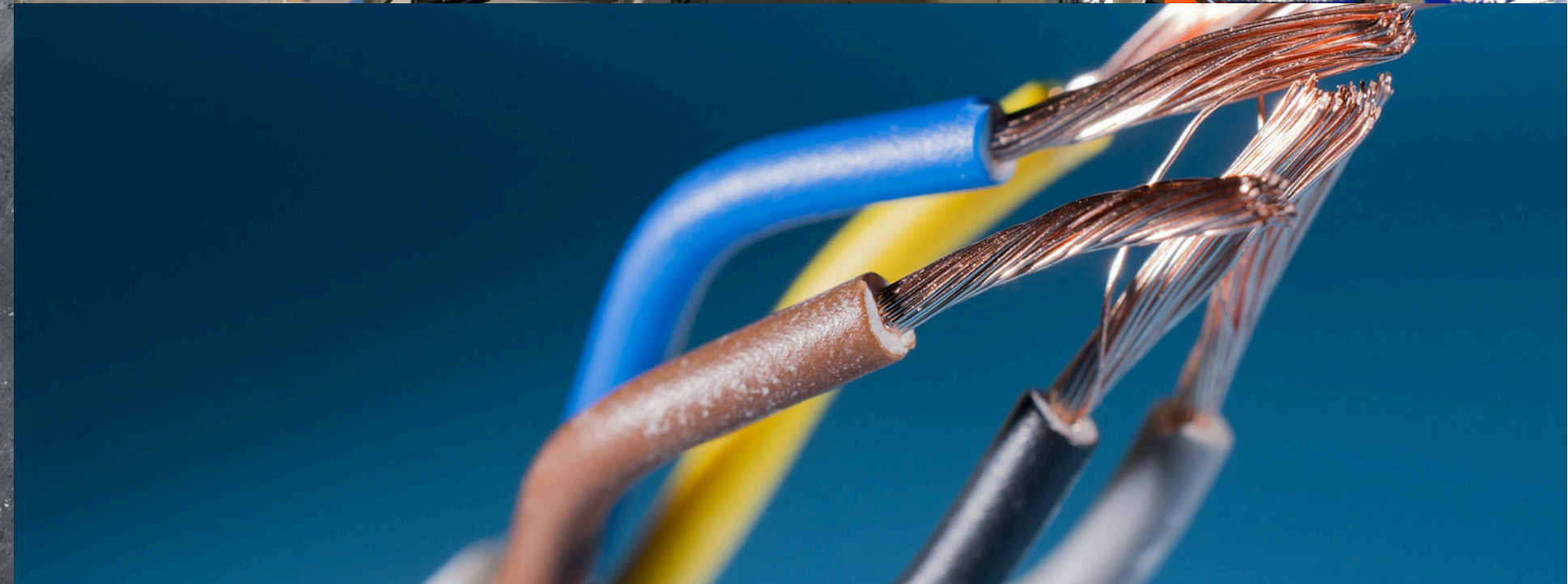
Consumer

The Importance of Traceability

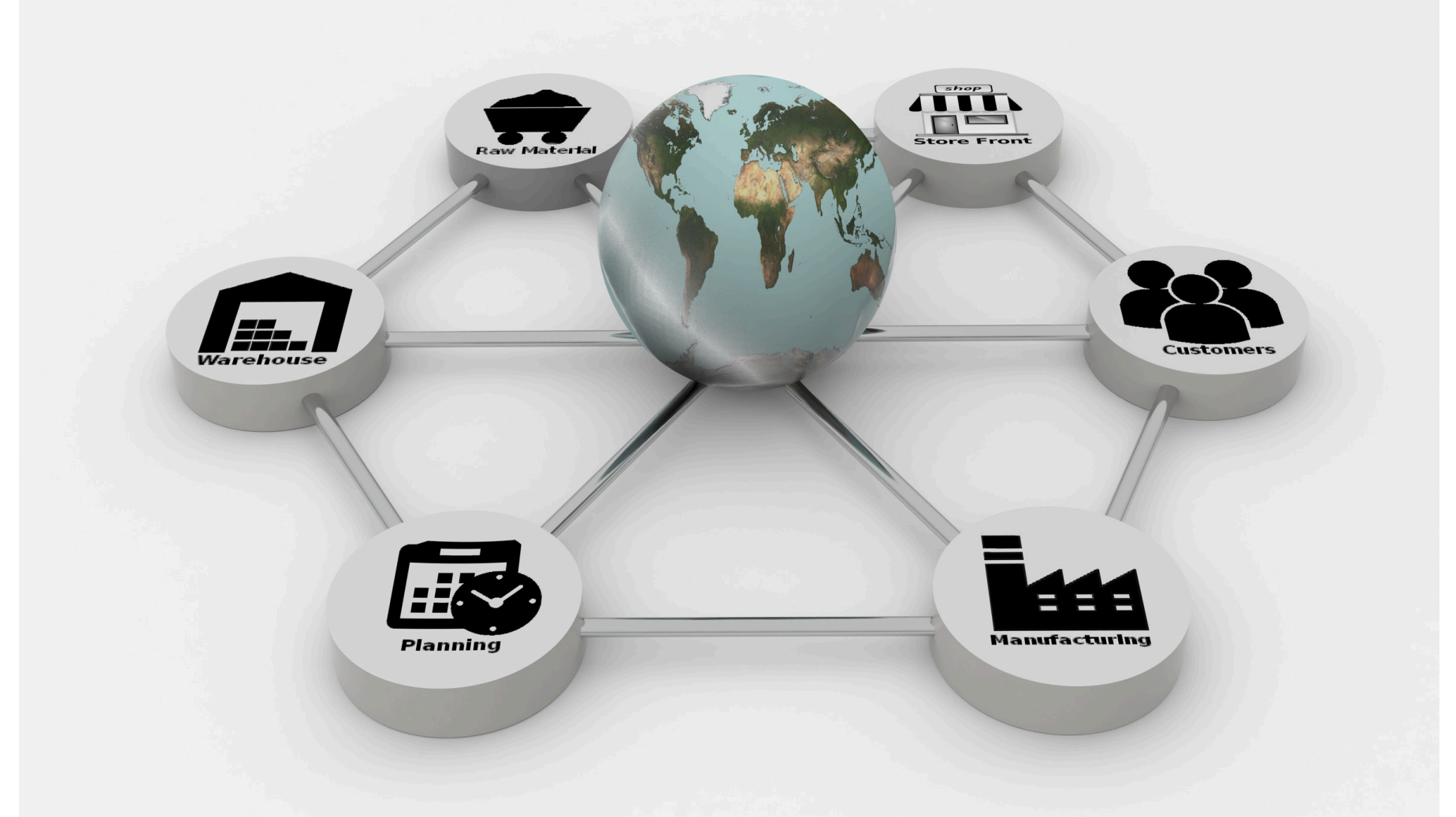
- Conflict Minerals Tracking: An Absolute Necessity
- 80% of companies do not know whether their products contain conflict minerals (Source: Harvard Business Review).
- Examples of 3TG applications:
 - Tin: Solder in electronic components (e.g. motherboards, batteries).
 - Tantalum: Electronic capacitors in appliances.
 - Tungsten: Vibration and resistance components.
 - Gold: Printed circuits and electrical contacts.



