

Position Paper

ENSURING ETHICAL AND RESPONSIBLE SOURCING OF MINERALS

In recent years, the issue of “conflict minerals” emanating from mining operations in the Democratic Republic of the Congo (DRC) and adjoining countries has been under increasing international focus.

Armed groups engaged in mining operations in this region are believed to subject workers and indigenous people to serious human rights abuses. It is believed that the proceeds from the sale of minerals are used to finance regional conflicts.

Due to these concerns, an increasing number of countries are putting in place regulatory frameworks that would, through increased transparency of companies’ sourcing practices and due diligence measures, aim to break the link between mineral extraction, trade, and the financing of armed conflicts.

“Conflict Minerals” currently include cassiterite, columbite/tantalite, and wolframite (the most common derivatives of which are tin, tantalum and tungsten, respectively) and gold. These Conflict Minerals are of concern because mines in the Democratic Republic of the Congo (DRC) and surrounding countries are important sources of these minerals.

Our Principles and Commitments regarding Conflict Minerals

Clariant is committed to ethical business conduct and responsible sourcing. Our commitment to sustainable development compels us to proactively addressing these concerns.

The international supply chain for these minerals is complex, and the tracing of them is challenging. Therefore, Clariant must rely upon our

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suppliers to identify the sources of Conflict Minerals and to declare the Conflict Mineral status of their products.

Clariant has performed an analysis to determine whether we obtain raw materials that may fall under the scope as “conflict minerals”. To our current knowledge, this is not the case. Our suppliers have confirmed to us that they do not source their minerals from the Democratic Republic of Congo or its neighboring countries, and have submitted “conflict-free minerals” declarations.

Consistent with Clariant’s commitment to social responsibility and sustainability, we continuously expect:

- All our suppliers to provide the Conflict Minerals source information reasonably requested by Clariant and necessary to support our due diligence.
- Suppliers who are not able to provide adequate information about the source of any Conflict Minerals in the products supplied to Clariant or that supply products containing Conflict Minerals from the DRC or surrounding countries shall be evaluated by Clariant Global Procurement Services and may be denied future business.

Clariant has defined and implements a company policy, comprising an internal Guideline to ensure the tracking of materials that may fall under the scope of Conflict Minerals, and a systematic assessment of the use and tracking of materials that potentially originate from conflict-affected and high-risk areas. On this basis, new suppliers of materials are reviewed and “conflict-free statements” are collected where relevant. When sourcing raw materials directly from smelters or refiners, Clariant requires direct evidence that the smelter/refiner has been audited and verified by a third party.

Clariant’s broader commitment to a sustainable supply chain

- When procuring raw materials, intermediate products, or other goods and services, Clariant employees are obligated to apply the same legal, ethical, and moral standards in the selection of suppliers as Clariant imposes upon itself. Since the end of 2012 these standards have formed the basis of a specific **Suppliers Code of Conduct** for procurement.

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- In 2014, Clariant has joined the chemical industry voluntary initiative “**Together for Sustainability**” (TfS) – a commitment to sustainability in the supply chain under which standardized audit and assessment criteria were developed to address the sustainability performance of suppliers.
- Clariant has developed a section in its website to publicly disclose its supply chain management practices and other measures undertaken in order to adequately inform the public.

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