

39

From: [4.1 (b)]
Sent: 24 November 2014 16:19
To: [4.1 (b)]
Cc: [4.1 (b)]
Subject: Confirmation: Meeting on 3 December at 16.00

Dear [4.1 (b)]

Thank you very much for offering this time slot to meet us. Herewith, I would like to confirm our presence at the meeting on 3 December 2014 at 16:00hrs.

Participants from our side are:

[4.1 (b)] Vice-President of Avnet Electronics Marketing EMEA
 [4.1 (b)]
 [4.1 (b)] Consultant at EUTOP Brussels SPRL
 [4.1 (b)] would like to discuss with you certain issues that arise from the Commission's proposal on conflict minerals for distributors of electronic components. These issues concern:

- the interoperability of the US regulatory regime on mineral sourcing in conflict areas (US Dodd-Frank Act)
- the voluntary nature of the self-certification of importers and producers of minerals
- the scope of the regulation, regarding downstream users.

Would it be possible to meet us at 15:55hrs at the entrance to DG TRADE in order to let us in?

Please do not hesitate to ask me in case you have any questions. My contact details are below.

Best regards

[4.1 (b)]

EUTOP Brussels SPRL

[4.1 (b)]
 Consultant

Rue d'Arlon 15 | 1050 Brussels | Belgium

Tel: (+32) (0)2 28 6 80-75

Fax: (+32) (0)2 28 6 80-99

E-Mail: [4.1 (b)]

Internet: www.eutop.eu

Since 1990 intelligent services for your success.

Headquarters: Munich | European Union: Brussels | EU Member States: Berlin · Vienna · Prague · London · Paris |
 Asia: Beijing · Tokyo | North America: New York

Managing Director: Dr. Klemens Joos | Enterprise-No.: 0462160260 - LPR Brussels

If you are not the intended recipient, please delete this e-mail and inform us of the erroneous delivery. Thank you.

Von: [4.1 (b)]
Gesendet: Montag, 24. November 2014 15:55
An: [4.1 (b)]
Cc: [4.1 (b)]
Betreff: RE: Meeting on 3 December at 16.00

Dear [4.1 (b)]

Due to time constraints we are able to see you from 16-17hr00 to discuss Commission's proposal currently before MS and EP.

Regards,

[4.1 (b)]

From: [4.1(b)]
Sent: 16 January 2015 11:03
To: [4.1(b)]
Cc: [4.1(b)]
Subject: Thank you / Safran Corporate Social Responsibility approach
Attachments: Brochure_CSR_Morpho.pdf; ATT00001.txt

Dear [4.1(b)]

Thank you for taking time away from your busy schedules to meet with us on Wednesday.

We are convinced the voluntary approach focusing on upstream industries which is proposed in the draft regulation is the most appropriate. As a result of our experience with Dodd Frank Act, we believe downstream industries, like Safran, are too far from the smelters to be able to track with absolute accuracy the minerals used in our products.

For your information, please find enclosed a presentation of the Corporate Social Responsibility approach of Morpho, a high-technology company in the Safran group, leader in security solutions (identification, detection systems, and e-documents). The presentation mention the traceability procedure Morpho has set up to comply with Dodd Frank Act (page 16).

Society's expectations of business have never been more demanding and Safran works unceasingly to comply with the most demanding current standards of business ethics. We believe it is in our interest to promote responsible sourcing and we expect our suppliers to have in place policies and due diligence measures.

Thank you again for your valuable input and please do not hesitate to contact us if you have any question on the potential impact of the regulation on our business activities.

Kind regards,

[4.1(b)]

[4.1(b)]

Affaires européennes

SAFRAN

Tel: +33 (0)1 40 60 83 54

Mobile : 06 74 24 17 04



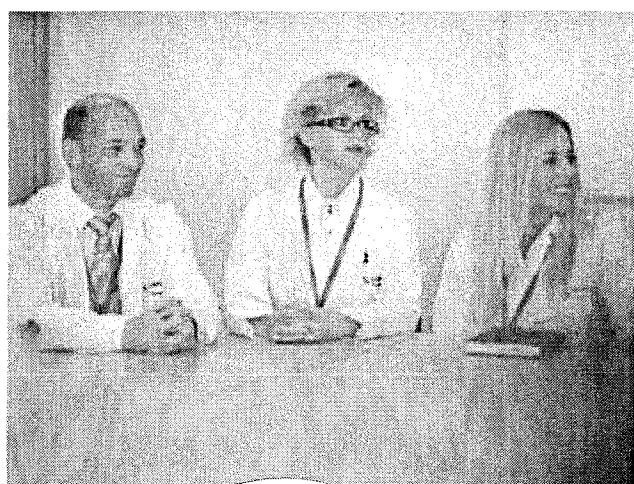
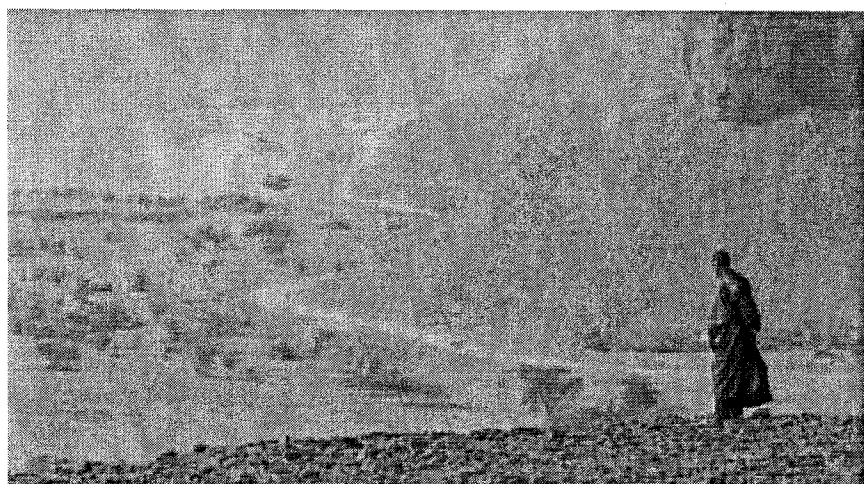
RESPONSIBLE PERFORMANCE



**BUSINESS
COMMITMENTS**

**SOCIAL
COMMITMENTS**

**ENVIRONMENTAL
COMMITMENTS**



CONTENTS

MESSAGE FROM THE CHAIRMAN AND CEO..... 3

● OUR VISION..... 4

BUSINESS COMMITMENTS..... 6

SOCIAL COMMITMENTS..... 10

● ENVIRONMENTAL COMMITMENTS..... 14

GLOSSARY..... 18

MESSAGE FROM THE CHAIRMAN AND CEO

MORPHO, A RESPONSIBLE CORPORATE CITIZEN



Corporate social responsibility (CSR) is all about giving back to the wider community. In today's complex world, business success is deeply linked to society's progress. To thrive, companies need a prosperous social environment with a well-educated workforce, readily available

energy, efficient infrastructure, and a well-established, robust and respected regulatory framework. The reverse is equally true: society prospers as businesses flourish.

As a global leader in the security market, we have identified three core areas of corporate social responsibility: provide a safe and healthful workplace for our employees, ensure that Morpho products and services present no hazards for our business partners and customers, and continuously strive to minimize our environmental footprint.

For an industrial organization such as ours, corporate social responsibility starts with managing the risks involved in our business. We do this through a series of pioneering Health, Safety and Environment initiatives developed by Morpho and our parent group Safran that have set standards of excellence in this area. Some of our plants were among the first in Europe to obtain ISO 14001 certification. In fact, Safran currently devotes 70% of R&D spending to environmental projects.

Good corporate citizenship also means being a socially responsible citizen and Morpho strives to achieve this by applying the highest ethical standards and promoting equal opportunity and diversity.

Society's expectations of business have never been more demanding – matched only by the exacting requirements of our customers (banks, telecom operators, state-owned companies and private enterprise). We must rise to this challenge because, more than ever, corporate social responsibility enhances our value.

