



# CONFLICT MINERALS DUE DILIGENCE PROCEDURE

## 1. Conflict Minerals Overall Process Flow



CGC adopted the common **EICC Conflict Minerals Due Diligence reporting tool**

Documents attached when request sent:

- Conflict Minerals Reporting Form
- Supplier Letter
- CGC Conflict Minerals Quality Clause

**Suppliers are required to:**

- Understand the Conflict Minerals (3TG) information from their lower tier level suppliers
- Determine whether their products or components contain 3TG
- Determine the smelter or mine origin

**Supplier required to return a signed copy of Reporting Form once completed.**

Completed Form sent for review to:

[conflict\\_minerals@chardam.com](mailto:conflict_minerals@chardam.com)

- Conflict Minerals Processing Team **will check and review the form.**

All Suppliers' completed form will be stored in CGC's Supplier Database.

All Conflict Minerals project-related documents are stored and maintained in the CGC's supplier files.

## 2. PURPOSE

This CGC Conflict Minerals Due Diligence Procedure was created under the guidelines stipulated in the Electronic Industry Citizenship Coalition® (EICC®) and the Global e-Sustainability Initiative (GeSI) as a common means for the collection of sourcing information related to “Conflict Minerals”. Suppliers of CGC will be required to adhere to this due diligence program to verify the responsible sourcing of materials and to support compliance to new legislation\*. The *CGC Conflict Minerals Reporting Form* is consistent with EICC and GeSI’s related activities including the Conflict Free Smelter (CFS) Program\*\*.

\*\* In 2010, the U.S. Dodd-Frank Act was passed concerning “Conflict Minerals” originating from the Democratic Republic of the Congo (DRC) or adjoining countries. The SEC has published final rules associated with the disclosure of the source of Conflict Minerals by U.S. publicly traded companies (see the rules at <http://www.sec.gov/rules/final/2012/34-67716.pdf>). The rules reference the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, (<http://www.oecd.org/dataoecd/62/30/46740847.pdf>), which guides suppliers to establish policies, due diligence frameworks, and management systems.

\*\* See information on the Conflict-Free Smelter (CFS) Program ([www.conflictreesmelter.org/](http://www.conflictreesmelter.org/)) and other information ([www.eicc.info/extractives.htm](http://www.eicc.info/extractives.htm))."

## 3. SCOPE

This procedure affects all CGC suppliers who shall be required to collect sourcing information on the entirety of their company’s services and/or products that contains Conflict Minerals as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502(e)(4).

The services and/or products shall be those that include functionality or production of supplier’s products that it manufactures or contracts to manufacture with CGC.

Suppliers will adhere to the Purchasing Work Instruction – Conflict Minerals Quality Clause – describing the requirements for adherence to conflict-free minerals.

#### 4. DEFINITIONS

ITEM	DEFINITION
Adjoining Country	A country that shares an internationally recognized border with the Democratic Republic of Congo is considered an “adjoining country”.
CFC Compliant Smelter List	Conflict-Free Smelter Program Compliant Smelter List is a list of smelters which have been independently audited and determined to be compliant to a CFS protocol. The list and protocols can be found here: ( <a href="http://www.conflictreesmelter.org/">http://www.conflictreesmelter.org/</a> )
Conflict Mineral	"As defined in 2010 United States legislation, Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502(e)(4): <b>CONFLICT MINERAL.</b> —The term “conflict mineral” means— (A) columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives; or (B) any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country. (available at <a href="http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf">http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf</a> )"
CGC Conflict Minerals Processing Team	The CGC President, VP of Operations, and Purchasing Manager are responsible for administering, collecting, evaluating, re-evaluating and maintaining all documentation associated with the CGC Conflict Minerals Reporting Form.
Declaration Scope	For purposes of this template, the Scope describes the applicability of the information provided by the reporting company. The scope may encompass the entirety of a company’s services and/or products, or at a company’s discretion, the template may be used to address the company’s specific Division, Category of Products, or Product(s).
Division	A division is a defined unit of a business which performs a specific service or produces a specific category of products.
Dodd-Frank	2010 United States legislation, Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 (“Dodd-Frank”) ( <a href="http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf">http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf</a> )
DRC	Democratic Republic of Congo
DRC Conflict-Free	Is defined to mean the products that do not contain minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or an adjoining

	country. Source: 2010 United States legislation, Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 ( <a href="http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf">http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf</a> )
EICC	Electronics Industry Citizenship Coalition ( <a href="http://www.eicc.info">www.eicc.info</a> )
Gold Refiner (smelter)	A gold refiner is a metallurgical operation that produces fine gold with a concentration of 99.5% or higher from gold and gold-bearing materials with lower concentrations.
OECD	Organization for Economic Co-operation and Development
Product	A company's Product or Finished good is a material or item which has completed the final stage of manufacturing and/or processing and is available for distribution or sale to customers.
Product Category	A group of products which can be described by an industry recognized generic term (ex. capacitors).
Recycled and Scrap Materials	Conflict Minerals are considered "recycled" that are reclaimed end-user or post-consumer products, but not considered "recycled" are minerals that are partially processed, or a byproduct from another ore. For full definition see SEC Rules ( <a href="http://www.sec.gov/rules/final/2012/34-67716.pdf">http://www.sec.gov/rules/final/2012/34-67716.pdf</a> ).
SEC	Security Exchange Commission ( <a href="http://www.sec.gov">www.sec.gov</a> )
Smelter	A smelter is a company that procures and processes mineral ore, slag and / or recycled materials and scrap into refined metal or metal containing intermediate products. The output can be pure (99.5% or greater) metals, powders, ingots, bars, grains, oxides or salts.
Tantalum Smelter	A tantalum smelter is a company which converts tantalum (Ta) containing ores, slags, powder or scrap into Ta containing products (such as Ta powders, Ta components, Ta oxides, alloys, wires, sintered bar or similar final products) or intermediate products (such as KTaF(also known as KSalt), Ta hydroxides and Ta unrefined powders, synthetic ores and other Ta digestion materials).
Tin Smelter	A tin smelter is referred to as companies treating tin containing ore concentrates in order to produce crude or fully refined tin ( $\geq 99.85\%$ pure). Secondary smelters are companies which treat secondary materials for the production of crude or fully refined tin. Refiners are companies that treat crude tin or suitable secondary materials to produce fully refined tin. Tin smelters may be one of, or a combination of the above.
Tungsten Smelter	A tungsten (W) refiner is defined as a company converting W ore (wolframite and scheelite), W concentrates, or W-bearing secondary material for conversion to tungsten containing intermediates such as Ammonium Para-Tungstate (APT), Ammonium Meta-Tungstate (AMT), ferrotungsten, and tungsten oxides. APT production is the typical identifying capability of a tungsten smelter.



## **5. Conflict Region Map**

## Democratic Republic of Congo and adjoining countries



Global production		
<b>Ta</b>	Tantalite (Columbite)	<b>32.4%</b>
<b>Sn</b>	Tin (Cassiterite)	<b>4.0%</b>
<b>Au</b>	Gold	<b>0.7%</b>
<b>W</b>	Tungsten (Wolframite)	<b>1.4%</b>

Source: A.T. Kearney analysis