

What are conflict minerals?

In some countries, in particular in the Democratic Republic of the Congo and its neighbouring countries, the profits made by extracting minerals such as tin, tantalum, tungsten and gold (3TG) are frequently used to finance armed conflicts. Unacceptable human rights violations are committed in the course of these conflicts. Moreover, trade with these “conflict minerals” supports forced labour, corruption and money laundering. In order to destroy the breeding ground for the above-mentioned crime and violence, it is important to avoid sourcing and processing minerals from the affected regions.

Legal background

In 2010, the US congress passed the “Dodd-Frank Wall Street Reform and Consumer Protection Act”, also known as the conflict mineral act. Its intention is to help end the violent conflicts in the affected countries of central Africa by regulating the obligations of those companies that trade with conflict minerals from these regions. In order to achieve this objective, the conflict mineral act obligates companies listed on the US stock exchange to present an annual report to the US Securities and Exchange commission (SEC), describing the processes of due diligence used to determine the source of conflict minerals. This presents the producing and processing industry with the task of inspecting its products and determining the origin of the minerals used in collaboration with their suppliers. On 1 January 2021, an additional EU directive will come into effect, obligating EU companies in the supply chain to ensure that they source minerals and metals exclusively from responsible and conflict-free origins.

Statement by Berg & Co. GmbH

Berg & Co. GmbH exercises its due diligence in checking its supply chain for the use of conflict minerals. Our efforts in collecting data about upstream sources and diligently monitoring our supply chain show that we are aware of our responsibility and the gravity of this issue. Moreover, Berg & Co. GmbH does not maintain any direct business relationships with smelters or refineries. We are strongly committed to ensuring that we only source raw materials whose components are exclusively from certified smelters.

However, we would like to note that we are not listed on the US stock exchange and are therefore not subject to the obligations of the conflict mineral act. As a downstream company, Berg & Co. GmbH is several steps removed from the original processing of minerals. As we do not source minerals directly from mines in the affected regions, we are unable to determine their origin as soon as the raw ore has been smelted.

What measures is Berg & Co. GmbH taking?

As the use of conflict minerals (3TG) in some of the products procured by our company (electronic components) cannot be avoided, we have taken precautionary measures to achieve our aim of a conflict-free supply chain. For instance, we use an internal process to record supply chain data in order to assess the risk of any raw materials as well as any other materials used by Berg & Co. GmbH and therefore have control over our direct suppliers. We request that all relevant suppliers provide information about the origin of conflict materials contained in components supplied to us through use of a valid “Conflict Minerals Reporting Template” (CMRT). This standardised reporting template is

Global conflict-free sourcing

intended to facilitate the exchange of information regarding the country of origin and the smelters and refineries processing the minerals in the supply chain. Berg & Co. GmbH does not audit smelters or refineries itself. For this reason, we depend on the information provided by our suppliers. These measures communicate our intent and efforts to remove conflict minerals from our supply chain. We expect our suppliers to make the same demands of their direct suppliers. That is how we aim to achieve our goal of conflict-free sourcing.

Although we are not legally obligated to do so, we will continue to improve our due diligence measures in order to achieve a steady year-by-year increase of the response rate in close collaboration with our partners and suppliers. It is our aim to raise awareness among our suppliers to ensure that they do not source products from conflict regions. We will also take measures regarding suppliers who fail to react to our efforts. Our monitoring of our supply chain shows how important this issue is to us.

Should you have any questions, please do not hesitate to contact Andreas Krieger.

E-mail: andreas.krieger@berg-spanntechnik.de

Phone: +49 5205 759-242

Status: August 2022