Philippe Petitcolin,
Chairman and CEO

OUR VISION

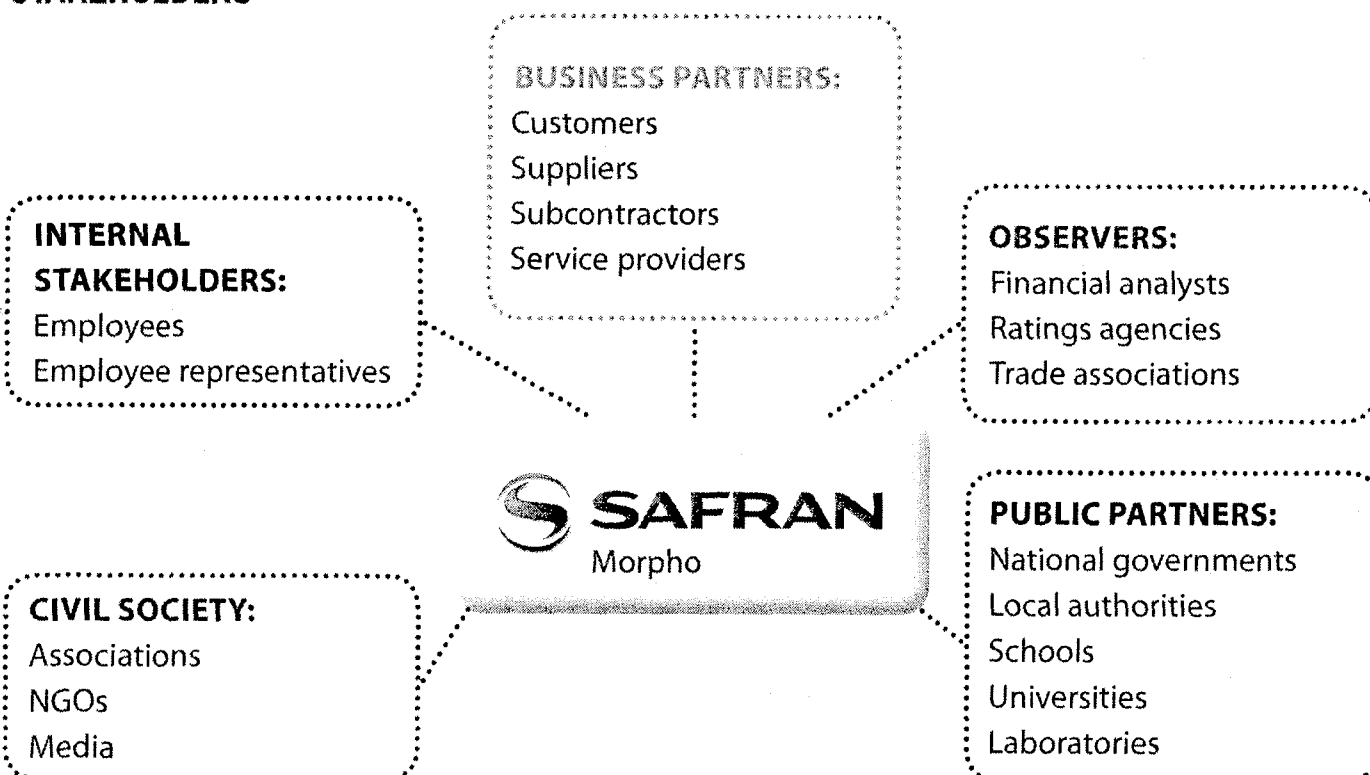
Building on the commitments of our parent group Safran, corporate social responsibility underpins everything we do as a business. As a leader in the security market, Morpho is committed to meeting the expectations not only of customers but of all stakeholders, including employees, business partners, shareholders and suppliers.

We rise to this challenge by providing high value-added, technically advanced yet remarkably easy-to-use products and services that contribute to the security of people, businesses and countries, while also taking into account key social and environmental issues.

6 STRATEGIC PRIORITIES

Develop innovative products and processes with minimal environmental impact	Foster the involvement of suppliers and partners in our initiatives
Aim for excellence in the safety and protection of people and property	Sustain a culture of integrity throughout the Group
Develop people's potential	Ensure optimum communications with all stakeholders

STAKEHOLDERS



Our commitment to the principles of social responsibility is based on various international reference systems, including the United Nations Global Compact, which we recently signed, and the ISO 26000 standard. To make our CSR commitments fully understandable to all stakeholders, we present them in terms of **business, social and environmental challenges**.

CORPORATE MESSAGE

At Morpho, we value and adhere to the highest levels of honesty, integrity and ethics at all times. All activities are conducted in accordance with these values, which are shared by all employees across Safran. These sound principles are essential to earning and retaining the trust of our customers, employees, shareholders, suppliers, partners and society at large.

BUSINESS COMMITMENTS

CODE OF CONDUCT

The Safran Code of Conduct was introduced in 2005. It sets out the Group's principles and values so that all employees can refer to them under any circumstances. These guidelines are not intended to replace or revise national laws and regulations, but

to provide a reference baseline for the conduct of professional activities.

YOU CAN FIND THE SAFRAN CODE OF CONDUCT ON THE "GROUP" SECTION OF THE CORPORATE WEBSITE



BUSINESS COMMITMENTS

HUMAN RIGHTS

Safran signed the United Nations Global Compact in 2013, reflecting its commitment to key principles in human rights, labor, the environment and the fight against anti-corruption. Respect for human rights has

become a widely accepted business principle, not just as a consequence of stricter international requirements but also due to growing pressure from stakeholders who hold companies to account in this area.

UN GLOBAL COMPACT

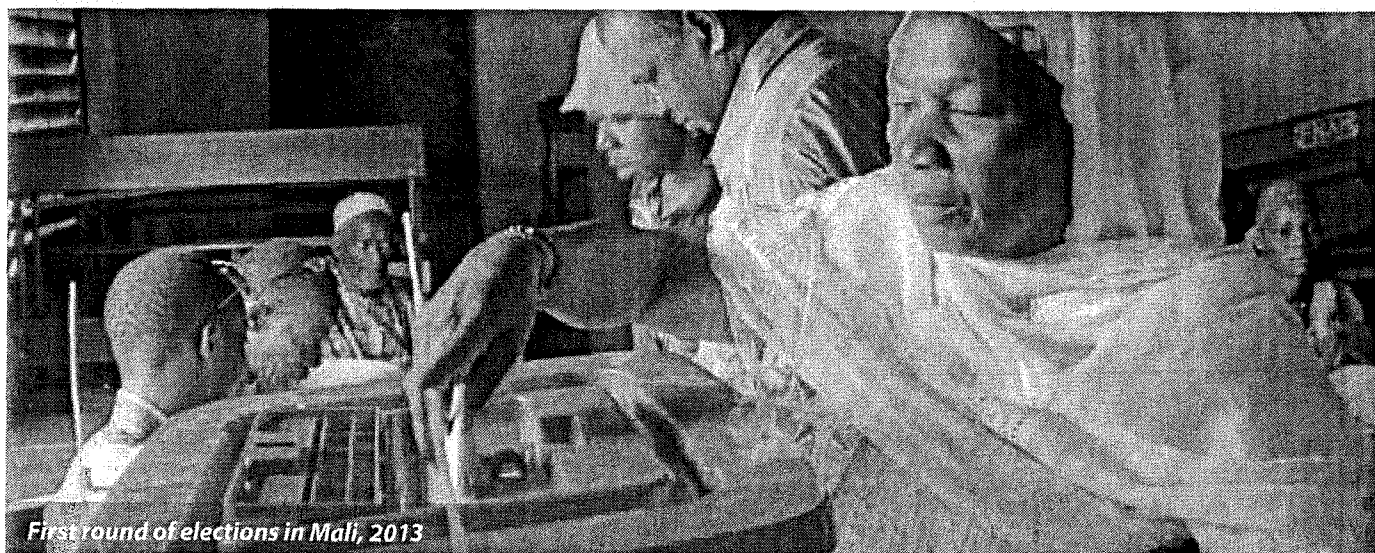
Consistent with its social responsibility commitments, in 2013 Safran signed the United Nations Global Compact, which brings together leading companies from around the world that pledge to uphold fundamental principles of human rights, labor standards, environmental protection and the fight against corruption.

Adhering to the UN Global Compact is fully in line with the Group's Code of Conduct and its unerring commitment to sustainable business progress. It also reflects Safran's pledge to promote these principles by making them an integral part of its strategy, actions and behavior.

As a Safran company, Morpho is equally committed to upholding the values set forth by the United Nations and firmly believes that they must be shared with all stakeholders, especially employees, customers and partners.

We are committed to enhancing our engagement and support for all of the fundamental values defined in our six strategic CSR priorities throughout our sphere of influence.

Alain Lorgeoux,
CSR Coordinator, Safran



First round of elections in Mali, 2013



BUSINESS COMMITMENTS

ETHICAL BUSINESS CONDUCT

Bribery, which is a form of corruption, is defined as: the offer, promise or giving, or the soliciting, demanding, receipt, agreement to the receipt or acceptance, of anything of value as an incentive for action (or lack of action) which is improper, illegal, dishonest or a breach of trust, in order to obtain or retain a commercial agreement or any other advantage as part of commercial dealings.

Safran President and CEO Jean-Paul Herteman has clearly and repeatedly reaffirmed the group's commitment to fight all forms of corruption, stating:

"Safran believes that its continued success depends on the full commitment by all employees to the guidelines set out in the group's Code of Conduct and business integrity programs. We also believe that ethical excellence is not just a matter of moral obligations or the

need to comply with legislation; it calls for exemplary professional behavior by all individuals under all circumstances when dealing with all stakeholders."

Morpho conducts its business in compliance with all applicable anti-corruption and export control laws. To ensure application of the principles set out in its Code of Conduct, Safran has defined business compliance procedures for implementation at all Group companies. Morpho has adopted these procedures in the form of operational processes in order to take into account the specific regulatory requirements applicable to its organization, products and markets.

In addition, Morpho was awarded anti-corruption certification valid until April 27, 2017 from independent auditors Mazars/ADIT.

35

Trade Compliance Officers and Trade Compliance Correspondants (Morpho)



An enrollment session for the Aadhaar project, India



Work group at the Sao Paulo development center, Brazil



BUSINESS COMMITMENTS

RESPONSIBLE PURCHASING

The involvement of suppliers and partners is one of the main thrusts of our CSR policy. To meet our corporate social responsibility commitments to stakeholders, it is essential that our partners and especially our suppliers adhere to the same principles and values. When it comes to selecting a supplier or service provider, compliance with these commitments is just as important as other considerations, such as cost, quality, on-time delivery, innovation, and risk management.

