



CONFLICT MINERALS POLICY

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Introduction

Revenue generated by the illegal exploitation of natural resources in the eastern Democratic Republic of Congo (DRC) remains a major financial source for armed groups and is a significant contributing factor to conflict. The UK government, alongside international partners, are working to ensure that the DRC's mineral wealth is brought under legitimate control, as a source of revenue for the state and the local population, and to restrict financial support to armed groups.

DRC's mineral wealth is enormous. It is estimated that the country contains 80% of the world's columbite-tantalite (coltan) reserves, 49% of its cobalt reserves, and 10% of its copper reserves. Gold and diamond deposits remain underexplored, but are estimated to be vast. Conflict minerals are mined in conditions of armed conflict where human rights abuses take place.

What are conflict minerals?

'Conflict minerals' as defined in recent US legislation and international guidance currently being piloted in DRC currently applies to cassiterite, coltan, wolframite and gold, or derivatives of these minerals. Sometimes these minerals are referred to as the 'three Ts' - tin, tantalum and tungsten (and gold).

- Cassiterite - raw tin ore used for solder and can coating, in many alloys and to prevent corrosion
- Columbite-tantalite or coltan, from which tantalum is extracted and being used primarily in the fabrication of electronic capacitors used in consumer electronic products such as mobile phones, DVD players, and computers
- Wolframite - the source of tungsten, a strong and dense metal with many military and industry uses
- Gold

Who mines the conflict minerals?

In DRC various non-state armed groups, such as the Democratic Forces for the Liberation of Rwanda (FDLR), but also rogue brigades within the Armed Forces of the Democratic Republic of Congo (FARDC) – the Congolese national army – are reportedly involved in the production and trade of conflict minerals. While several industrial gold mining companies are exploring for gold in northern and eastern DRC, and several mining companies are producing gold in the DRC's adjoining countries, artisanal (small-scale, independent) mining is currently the only active mode of production in the conflict-affected parts of eastern DRC.

An artisanal miner is a subsistence miner, not officially employed by a mining company, but working independently, mining or panning for gold using their own resources. 80-90% of mineral production in the DRC is being undertaken by between 1 and 2 million artisanal miners in the DRC who, in turn, support a larger community of 4 -12 million people.

The Supply Chain

Companies can, knowingly or unknowingly, be affected by the risk of supply chain contamination with conflict minerals. This can occur at a number of stages, whether mining or trading in the eastern provinces of DRC, in an adjoining country, or further along the chain.

Companies, whether at the 'upstream' stage of the supply chain (i.e. from mine to smelter) or at the 'downstream' stage (i.e. from smelter to end user), are affected by the conflict minerals risk.

Minerals are traded and processed by upstream stakeholders, before being used in downstream manufacturing products. These conflict minerals (cassiterite, coltan, wolframite and gold) are used in the electronics, automotive, aerospace, defence, software, pharmaceutical and other industries.

The DRC remains a difficult business environment and in the conflict-affected parts in the east of the country, some mines are exclusively accessed by artisanal miners, state services, state security forces and/or armed groups. Production from these sites passes through various intermediaries prior to export and is open to exploitation by armed groups.

Recent legislative and regulatory initiatives seek to keep contaminated minerals out of the industry supply chain by requiring companies to prove that minerals are either not from conflict-affected areas (proof of origin) or that their production and trade have not contributed to conflict financing and human rights abuses (due diligence and certification).

These initiatives follow moves in other industries towards improved due diligence and 'know-your-customer' requirements which companies based in Western countries, or selling to Western consumers, increasingly have to comply with.

Conflict Minerals Policy

Link Microtek is committed to sourcing components and materials from companies that share our values around human rights, ethics and environmental responsibility.

In this light, Link Microtek is committed to sourcing mineral containing components in a manner that respects human rights.

Link Microtek supports the goals and objectives of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 (Act), which aims to prevent the use of conflict minerals that directly or indirectly finance or benefit armed groups in The Democratic Republic of the Congo (DRC) or an adjoining country as defined in the Act. Conflict minerals include: tantalum (Ta), tungsten (W), tin (Sn) and gold (Au).

Link Microtek Ltd does not accept the use of any such “conflict minerals” in its products and communicates this policy to its suppliers and includes its implementation in its entire supply chain.

Expectations of Suppliers

Suppliers will be required to certify that all products supplied to Link Microtek either:

1. Do not contain tantalum, tin, tungsten or gold that are necessary to their production or functionality, or,
2. If they do contain these minerals that they originate from smelters that have been validated by independent auditor to be conflict free.

Suppliers shall work with their own sub-suppliers to ensure traceability of these metals within their products, back down to smelter and mine. Traceability data for all tiers of the supply chain shall be maintained and recorded for 5 years. Documentation shall be provided to Link Microtek upon request.

Link Microtek’s Commitment

Link Microtek is reviewing material composition of our products to identify the components that potentially can contain metals extracted from conflict minerals and identify the suppliers of those components. Conflict mineral policy is assessed in our existing supplier selection process and we are seeking sustainable solutions together with our suppliers and contract manufacturers to permanently eliminate risks of any violations of this policy. We demand and follow up corrective actions plans, conduct on-site detailed audits if necessary, leading to termination of the supplier contract in case of continued non-conformance.

Concerns and violations of this Policy can be reported to Link Microtek.