

## **ml&s' principles with respect to handling conflict minerals (Conflict Minerals Policy)**

### **What is it about?**

For years armed groups have been terrorizing the people of the Democratic Republic of Congo (DRC). Human rights are suppressed using violence. As it has become known, such armed groups are financed by the mining and sale of important raw minerals such as tantalum, tin, gold and wolframite (i.e. tungsten) (so called "Conflict Minerals").

In 2010, President Barack Obama signed the Dodd-Frank Act including regulations related to the use of Conflict Minerals in its section 1502. In 2012, the US authorities published regulations implementing Section 1502 of the Dodd-Frank Act ("Act"). The Act requires certain listed American companies of the electronic industry to perform due diligence and provide information on the source and chain of supply of Conflict Minerals contained in their products. For this reason they have to give full transparency throughout their supply chain.

These regulations aim to make transparent the use of Conflict Minerals by disclosure of the supply chain and by doing so to permanently prevent the use of raw materials which support the funding of armed groups in Central Africa.

### **What do we think about that?**

ml&s is a company with a strong commitment to social responsibility. ml&s condemns violence and human rights violations in Central Africa. Therefore, ml&s does not support the purchase or sale of any materials or products containing Conflict Minerals.

### **What do we do?**

ml&s supports the goals and objectives of Section 1502 of the Dodd-Frank Act, which aims to prevent the use of Conflict Minerals that directly or indirectly finance or benefit armed groups in The Democratic Republic of Congo (DRC) or an adjoining country.

ml&s has set up internal guidelines for the handling the Conflict Minerals matter. This includes:

- designation of personnel in charge
- collection of information about the supply chain for our products
- support for our customers

ml&s will check the origin of delivered products according to its possibilities and ask its suppliers for information whether the delivered products contain Conflict Minerals – and if they do – where these Minerals come from.

Any of our suppliers is obliged to deliver conflict-free products according to our General Terms of Purchase.

On the basis of the information collected from its suppliers, ml&s provides information to its customers whether and which products contain Conflict Minerals. However, we are also dependent on the support of our customers.

### **What do we expect from our suppliers?**

We expect our suppliers to commit to their social responsibility and neither to produce nor to sell or deliver products containing Conflict Minerals. We encourage our suppliers to establish their own guidelines concerning the handling of this matter and to make transparent the supply chain towards us and our customers. Our suppliers shall pledge themselves to provide us – to the best of their knowledge – with any information which is necessary for our customers to meet their legal obligations due to the Dodd-Frank Act. Our suppliers should also commit their suppliers to transparency and disclosure. In this connection we want to support our suppliers as far as possible.

ml&s has a process to obtain full transparency of our supply chain. This process shall be improved continuously. According to our current state of knowledge and based upon the information provided by our suppliers, we assume that our products are conflict-free, i.e. they do not contain any metals derived from the conflict region.

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