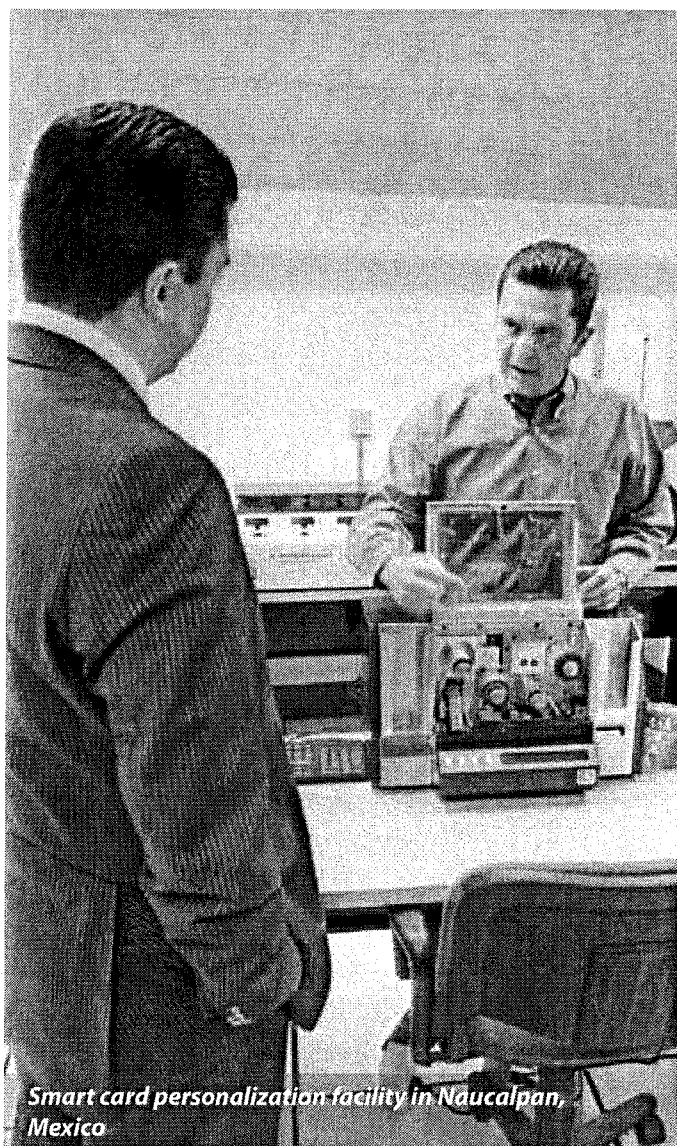
Our Responsible Purchasing Code of Conduct is based on the same values as our Code of Conduct: minimal environmental impact, the safety and protection of people and property, HR management and openness with stakeholders.

LEARN MORE

Safran's commitments are formally defined in its Responsible Purchasing Charter, which applies to all Group companies. It can be found in the Purchasing section on the Safran website.



Delivery of enrollment kits, Kenya



Smart card personalization facility in Naucalpan, Mexico

CORPORATE MESSAGE

Morpho provides security solutions worldwide and employs 8,500 people in 40 countries. This workforce, featuring a wide range of backgrounds and skills sets, is one of our key success drivers.

We strive to provide a safe and healthy environment for all employees while promoting workplace diversity and providing opportunities for people to develop skills throughout their careers.

SOCIAL COMMITMENTS

DID YOU KNOW?

**8,500 MORPHO
EMPLOYEES
in 40 COUNTRIES**

**82% of the workforce is based
OUTSIDE FRANCE**

We treat our employees as
INDIVIDUALS



SOCIAL COMMITMENTS

HUMAN RESOURCES POLICY

FOCUS ON HUMAN RESOURCES

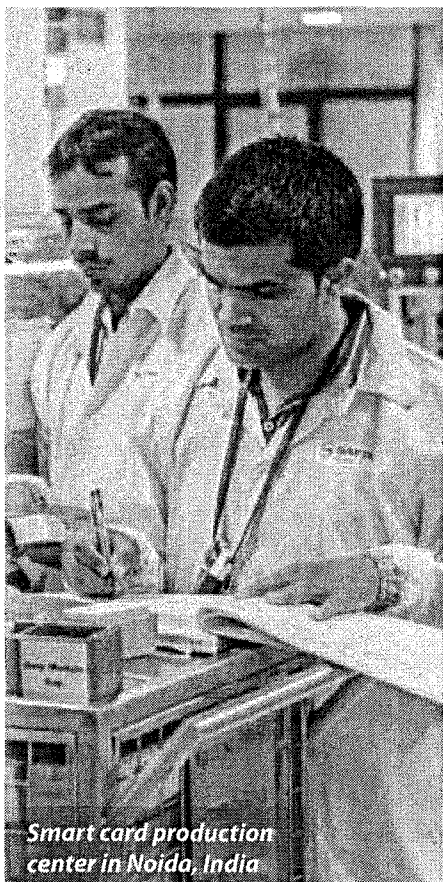
Working at Morpho means being part of a constantly changing and growing high-technology company that operates in the global market.

The primary aims of our human resources policy are to develop the skills of our global workforce, anticipate needs and meet the changing requirements of our business activities. We do this by offering a wide range of training and career development opportunities in line with corporate strategy. We also use reliable and comprehensive HR reporting tools to provide business

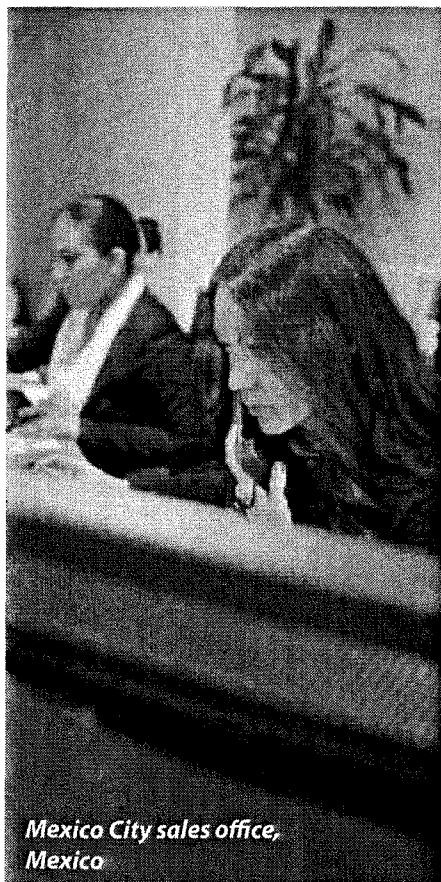
intelligence for senior management to support strategic decision-making.

Our main priorities in the near future include improving the onboarding process for new hires, promoting the training programs on offer from Safran University, and developing a unified approach to career development across the Group.

Marie Gay de Tailly,
Vice President Human
Resources, Morpho



Smart card production
center in Noida, India



Mexico City sales office,
Mexico



Sao Paulo development center,
Brazil



SOCIAL COMMITMENTS

SKILLS DEVELOPMENT

Skills development is a key engagement, performance and innovation driver, and is at the heart of Morpho's human resource policy.

We are committed to helping employees develop at every stage in their career and we do this by ensuring effective onboarding of new hires, managing competencies and developing management skills.

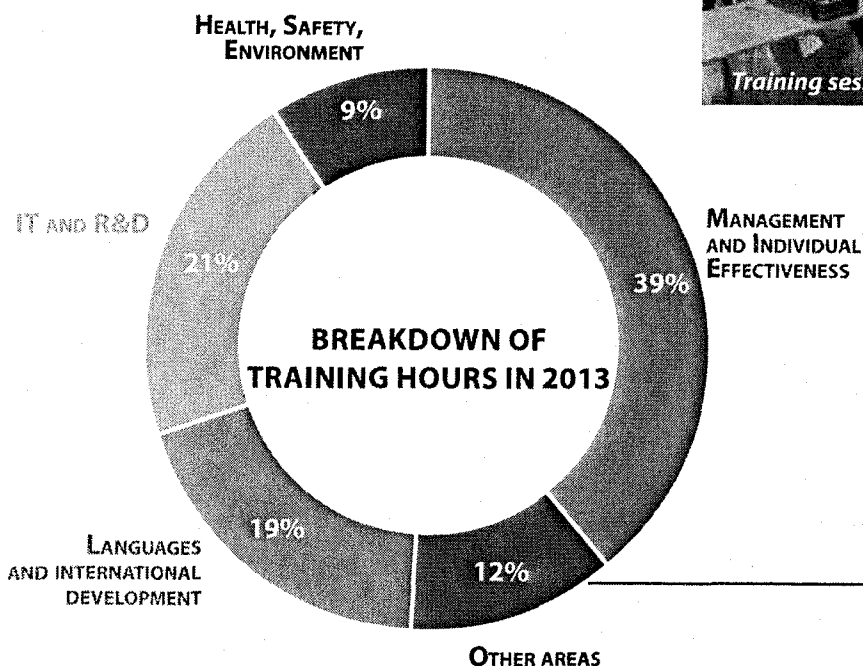
With 82% of our workforce outside of France in 40 different countries, developing cross-cultural and language skills is another top priority. Safran University plays a key role in this process, supporting the Group's transformation and equipping staff with the skills they need to integrate fully into the workplace.

Discussions between employees and their managers play an essential part in skills development. Individual interviews are the formal component in the process, providing the opportunity to pinpoint training requirements according to career goals and corporate objectives. This may involve developing specific skills or preparing employees to move on to the next stage in their career.

