

FLENDER Responsible Minerals Sourcing Policy

INTRODUCTION

Sustainability is the foundation of the Flender strategy. Thereof sustainable behavior forms the basis of our business decisions and dealings with our stakeholders and suppliers. Our ambition is to develop a transparent supply chain.

Along with governments, NGOs, the investment community and many other companies worldwide, we believe that no one should be harmed in our supply chain. We are concerned about human rights violations including forced labor, human trafficking and child labor occurring anywhere in the world, as well as the role that armed conflicts play in causing extreme violence across so-called “Conflict-Affected and High-Risk Areas” (CAHRAs). This topic is dealt with in the “OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and HighRisk Areas” (OECD Due Diligence Guidance) and has also been addressed by the legislators in various regions, including the United States of America and the European Union.

OUR APPROACH

Flender buys parts and components which may include 3TG (Tantalum, Tin, Tungsten, Gold), Cobalt and Mica as well as Nickel and Copper. In order to ensure the sustainability in our supply chain we have established the Flender “Code of Conduct”. We contractually commit our Code of Conduct and suppliers to this, in turn, expect them to promote these standards to their own suppliers. To verify these commitments we have implemented various detection modules such as Corporate Responsible Self Assessments.

Furthermore we have rolled out a uniform and enterprise-wide process to determine the use, source and origin of the relevant minerals in our supply chain (“Supply Chain Due Diligence”) as part of the “Responsible Minerals Initiative” (RMI). In order to support Flender and its customers to comply with the applicable rules and regulations for the sourcing of conflict minerals, Flender encourages its suppliers to adopt our responsible sourcing practices:

- Comply with the [OECD Due Dilligence Guidance](#)
- Yearly reporting by using the [Conflict Minerals Reporting Template \(CMRT\)](#), the [Extended Minerals Reporting Template \(EMRT\)](#) and the [Pilot Reporting Template \(PRT\)](#) to publish the source of minerals
- Use only [smelters](#) that have been declared RMAP conformant and remove smelters which are not RMAP conform or lost the status

COMMITMENT

In support of global responsible minerals sourcing, Flender is committed to work toward avoiding the use, within our supply chain, of minerals from conflict affected and high-risk areas which are affected by the risks defined in Annex 2 of the OECD Due Diligence Guidance.

We do not encourage implementing a de facto embargo on conflict-affected and high-risk areas in the sourcing of the respective minerals. This is in line with our requirement to comply with the principles of non-discrimination with regard to supplier selection and treatment and follows the call of many internationally active human rights organizations.