

Conflict Minerals Brief introduction

Understanding ethical sourcing
and supply chain responsibility

Understanding Conflict Minerals

Definition of Conflict Minerals

Conflict minerals are Tin, Tungsten, Tantalum, and Gold mined under armed conflict and human rights abuses in the DRC region.

Industries Using Conflict Minerals

These minerals are essential in electronics, automotive, aerospace, and jewelry industries worldwide.

Ethical and Humanitarian Concerns

Mining often involves forced labor, child labor, and funds armed groups, causing violence and instability.

Responsible Sourcing Importance

Understanding origins helps companies comply with regulations and promote ethical sourcing in supply chains.



Why Conflict Minerals Matter

Human Rights Violations

Mining conflict minerals often causes forced labor, child exploitation, and community displacement in conflict zones.

Environmental Consequences

Unregulated mining leads to deforestation, water pollution, soil erosion, and loss of biodiversity worldwide.

Corporate Responsibility

Companies face reputational damage and legal risks without ethical sourcing of conflict minerals, emphasizing transparency.

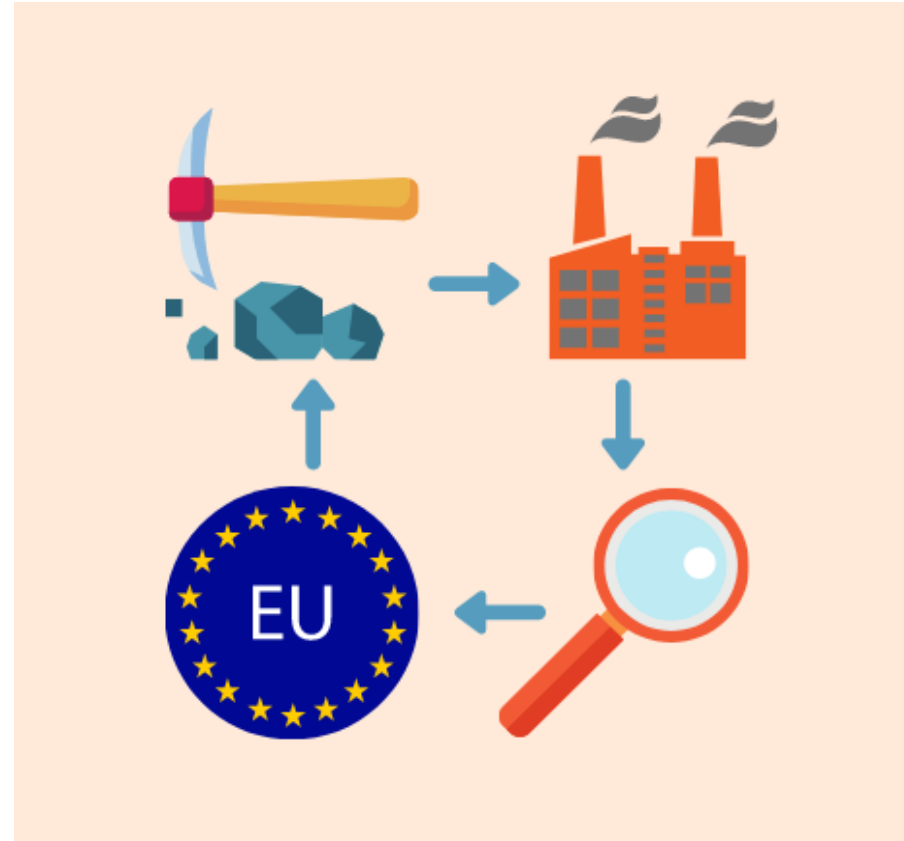
Moral and Legal Imperative

Addressing conflict minerals is essential legally and morally to support sustainability and global ethical standards.





US Dodd-Frank Act - Section 1502 requires public companies to disclose conflict mineral usage and trace their origins.



EU Conflict Minerals Regulation - EU mandates importers to conduct due diligence and report sourcing of 3TG minerals.



OECD Due Diligence Guidance - Framework outlining risk assessment, mitigation, and reporting for responsible mineral sourcing.

Key Regulations Governing Conflict Minerals

Importance of Compliance

Compliance reduces funding to armed groups and promotes ethical supply chains, aiding risk management.

Reporting Requirements and Templates

Standardized Reporting Templates

CMRT and EMRT are essential tools that standardize Conflict Minerals reporting to streamline data collection and analysis.

Compliance and Transparency

Accurate reporting demonstrates regulatory compliance and builds stakeholder trust through transparent sourcing practices.

Supplier Collaboration

Effective reporting requires companies to collaborate closely with suppliers to gather reliable data on sourcing practices.

Ongoing Monitoring and Risk Management

Internal audits, risk mitigation, and continuous monitoring are critical components of managing conflict minerals programs.



Tools and Resources for Compliance

Training and Education Tools

Comprehensive training modules and online courses educate employees on regulatory requirements and responsible sourcing.

<https://www.responsiblemineralsinitiative.org/training/>

Reporting and Data Resources

Reporting templates and validated databases streamline compliance reporting and provide reliable sourcing data.

<https://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>

<https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/>

Industry Collaboration

Collaboration among companies and access to shared resources strengthen conflict minerals programs and ethical sourcing.



Conflict Minerals at Yanfeng

- E-Mail account for all CM related communication:
YFAI-EC-ConflictMinerals@yanfeng.com
- If you identify any of the affected minerals, please provide your CMRT & EMRT and keep it updated.
- Please follow the RMI instructions for filling the report. YF basic requirements are:
 - Reporting at the company level.
 - The response rate of your suppliers (Question 6 in CMRT) is expected to be 100% by end of the reporting year. Conflict Minerals declaration with response rate below 50% will not be accepted.
 - Smelter information shall be complete according to rules for CMRT completion & RMI data. For not certified smelters, the following inputs/info are mandatory: Facility location: State/Province, Location (country) of mine(s) or if recycled or scrap sourced.