Anne Paris,
Talent Manager, Human
Resources Development, Morpho



Training session, Kenya



OTHER AREAS:

Marketing: 3%
Human Resources: 3%
Economics / Finance & Purchasing: 4%
Quality: 2%



SOCIAL COMMITMENTS

DIVERSITY

As an employer committed to social inclusion, in 2010 Safran signed France's Diversity Charter, which promotes cultural diversity and gender equality in the workplace. We believe that employing people from diverse backgrounds strengthens our business.

As well as helping us to recruit and retain the best talent, it is an accurate reflection of the social make-up of today's globalized world, enabling us to better connect with our diverse customer bases.

EQUAL OPPORTUNITY

DISABILITY

In line with legislation, and under the impetus of Safran corporate policy, Morpho deploys an inclusion policy to encourage the hiring of people with disabilities. Our proactive approach includes efforts aimed at facilitating access to jobs, maintaining employment for disabled employees, providing training, working actively with the 'adapted employment' sector, and implementing communication and awareness campaigns.

GENDER EQUALITY

In line with our non-discrimination principles, Morpho embraces gender equality in the workplace. This



Group photo, Casablanca, Morocco

1,580

new employees joined Morpho in 2013

commitment is reflected in measures that actively promote equal access to employment, training and professional development and equal pay.

AGE EQUALITY

As part of our employee engagement efforts, a specific recruitment policy and tailored induction program are implemented to attract and retain recent graduates. At the other end of the scale, Morpho also gives senior employees the option of adjusting their work schedule if their job allows, especially as part of end-of career planning or to ease the transition from employment to retirement, enabling them to transmit their knowledge. In addition, managers receive specific training in avoiding all forms of discrimination during the recruitment process.

REACHING OUT TO UNDERSERVED NEIGHBORHOODS

Morpho welcomes job applications from people in underserved neighborhoods and actively supports initiatives to encourage youngsters from such areas to go into higher education.



Team meeting, Casablanca, Morocco

30%

of Morpho employees are women

CORPORATE MESSAGE

Our company operates as part of a wider ecosystem. From raw materials sourcing to packaging and shipment, we strive to keep our environmental footprint as small as possible at every stage in the process in order to preserve the world's natural resources.

Philippe Roy, Health, Safety & Environment Coordinator, Morpho



ENVIRONMENTAL COMMITMENT

KEY FACTS & FIGURES

SITES CERTIFIED TO ISO 14001:

Saint-Etienne-Rouvray (France)
Taubaté (Brazil)
Flintbek (Germany)
Noida (India)
Haarlem (Netherlands)
Cali (Colombia)

Scheduled for 2015: Ostrava
(Czech Republic)

SITES CERTIFIED TO OSHSAS 18001:

Flintbek (Germany)
Taubaté (Brazil)
Cali (Colombia)

90% of Morpho smart cards
are produced at ISO 14001
certified sites

Lost-time accident rate: **< 1.5**



ENVIRONMENTAL COMMITMENTS

HEALTH, SAFETY, ENVIRONMENT

For an industrial company such as ours – and especially as a leading provider of security solutions – protecting the environment means first and foremost managing the risks involved in our business. We do this through a series of Health, Safety and Environment (HSE) initiatives aimed at reducing our carbon footprint and preserving natural resources.

A two-year plan called ExcellenSSE (SSE is the French for HSE) has been launched for the period 2014-2016, addressing the three core areas: occupational health, occupational safety and the environment.

OCCUPATIONAL HEALTH

Efforts in this area focus on minimizing the risks of work-related stress, managing toxicology and chemical risks, and improving workplace ergonomics.

OCCUPATIONAL SAFETY

Employee safety is a top priority for Morpho. That's why we closely monitor our lost-time accident rate,

which is the number of accidents resulting in time off work vs. the number of hours worked. An acceptable level is below 1.5.

Morpho also keeps a close watch on the rate of injuries that occur on trips to or from work, which is higher than the lost-time accident rate. Employee awareness campaigns are conducted on a regular basis.

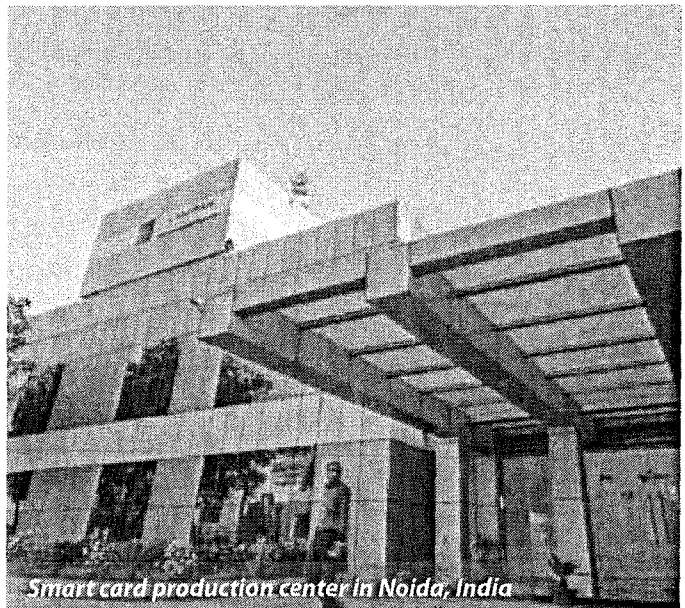
ENVIRONMENTAL PROTECTION

Safran deploys a number of plans to continuously improve environmental performance. Each Morpho site is required to implement at least one of these plans, choosing from: managing risks of hazardous chemicals, fighting global warming, preserving natural resources, reducing waste and associated risks, reducing legacy or potential pollution. Our Flintbek site, for example, near Kiel in Germany, committed to reduce waste volumes by 2% in 2014 compared with 2013 and at the same time significantly improve its waste recycling rate. In Taubate, Brazil, efforts are geared to reducing water consumption.

FOCUS ON HSE

To harmonize health, safety, and environment (HSE) standards across all sites, Safran deploys its own audit system, which has been approved by an independent certification body. The program ensures that HSE standards are equivalent to those in ISO 14001 and OHSAS 1800, and provides for three levels of compliance: bronze, silver and gold.

Over the next two years, the majority of Safran's commercial sites are expected to attain bronze and all production sites silver, which will enable them to qualify for ISO 14001 certification, once additional requirements have been met.



Smart card production center in Noida, India

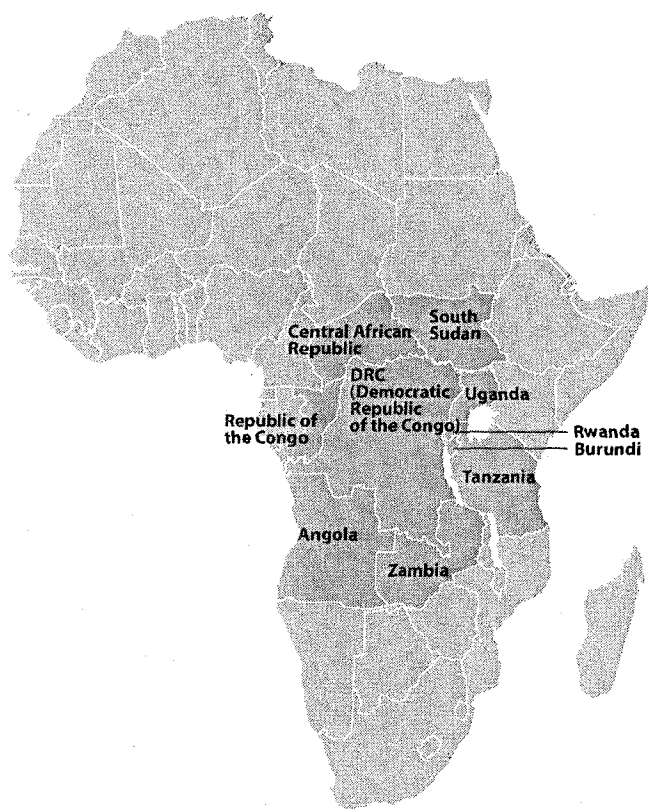


ENVIRONMENTAL COMMITMENTS

TRACEABILITY — CONFLICT MINERALS

In August 2012 the United States Securities and Exchange Commission (SEC) issued a rule on the U.S. government's Dodd-Frank Wall Street Reform Act requiring American companies to report their use of conflict minerals that originate in the Democratic

Republic of the Congo (DRC) or an adjoining country. Conflict materials include tantalum, tin, gold, or tungsten. This has since prompted the European authorities to propose a framework along similar lines to regulate conflict materials sourcing. Morpho implements an ad hoc traceability procedure based on RoHS and REACH substance restrictions.



ECO-DESIGN

Our commitment to sustainable development through eco-design was integrated into our Code of Conduct in 2005. Eco-design is an approach that systematically integrates environmental considerations throughout the product life cycle (raw materials sourcing, product design, production, transportation, operation and end-of-life).

In our smart card business, Morpho's R&D team developed an eco-friendly alternative to plastic, using paper for SIM cards and a corn derivative for bank cards. These materials significantly reduce our carbon footprint in the production process and also improve end-of-life recycling.



ENVIRONMENTAL COMMITMENTS

SIMPLY GREEN: ECO-FRIENDLY SIM CARD

"SIMply Green" is a paper SIM card made entirely of wood fibers (compliant with EN 13432 and FSC regulations). The card is biodegradable and recyclable, making it very environmentally friendly.