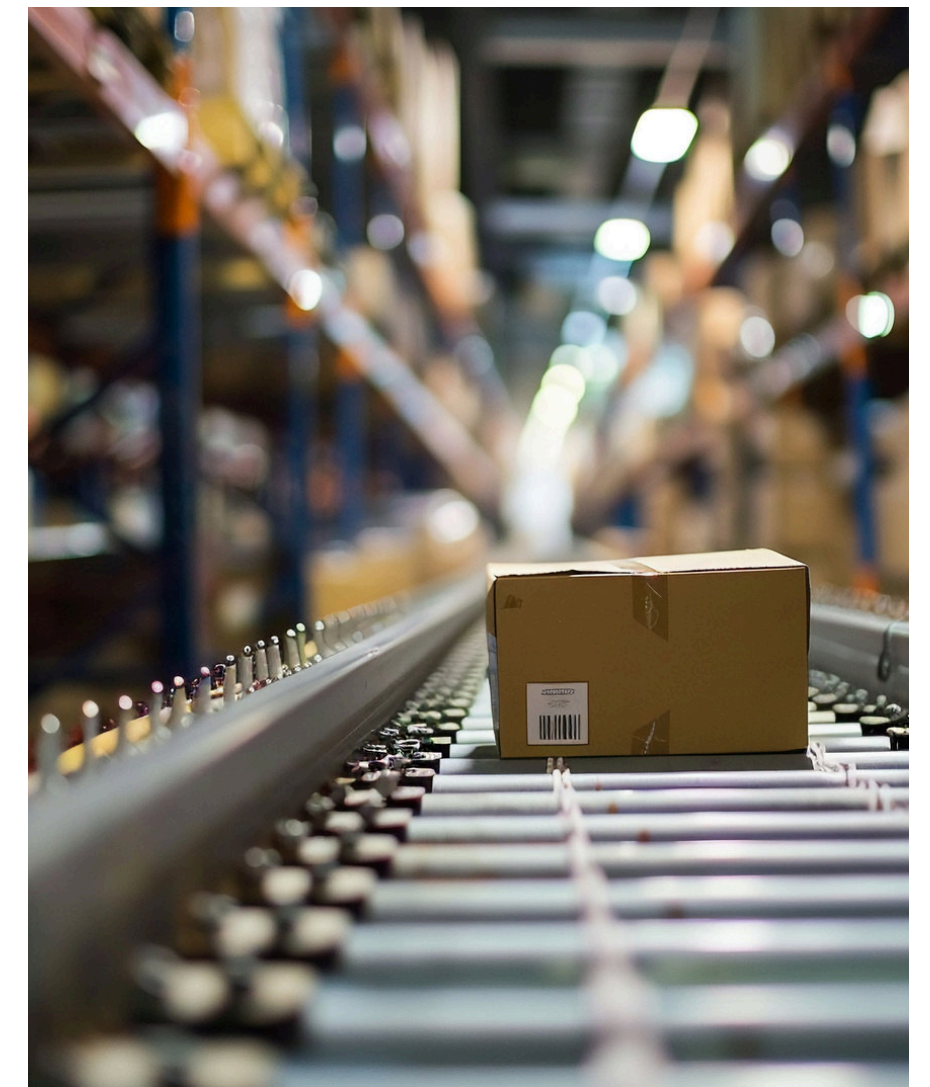
Examples of 3TG products



Best Practice 1 - Supply chain mapping



- Clear labelling and identification of suppliers:
- Keep an up-to-date database of your suppliers: names, entities, locations, types of raw materials.
- Risk map: Evaluate the risks associated with geographical regions and mineral types.
- Ongoing assessment:
 - Ask your suppliers to identify the origin of their raw materials and provide information on the refineries and smelters used.





Best Practice 2 - Risk management and audits

Carry out regular audits:

- Audits and Due Diligence: Legal Obligations
- Ensure your suppliers' due diligence compliance.
- Use third-party audits such as the Responsible Minerals Assurance Process (RMAP) to ensure that minerals are sourced from conflict-free zones.
- Implement robust management systems
- Develop a responsible sourcing policy and report on progress.
- Carry out risk analysis and implement proactive management actions.



Best Practice 3 - Enhancing transparency with suppliers



Ask your suppliers for detailed mineral traceability reports (e.g. via the Conflict Minerals Reporting Template - CMRT).

- Engagement with Suppliers: The Transparency Requirement
- Require refinery certification (e.g. RMAP or OECD certification).
- Be clear about your expectations in your contracts: include strict clauses on conflict minerals.
- Collaborate to improve practices:
 - When problems arise, engage in corrective action with your suppliers to resolve conflicts collaboratively.

A hand is holding a glowing lightbulb on a dark wooden surface. Several small wooden blocks are scattered around the lightbulb. The lightbulb is illuminated, casting a warm glow.

Non-Compliance Remediation

Remediation procedure :

- **Non-Conformity Management: Anticipation and Reactivity**
- **Mediation or breach of contract: When suppliers fail to meet criteria, set up a remediation procedure.**
- **Transparent communication: If a violation is identified, communicate promptly with your customers and partners.**
- **Analyze and adjust:**
 - **If irregularities are detected in mineral traceability, adjust your risk management approach.**

Conclusion and Call to Action

- Commit to a responsible and transparent supply chain
 - Comply with legislation: Compliance with new regulations is essential to avoid legal and reputational risks.
 - Guarantee mineral traceability: Ensure the ethical sourcing of 3TG in your processes.
 - Work with your suppliers to improve transparency and accountability throughout the supply chain.
 - Implement sustainable practices: Adopt rigorous processes and conduct regular audits to ensure ongoing compliance.
- Act now to ensure compliance and transparency in your supply chain!

Company name :

Name and position :

Date :

Signature :