

Behr Bircher Cellpack BBC Czech s.r.o. policy on Conflict Minerals

Current as of March 1, 2018

Background

On 15 December 2010 Organization for economic cooperation and development ("OECD") endorsed *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* ("Guidance"). DOI:[10.1787/9789264111110-en](https://www.doi.gov/10.1787/9789264111110-en). This Guidance is standardizing benchmark for companies how to dispose responsibly so called "Conflict Minerals."

Term Conflict Minerals stands for Tantalum, Tin, Tungsten and Gold ("3TG"). About 5% of the world production of 3TG minerals originates in conflict affected areas. These areas are situated in Democratic Republic of the Congo and its neighboring countries. Exploitation of 3TG there may contribute, directly or indirectly, to armed conflict, human rights violations and hindering of local economic and social development. Lack of awareness among processing companies about the origin of particular 3TG material in their products is enabling conflict based business to thrive. Therefore OECD took initiative with the aim of 1) clarifying global supply chains with 3TG minerals and 2) preventing suspected mines and smelters from participating in global economy.

On 22nd of August 2012, the US Securities and Exchange Commission reinforced OECD Guidance implementation in USA by adopting Dodd-Frank legislation. US based companies are newly required to report origin of any 3TG material used in their products. As a result, many companies are now focusing on whether and to what extent their products contain Conflict Minerals.

Behr Bircher Cellpack BBC Czech s.r.o. (further as BBC Czech) is responsive corporate citizen responsible for our products and we want to mitigate possible adverse effects of our business even up the supply chain stream. Therefore BBC Czech follows OECD and kindly invites its suppliers to participate in this course.

Our commitments

Our endeavor is to disclose the origin of 3TG minerals in our supply chain and to ensure our products do not contain Conflict Minerals originating in Democratic Republic of Congo or adjoining countries. We are therefore committed to:

- Invite our large scale suppliers to follow due diligence according to OECD Guidance
- Actively monitor their progress in terms of tracking 3TG minerals in their supply chain
- Not buying products and materials containing Conflict Minerals directly from mines or smelters located in conflict areas

Our measures

We will gradually take the following actions as a support of our commitments:

- Establish clear management structure and procedures:
 - Ensure receiving regular updates of the status from our suppliers using CFSI Reports
 - Include CFSI information in scoring of our suppliers
- Continue dialogue with our large scale suppliers about our own Conflict Mineral Policy
- We will recommend them to:
 - adopt their own Conflict Mineral Policy and to
 - follow due diligence according to Guidance of OECD
 - provide us with the first information in form of CFSI Report about 3TG minerals in their supply chain
- Review CFSI reports from suppliers
- Ensure that our first-tier suppliers fully understand our expectations and cooperate with us on this matter
- Document and communicate our practices and due diligence.

Concluding remarks

Implementation of this policy will take time. It requires structural changes in management system; it demands new processing of large scale information that are not under our full control. Therefore it is realistic to expect serious effects in following years.

In Hranice, February 1, 2018