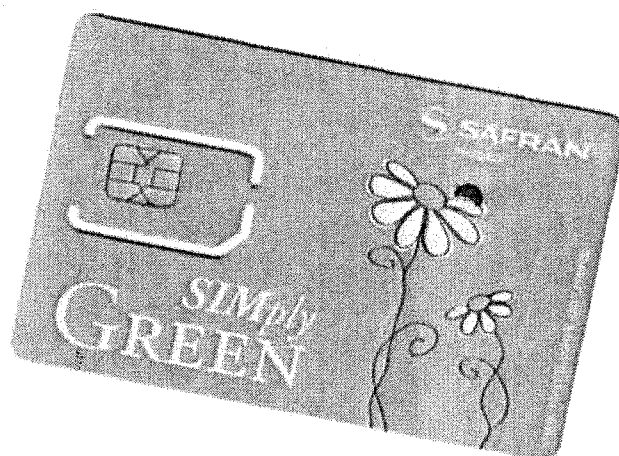
Another way of reducing the environmental footprint of SIM cards is to make them smaller. Morpho has

developed cards that are half, and in some cases three-quarters the size of standard SIM cards. In 2013, Morpho shipped more than 150 million smaller cards to customers in India, Bangladesh and Europe.

CORN-BASED BANK CARD

Demand from leading banks for "greener" card solutions is growing. Morpho is rising to this challenge with the market's first-ever contactless smart card made of polylactic acid (PLA), a plastic substitute made from corn starch.

Charline Allard,
Card body product manager,
Morpho, Business Solutions
division



720 million

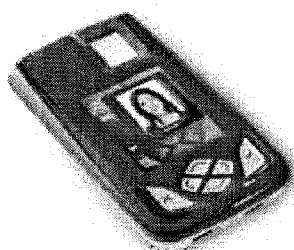
Morpho smart cards are produced at
sites certified to ISO 14001

70%

of Safran's R&D spending goes to
environmental initiatives

MORPHOIDENT

MorphoIDent, a handheld mobile fingerprint identification device, is another example of eco-design. Awarded the EcoDesign label from the French Design Institute, MorphoIDent provides a host of environmental benefits, including reduced power consumption, re-use of certain parts, 100%-recyclable components, and reduced packaging using fully recyclable materials.



RECYCLING

In 2013 Morpho partnered with U.S. recycling company 2nd Solutions (AERC) to bring eco-friendly recycling solutions to mobile network operators and help tackle the problem of waste associated with the use of SIM cards in mobile phones.

As a member of the International Card Manufacturers Association (ICMA), the world's leading trade group representing plastic card manufacturers, personalizers, issuers and suppliers, Morpho signed the Code of Conduct requiring manufacturers to provide used smart card recycling solutions.

GLOSSARY

SUSTAINABLE DEVELOPMENT

A term that rose to significance with the publication of the Brundtland Report in 1987 on the relationship between public policy and the environment. Entitled "Our Common Future", the report defined sustainable development as "[development that] meets the needs of current generations without compromising the ability of future generations to meet their own needs."

LIFE CYCLE ANALYSIS

Environmental life cycle analysis is a tool used to assess the environmental impact associated with a specific product, service, company or process.

CORPORATE SOCIAL RESPONSIBILITY

Based on the notion of creating shared value, CSR means treating key stakeholders ethically or responsibly and addresses how companies manage their economic, social, and environmental impacts.

ECO-DESIGN

The aim of eco-design is to integrate sustainable development considerations at the earliest stage by choosing renewable resources rather than relying on non-renewable materials.

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT DIRECTIVE (WEEE DIRECTIVE)

A European directive on the treatment of potentially hazardous or recyclable waste, which must be sent for specialized treatment. It covers equipment which relies on electricity or electromagnetism to work, together with equipment for the generation, transfer and measurement of such currents and fields.

CONFLICT MINERALS

Conflict minerals are minerals whose trade can directly or indirectly fund armed groups in the Democratic Republic of the Congo or in adjoining countries. The U.S. Conflict Minerals Trade Act was introduced in 2012 to restrict this trade.

REGISTRATION, EVALUATION, AUTHORIZATION AND RESTRICTION OF CHEMICALS (REACH)

A European Union regulation governing a unified, integrated system for controlling the supply, manufacture and use of chemical substances across the EU, aimed at developing more sustainable manufacturing with lower human health and environmental impact.

RESTRICTION OF THE USE OF CERTAIN HAZARDOUS SUBSTANCES IN ELECTRICAL AND ELECTRONIC EQUIPMENT (ROHS)

A European directive that restricts the use of six hazardous substances in electrical and electronic equipment across the EU: lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls and polybrominated diphenyl ether. It is complementary to the DEEE directive.

OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SERIES – OHSAS 18001

An International standard for occupational health and safety assessment systems. It is compatible with the ISO 9001 (Quality) and ISO 14001 (Environmental) management systems.

ISO 26000

A standard published in 2011 which provides guidance on how businesses and organizations can operate in a socially responsible way. ISO 26000 is intended as a set of guidelines rather than requirements, so there is no certification process.



Morpho CSR contact:

Laurence Ayache,
*Legal Affairs, Head
of Corporate Social
Responsibility*

laurence.ayache@morpho.com

From: [4.1(b)]
Sent: lundi 15 juin 2015 12:42
To: [4.1(b)]
Subject: FW: Meeting report [4.1(b)] (German Automotive industry), 20 Jan 2015.

From: [4.1(b)]
Sent: Wednesday, January 21, 2015 6:09 PM
To: [

4.1(b)

Cc: [4.1(b)]
Subject: Meeting report: [4.1(b)] with VDA (German Automotive industry), 20 Jan 2015.

Meeting Report: VDA (German Association of the Automobile Industry) with
January 2015.

20

Participants:

VDA: [4.1(b)] VDA Managing Director [4.1(b)] - Head of VDA Brussels office; [4.1(b)]
 policy officer in Bxl office.
 COM: [4.1(b)]

[owl of sample

[out of scope

1

- On conflict minerals, VDA presented its position earlier on in the day at the SME Europe Working Breakfast, stating its intentions of cooperating in a multi-stakeholder fashion to source in conflict regions. VDA intends to work with the German Government (BGR, or MoE) and with BDI and will keep COM informed about progress.

42

From: [4.1(b)]
Sent: vendredi 23 janvier 2015 10:43
To: [4.1(b)]
Cc: [4.1(b)]
Subject: Invitation to Eurometaux next Trade Committee meeting, 4 Feb

Dear [4.1(b)]

Regarding your presence at the Eurometaux Trade Committee on 4 February, as already discussed with [4.1(b)] would **13:00** be a convenient time for you to arrive?

We would expect your intervention on conflict minerals and Q&A session to last maximum one hour.

Before that, at 12:00, a light lunch will be offered, to which you are, of course, invited.

Thank you in advance for your answer.

Best regards,

[4.1(b)]
Trade and Energy Assistant
EUROMETAUX
12 Avenue de Broqueville
B-1150 Brussels
Phone: +32.2.775.63.30
Fax: +32.2.779.05.23
Email: [4.1(b)]

43

From: [redacted] 4.1 (b)
Sent: 13 February 2015 12:11
To: [redacted] 4.1 (b)
Subject: European Federation of Jewellery (EFJ)
Attachments: NIELARE_2015.02.13_11.50.53_5C4N6316_1.pdf

During the EFJ meeting this week, the attached paper on the EU initiative was provided:

- EFJ estimates that for gold the **number of operators affected is higher** than our estimations (a few thousands), assuming they also import.
- EFJ experience from the OECD Guidelines indicates that the effective process of due diligence is costly, especially for small and medium jewelry manufacturing companies. The additional costs apart from the external certification audit (**€13.500 for the first year**, and €2.700 for the following years) are staff training which can represent 5 to 7 times the cost of audits.
- Prefer the US Dodd Frank geo-scope



EUROPEAN FEDERATION of JEWELLERY

POSITION PAPER

on the proposal for a regulation setting up a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores and gold originating in conflict-affected and high risk areas

European Federation of Jewellery (EFJ), created in 2013, consists of sectoral jewelers organisations from France (UFBJOP), Italy (Confindustria Federorafi), Spain (AEJOPR), Portugal (AORP) and Belgium (ARS NOBILIS). The EFJ's goal is to support EU policy work towards strong EU jewellery, silverware, watch making and gemstones segments in and outside Europe. Together they represent 71% of the total Carat Jewellery fabrication in EU¹. A majority of them (79%) represents artisans, SMEs and 21% industrial manufacturing chains.

Context

Data from the GFMS Gold Survey 2014 shows that 23 tonnes of gold per year are extracted in EU countries. However EU countries annually consume 2012 tonnes of gold (jewellery, electronics and others). Therefore the EU is **dependent on importations from third non-EU, countries.**

In certain regions, there is a risk that the extraction and trade of abovementioned minerals could be used to finance armed conflicts. Consequently it is necessary to act in order to break this vicious circle and to contribute to stability in these fragile regions.

The European Federation of Jewellery (EFJ) recognizes the importance of the risks and **welcomes European Commissions' proposal of regulation in this matter². A system of auto-certification as responsible importer proposed by the Commission will complete the existing tools and will be help to promote sustainable sourcing of the minerals.** The proposed system requires however some improvements.

Executive Summary

The EU approach should try to address this issue combining three aspects: (a) the initiative should be **voluntary**, offering the possibility to companies to put in place tailor-made systems adapted to their supply chains, (b) the level of intervention of the legislator in the supply chain should **not be the end user, but the 'importer' to the EU market.** This practically means that the number of suppliers that

¹ Carat Jewellery Fabrication (including use of scrap – GFMS Gold Survey 2014)

² Proposal for a regulation setting up a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores and gold originating in conflict affected and high risk areas

would have to be contacted during the due diligence process is fewer and closer to the source and (c) incentives should be given to business to actively engage in the scheme, for example **assistance to SMEs**.

In order to make the EU system effective, it is crucial to preserve its voluntary nature, ensure adequate time for its implementation and offer implementation incentives (ex. protection of sensitive information).

Efficiency of voluntary practices

Jewellery manufacturers put a great effort in developing different voluntary practices, which are in line with OECD Guidelines notably LBMA, WGC, RJC. These voluntary initiatives have already proved their efficiency.

The EU regulation should ensure the continuity and complementarity of these initiatives. A different approach exists, notably the Dodd-Frank Act with obligatory provisions. However, a first analysis of the Act shows that companies avoid doing business in conflict-affected zones due to the obligatory due diligence.

A top down mandatory approach is rigid and is not offering the necessary flexibilities for all the players in the supply chain to adapt and engage in the scheme. It has proven extremely difficult for end users to engage with their suppliers. The farther they are in the supply chain, the more difficult it becomes to reach them and to collect data.

Another problem is that suppliers, SMEs especially, lack expertise and resources to conduct due diligence schemes. Furthermore, stringent reporting requirements create competitiveness problems as companies, in the process of due diligence, may be asked to disclose commercially sensitive information. In the case of the Dodd Frank Act, its mandatory nature on the one hand, and its strict public reporting requirements on the other hand, resulted in suppliers being unable or reluctant to give data.

Scope of the proposal

The EFJ welcomes the proposal of regulation, but urges to clarify impact, objectives and the scope of this proposal. EFJ especially highlights the following elements:

- **Complex Supply Chain.** With reference to recital 13 of the proposal, we wish to point out that the supply chain of unwrought gold is more complex than the example shown in the "Joint Communication" (point 1.3) because not only smelters/refiners, but also medium-small businesses and manufacturers as well as banks, may interface upstream on the pipeline, and therefore obtain supplies of the raw material from Third-party countries (according to Code NC 7108), thereby increasing the number of potential operators affected by the regulation and bringing the number to a few thousand.
- The **definition of 'conflict-affected and high risk areas'** is very vague in the current proposal of the regulation. EFJ urges the co-legislators to align the scope of the regulation to the existing provisions as in the Dodd-Frank Act. The proposal of regulation would be an initiative to participate in the auto-certification system sharing the same international standards.

The terms, as currently described in Art. 2 of the draft EU Regulation, leave much room for different interpretation. As companies will have to estimate whether they operate or not in such an environment, clarifications are necessary in order to facilitate the process of risk assessment. A possible solution would be to create a list of such areas. This list should be public and regularly updated, giving operators sufficient time to adjust to changes. What ultimately matters is that the EU scheme contributes to effective improvement of the situation on the ground. The more targeted the initiative, the broader global participation and engagement of NGOs in voluntary initiatives of business and authorities.

- Annex I defines a very broad scope of the regulation. EFJ would like to raise the attention of the European legislators to **maintain a distinct definition of gold** (Custom code 7108) which, in its current form, includes different types of products that are already «semi-finished», or processed. Moreover, category 7108 includes also «old» gold made from scraps or used jewellery. These provisions are not in line with Dodd-Frank Act which defines «old» gold as conflict-free.

Additional cost due to supply chain diligence

The supply chain of the concerned minerals consists of many tiers, including mines, traders, exporters, smelters, refiners, banks, etc.

The European Jewellers experience from the OECD guidelines proves that the effective process of due diligence is costly, especially for small and medium jewellery manufacturing companies. The additional costs apart from the external certification audits (13 500 EUR for the first year and 2 700 EUR for the following years) e.g. staff training can represent 5 to 7 times the costs of the audit.

EU dispositions should be adapted to the financial capacities of the various small and middle manufactures. EFJ encourages both co-legislators, the European Parliament and the Council, to avoid measures that represent additional financial burdens for the companies.

European vs International

Currently the lack of a general policy framework in the conflict-affected regions is the main source of uncertainty for companies, which take on their shoulders all responsibility to minimise risks. **EU companies admit they can be part of a solution, but they cannot do it alone.**

Since it is a global problem: it cannot be solved only by EU efforts. Other major partners have to join forces. Without strong collaboration and commitment at global level all efforts will be in vain. Important partners that play a significant role in the supply chain of the minerals need to engage in multilateral discussions in a more active and consistent manner.

It will require strong political will and the development of an efficient EU raw materials diplomacy.

Furthermore, unless our trading partners take up the OECD Due Diligence Guidance and put in place similar strategies, the competitiveness of EU companies will inevitably be affected.

Conclusion

Modern business is becoming increasingly responsible and societally aware, especially when operating in challenging environments. Consumer awareness has also increased and this is

something that companies cannot – and do not – ignore. Image is important as companies want to be identified as responsible. Considerable efforts are being done for instance through Corporate Social Responsibility (CSR) and voluntary initiatives. Industry can actively support local communities to develop into more democratic and stable societies by helping to create better framework conditions, securing supply chains and engaging in a multi-stakeholder dialogue which involves local governments and civil society.

Considering all above, the European Federation of Jewellery requests a strong support towards the Commission's auto-certification scheme, which including the abovementioned suggestions, could be an efficient tool to source minerals in a responsible and sustainable way. Many industries notably jewellers are self-determined to improve the traceability of the supply chain (e.g. since 2005, the RJC's Membership has grown from 14 to more than 440). Moreover large players are and will progressively require the responsible certification vis-à-vis their suppliers. Therefore the entire industry will be encouraged to adopt the same approach (in this way many small and medium size members of EFJ were incentivized to engage with the voluntary approach). There is thus no need for obligatory solutions in this domain.

MISSIONS REPORT – DF-15-1022907

Subject : Informal OECD meeting on industry audit programmes, 19 February 2015

Participants :  4.1 (b) 

Summary :

1. OECD will make an independent assessment of existing industry schemes (start May, to be delivered in November 2015) with recommendations for further alignment of schemes. Assessment will focus on compliance with OECD Guidance, implementation, stakeholder involvement, transparency, accreditation and governance. I have been supportive of this exercise and we should follow it closely as it relates to our 'recognition of equivalence' discussion.
We should discuss if we want to be part of the steering group of this exercise including NGOs, CCCMC (observer): OECD will circulate its proposal.
2. All participants were interested in the development of our handbook on CA/HR. In the absence of any credible guidance, they asked if and how the wider OECD community could benefit from this development? Could the EC present already something in the May Forum?
3. TRADE funding for OECD: we need to discuss how to spend the upcoming €100.000 which will only be available as from late May (2nd batch 2015).
OECD signalled financial need for May forum (for smelter outreach) and its assessment/alignment exercise (point 1).

Details :

Other useful information:

- CFSI has 160 audits planned for 2015, and reported major challenges to maintain its smelters list (time and resource consuming, identification/definition of smelters) and criticized the DoC list)
- LBMA has 65 refiners on the list of which 10 in China
- OECD will support CCCMC to set up its due diligence guidance and audit protocols aiming at mutual recognition with LBMA and CFSI. Firm support by NDRC and MOFCOM.
- Industry programmes invest heavily in auditor trainings and checking the individual audit reports.
- Programmes increasingly enter into horizontal and vertical mutual recognition

From:

Sent:

To:

Cc:

Subject:

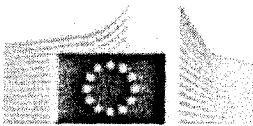
27 February 2015 16:48

meeting with Airbus

[4.1 (b)]

[4.1 (b)] had a short meeting with Airbus Industries [4.1 (b)] to address their concerns regarding the conflict minerals initiative [4.1 (b)] said they essentially source components and are only indirectly affected by the Commission proposal as it stands. However, they continue to be concerned with the public procurement incentive as mentioned in the Joint Communication given their Galileo and Copernicus activities in particular. [4.1 (b)] sought to obtain additional details on the way this incentive will be implemented and in particular whether it will require a full and audited examination of their supply chain or whether the bidder would be able to rely on certification by its suppliers. COM answered that it is still very early in the day to look at the implementation details of the procurement incentive but confirmed that the instrument corresponds to a commitment by the Commission (not the MS at this point) and that it will be applied when the regulation is finalised and the necessary criteria for authorising officers to draft the relevant performance clauses are set. COM also confirmed that the due diligence required from downstream actors of the supply chain seeking to bid for Commission contracts would be in line with the OECD guidance.

[4.1 (b)]



European Commission
DG TRADE
Unit G3

CHAR 8/99
B-1049 Brussels/Belgium
+32 2 2955360

[4.1 (b)]

Mission China – Conflict minerals & raw materials
2-4 March 2015

European Commission

4.1 (b) DHOU, DG Trade G3
4.1 (b) Policy Officer, DG Trade G3

EU Delegation in Beijing

4.1 (b)

Summary

The objectives of the mission were twofold: as foreseen in the 2014 Communication on "conflict minerals", establish a dialogue with China to promote cooperation on a common approach on conflict minerals and to have a dialogue with the government and industry on trade in raw materials, notably on the aftermath of the 2nd WTO case against Chinese export restrictions.

As regards conflict minerals, China confirmed that it was considering a similar initiative, first led by the industry. Detailed discussions with MIIT and MOFCOM, as well as with CCCMC and the consultant in charge of designing the Chinese conflict minerals initiative showed that China was very much looking into building a system based on OECD guidance and was open to cooperate with the EU and other third parties to develop compatible frameworks. Yet the EU side remained prudent on its answer to China's call to contribute financially to its work.

As regards trade in raw materials and export restrictions in particular, China did not share any update on its intentions to introduce alternative measures to replace export duties on the products subject to the 2nd WTO case, such as a possible resource tax. On cooperation on third countries' export restrictions, notably Indonesia export ban on several metals and minerals, China did not repeat its request to coordinate some action with the EU and other partners such as Japan but seemed to have engaged on a cooperative approach with Indonesia. Chinese smelters are in the process of investing in the nickel sector in Indonesia, moving their production from China to Indonesia. The main concern of China is now to ensure a stable investment environment for its companies.

Monday 2 March 2015, Beijing

1. Meeting with CCCMC (China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters)

[4.1(b)] Director Liaison Department

After a detailed introduction of the EU Conflict Minerals initiative by the EU (MM), CCCMC briefly presented its business association and informed of its activities related to corporate social responsibility and conflict minerals.

CCCMC was founded in 1988 under the supervision of MOFCOM and represents China's industries of metals, petrochemicals and ceramics. Its role is to coordinate the industry's export and import activities. CCCMC has 6200 members and is the biggest Chinese industry association, accounting for approximately 25-30% of China's trade volume. 250 out of 500 top Chinese companies are members of CCCMC.

CCCMC issued guidelines for Social Responsibility in Outbound Mining Investments, drafted with GIZ, with a view to regulate the investment behaviour of companies in third countries. The guidelines build on international standards (ISO 2600), UN Global Compact and OECD Guidelines. It is also the result of stakeholders' consultation including ILO, Human Rights associations and foreign embassies. The guidelines are a milestone document for the CCCMC that has now the task to promote their utilisation. CCCMC also referred to an initiative supported by UK for the rubber industry sustainable development in South East Asia.

CCCMC is now in the process of preparing guidelines for Chinese supply chain due diligence for sourcing minerals from conflict-affected and high-risk areas. CCCMC is in contact with the OECD and Global Witness. The work was initiated in January 2015 and is planned to be finalised by the end of the year. Draft guidelines should be ready by August 2015. CCCMC principally face two challenges: on one hand the utilisation of the guidelines by the industry and on the other hand the need to increase communication efforts to improve government awareness of the conflict minerals issues. CCCMC is closely working with the OECD to learn from their experience with the OECD guidelines implementation. CCCMC is seeking financial support and asked if the EU could contribute. The EU referred to its contribution to the OECD that may ultimately support CCCMC initiative.

CCCMC reported that their members represented 90% of China's 3 T's and gold industry which would help to ensure the implementation of the due diligence on conflict minerals in China. Moreover 50 to 60 companies have already the EICC certification.

CCCMC is keen to develop its communication with the EU (and the US) to ensure that there is a mutual recognition/compatibility of the different systems and standards implemented in the three countries. CCCMC is also working on its accreditation system and audit protocol. The EU welcome the development by CCCMC of an accreditation scheme based on the OECD guidelines that will avoid contradictions between different systems.

As regards the inclusion of the downstream industry, CCCMC highlighted its participation to an IPC (International electronic products association) working group and the plan for China to have a due diligence certification process for the electronics industry.

As regards trade in raw materials, CCCMC representative could not share any update on WTO 2nd case ruling implementation, as he was not in charge of this file. As regards Indonesian export restrictions, CCCMC mainly referred to the need to have a stable investment framework, in particular for Chinese companies to invest in metals processing plants.

2. Meeting with [4.1(b)] consultant (previously working for GIZ) advising CCCMC on conflict minerals

[4.1(b)] reported that GIZ had already advised CCCMC for the guidelines on outbound investment and he was now in charge of drafting the guidelines on conflict minerals. There is an MoU between MOFCOM and OECD on Chinese responsible sourcing but further efforts will be needed towards the government (MOFCOM, MIIT, NDRC and SASAC) to ensure an uptake of CCCMC future guidelines on conflict minerals.

CCCMC guidelines scope would be broader than just 3T's and gold but the list of minerals is not yet decided. The guidelines would follow OECD guidance but China will nevertheless want to define its own system, not to be seen as merely endorsing OECD framework. The objective still is that the Chinese system would be aligned and well integrated with existing systems so as not to block Chinese access.

Half of Chinese smelters (in production volume) are already CFSI certified. The regular update of CFSI is an issue as China smelters account for most of the several hundreds of weekly changes of CFSI information. China will face a similar issue with its list of conflict minerals certified smelters. As regards the audit protocol, it is not yet clear if China will develop its own fully-fledged system or will rely on already existing schemes, including industry schemes.

The objective in terms of timing is to present the first draft guidelines at the OECD meeting in May and to finalise the guidelines by November. China is considering inviting the OECD to hold its November meeting in Beijing. This would be a significant signal of China's political involvement.

CCCMC is currently implementing the outbound investment guidelines and using pilot companies, i.e. China's top 5 mining companies, to support the launch of the process. A similar process could contribute to the uptake of the conflict minerals guidelines.

3. Meeting with MIIT

[4.1(b)] Director of Department of raw materials industry – in charge of steel
[4.1(b)] Director
[4.1(b)] Department of raw materials industry

[out of scope]

[om y scope

I

Tuesday 3 March 2015. Beijing

4. Meeting with China Gold Association (CGA)

☐ 4.1(b) ☐ Vice Chairman
☐ 4.1(b) ☐ Deputy Director
☐ 4.1(b) ☐ Deputy Director
☐ 4.1(b) ☐ Science and technology Department

The objective of the meeting was to inform CGA of the EU initiative on conflict minerals. The meeting started with CGA showing a rather defensive position but the exchange was useful to clarify the content of the proposed EU regulation and raise CGA interest in taking part of it.

Among the issues raised by CGA was the fact that most of gold produced in China from domestic mines or imports was consumed locally. The EU emphasised that the EU regulation may still have an impact as it would affect the full value chain including downstream products that are exported from China.

Despite the concerns raised by CGA on the identification of the gold origin and the definition of a conflict area, CGA concluded that it would cooperate to ensure that refiners/smelters follow EU rules. CGA also reported that main Chinese gold exports consisted of the exports of gold wires (mainly to Germany) that were traded at the Shanghai Gold Exchange.

5. Meeting with Member States representatives (PL, RO, NL, BE, SE, DK, SK, HU)

[out of scope]

6. Meeting with MOFCOM

[out of scope]

]

7. Meeting with HUAWEI

[4.1 (b)], Vice President, Public and Government Affair Department
[4.1 (b)] Director Public Affairs and Communication
[4.1 (b)] Public Affair Regional Representative

The objective of the meeting was to raise Huawei awareness of the EU initiative on conflict minerals. Huawei referred to a number of guidance that was implemented within Huawei such

as on child labour, CSR, environment and carbon emission, education, etc. Huawei then made a general presentation of its company's general strategy, insisting on the development of its activities within the EU.

Wednesday 4 March 2015, Shanghai

8. Meeting with Shanghai Gold Exchange (SGE)

☐ 4.1(b) ☐ Vice President
☐ 4.1(b) ☐ Vice President in charge of production and smelting operations
☐ 4.1(b) ☐ Director International Marketing

SGE was created in 2001 by the Bank of China to manage the trade of gold of China, the main producer and consumer in the world. There is a strict control on imports of gold traded by SGE that have to comply with LBMA rules. The Central Bank controls the quantity of imports of gold which require an import licence. 15 banks, including foreign entities, are allowed to import gold in China and are granted import licences. 37 smelters/refiners are accredited by SGE, 7 are also members of LBMA and can produce LBMA bars.

The Conflict Minerals is not a new issue to SGE who has been looking into the matter since 2010 and has been cooperating with LBMA on conflict third party audit. SGE is also in contact with the EICC, the OECD and the US.

A recent survey among its 37 members shows that the majority of the gold is sourced in China. Moreover LBMA brands include a certificate of responsible sourcing from non conflict areas. On top SGE conduct random checks.

SGE only trades gold in the form of bars and no ores. SGE is open to introduce third party audit and to have due diligence. SGE highlighted that Chinese outbound mines are not allowed to export to China as these mining companies cannot receive import licences, which are only given to banks.

Some SGE members are already accredited by LMA and SGE encourages other members to follow the same route. However the accreditation is quite complex not so much for conflict minerals but for the firm audit on accountancy, the minimum refinery size required, etc. A possibility would be to introduce a separate certificate for conflict minerals.

SGE highlighted that most of its customers were from the jewellery industry and only few from the electronics sector.

In conclusion, the EU invited SGE to consider its own process, not only relying on LBMA and to be in contact with other sectors in China, in particular from the 3T's. SGE reported that the Chinese gold market was already very regulated and that SGE would be happy to be the bridge between the EU government and Chinese members.

9. Meeting with EUCCC

Chaired by the heads of EUCCC Chemicals Group and Metals & Mining Group.
List of participants in annex.

The meeting started by a comprehensive presentation of the EU conflict minerals initiative and the EU trade strategy for raw materials. The chairs of EUCCC groups then took the floor to highlight the main industry's concerns in China.

[out of scope

]

DG Trade Mission to Jakarta

5 March to 10 March 2015

Overall Feedback

- Responsible sourcing as a concept seems to be known by major stakeholders in Indonesia. They are aware of the necessity of conducting due diligence as well as the relevant initiatives/legislation such as the Conflict Free Smelter Initiative (CFSI) or Dodd-Frank Act. The response to the European Union approach was therefore generally positive. Indonesian stakeholders, however, expressed a certain degree of confusion with regards to the great amount of different approaches – industry driven initiatives such as the IDH Tin Working Group or the Conflict Free Smelter Initiative, the US-American Dodd-Frank Act, the OECD Due Diligence Guidelines and the proposed EU Regulation. They suggested that coordination and streamlining between those different approaches would be helpful to decrease administrative burden and costs on the Indonesian side.
- The EU position on the mineral ores ban, in contrast, was received less favourably. The Indonesian government ignores that the ban contradicts their GATT commitments and seems to be indifferent towards the possible consequences of WTO litigation. The Ministries of Trade and Industry consider the ban to be a necessary and legitimate policy to develop a value-added smelter industry in Indonesia. It seems highly unlikely that the Indonesian government will change its strategy in the near future.

PT Timah – Executive Secretary

[41(b)]

PT Timah is the largest tin mining company in Indonesia as well as world's largest exporter, possessing tin mining rights for 519,080 hectares with a total numbers of 104 onshore and offshore mining licenses. The state-owned enterprise's main areas of operation are located in the Bangka Belitung Province and Riau Archipelago Province, covering the Indonesian Tin Belt.

- PT Timah only smelters ores from its own mining activities. It therefore does not have difficulties in conducting due diligence and tracing the source of its ores. It is CFSI certified and supports responsible sourcing initiatives such as the proposed EU Regulation.
- Since PT Timah is the largest exporter of tin and possesses own smelters, it profits from the mineral ore export ban. The company supports protective trade policies and even advertises an export quota of 45,000 MT per year 'to elevate the price level of tin metal' since 'this will be profitable for tin producers'.

Ministry of Trade and Surveyor Indonesia

[out of scope]

Indonesian Mining Association (IMA) – Executive Director [41(b)]

The Indonesian Mining Association consists of 47 members, including two of the largest foreign operators in Indonesia, Freeport and Newmont. The Indonesian Mining Association represents the interests of the largest miners in a country where, as IMA Director [41(b)] estimated, a total of 11,000 mining enterprises existed.

- Most of the enterprises represented by IMA are aware of the rising international attention to conflict minerals. Most of the IMA members export large parts of their products, and are aware of the CFS Initiative. The OECD Due Diligence Guidelines and the Dodd-Frank Act are less known.
- [41(b)] highlighted two of the major problems of the Indonesian mining industry. The first major issue, he claimed, was the shift of the contract of work system to the permit system. It led to a lack of supervision and an overlap of competencies between the local, regional and national layers of government. Secondly [41(b)] emphasised, the regulatory uncertainty coming with the new mining law of 2009 and the ban to export mineral ores resulted in the closing down of many smaller mining operators, which employ a majority of the Indonesian work force involved in mining activities.
- The effect of the mineral ore export ban, however, depends greatly on the mineral concerned. While it is affordable even for small mining operators to build a tin smelter, it is more expensive to build a nickel or copper smelter. Furthermore, building such smelters requires infrastructure investments, mainly in terms of electricity supply, as well as industries for the by-products, both of which rarely exist in Indonesia. Hence [41(b)] predicted, it will take years until the necessary smelters are completed.
- In spite of these negative consequences, IMA supports the mineral ores ban. The large miners represented by the association, some of which already possess smelting capacities, profit from the ban. These companies are able to buy the mineral ores at a lower price on the internal market – which has decreased due to the inability of small miners to export – and export the smelted ores at a higher price.

Ministry of Industry – DG of Metal Department [41(b)]

[out of scope]

ICDX – CEO Mr [41(b)]

ICDX is a private entity mandated to secure an anonymous exchange of buyers and sellers of tin. All processed tin which is ought to be exported must be traded through ICDX. Twenty-three Indonesian smelters are members of ICDX, buyers come from around the globe.

- ICDX promotes responsible sourcing initiatives. While only around five smelters process exclusively their own produce, 80% of ICDX members are CSFI certified. ICDX is encouraging the non-certified members to certify. Since all of its members are exporters, they are subject to audits by Surveyor Indonesia – these audits are a prerequisite in order to obtain an export licence. The audits include a tracking of the supply chain of the smelter, which means that all of ICDX's members conduct some type of due diligence.

15/04/2015

- ICDX profits from the mineral ores ban, since all tin exported needs to be traded through its floor. The CEO of ICDX [41/6] pointed out that the implementation of the ban was not wholly functional. During the past years, the official export data of Indonesia showed discrepancies to the import data of its neighbouring countries, meaning that some tin must be exported illegally.
- The Indonesian smelting enterprises are currently negotiating the formation of an Indonesian Smelter Association, which will include smelters across all sectors.

AETI – President

[41/6]
AETI is the Association of Indonesian Tin Exporters. The association represents nineteen private tin exporters, all of which are trading at the ICDX. Thirteen of the members are already CFSI certified, the other six are on the active list and in the process of certification.

- AETI is actively encouraging its members to become CFSI certified and comply with international due diligence standards. AETI President [41/6] stated that audits and certificates of origin are 'a must'. Since all of its members are exporters and trading through the ICDX Exchange, they need to provide certificates of origin which are issued by Surveyor Indonesia. AETI supports the European Union approach and has already been collaborating with the IDH Tin Working Group.
- AETI President Sufianto, however, mentioned that streamlining the different due diligence processes would be helpful. The AETI members, for instance, are subject to audits from Surveyor Indonesia as well as CFSI. Further certification procedures could pose a financial and administrative burden on the AETI smelters.

IDH Tin Working Group

The IDH Tin Working Group is an initiative convened by the Sustainable Trade Initiative IDH (Netherlands), the Electronic Industry Citizenship Coalition® (EICC®), Friends of the Earth, and the international tin industry association (ITRI). It promotes environmentally, economically and socially sustainable mining practices in Indonesia.

- The IDH Tin Working Group has a broader focus than the EU initiative in the sense that it not only looks at conflict, but also socio-environmental issues related with tin mining activities. The IDH Indonesia Working Group supports and enforces the EU, OECD and US initiatives as significant contribution to ameliorate the mining environment.
- Currently IDH is engaging in scoping activities with stakeholders in Bangka Belitung, which is Indonesia's main location of tin. The IDH Tin Working Group has commissioned a situational analysis and sustainability assessment of the tin sector in Bangka Belitung, which it will share with stakeholders at a multi-stakeholder workshop later this year.

Ministry of Energy and Mineral Resources – DG of Mineral and Coal

[out of scope]

15/04/2015

Out of scope

INDONESIA MINING BACKGROUND

- ❖ Indonesia: 255 million inhabitants
- ❖ Almost 40% of ASEAN GDP
- ❖ Mining sector historically one of main contributors to GDP: 8 to 13% since the 1980s
- ❖ The Fraser Institute ranked Indonesia third in terms of mineral potential, but last in terms of policy potential
- ❖ In spite of Indonesia's potential, the average expenditure on exploration in Indonesia over the past 10 years represented less than 2% of global exploration expenditure

From: [4.1(b)]
Sent: 18 March 2015 16:00
To: [4.1(b)]
Subject: [] Meeting report - DIGITALEUROPE 16/03/2015

Meeting DIGITALEUROPE

Participants: [4.1(b)] (DIGITALEUROPE), [4.1(b)] (Ericsson) [4.1(b)] (Intel) [4.1(b)] (HP) [4.1(b)] (CAB CM) and [4.1(b)] (TRADE)

DIGITALEUROPE broadly welcomed COM proposal for a conflict minerals regulation and the comprehensive package targeting inter alia developing regions.

It called for:

1. The preservation of existing industry schemes, and further alignment where necessary between schemes;
2. Clear guidance by COM on the definition of conflict-affected and high-risk areas;
3. Public procurement not to create additional burdens to industries already tracing back the smelters/refiners in their supply chain and to preserve the full flexibility as per the OECD Guidance available for downstream operators.
4. Ensuring consistency of implementation across the EU.

[4.1(b)]

From: [4.1(b)]
Sent: Friday 27 February 2015 11:27
To: [4.1(b)]
Cc: [4.1(b)]
Subject: Meeting with DIGITALEUROPE on Responsible Sourcing of Minerals from Conflict Areas
Attachments: DIGITALEUROPE Position EU Conflict Mineral proposal_20140530[7][1][2][2].pdf; DIGITALEUROPE & AMCHAMEU - Joint Conflict Minerals Comparison-5[1][2].pdf

Dear [4.1(b)]

I am contacting you on behalf of DIGITALEUROPE, the association representing the digital technology industry in Europe.

We would very much welcome the opportunity of a meeting with you to discuss the EU proposal setting up a self-certification scheme for the responsible importers of 3TG originating from conflict-affected and high-risk areas, current status of negotiations both in Parliament and Council, as well as the Commission's work with regard to the accompanying measures laid out in the Joint Communication. Considering that some of our experts will be in Brussels in mid-March, I was wondering whether you would have availability on either the 16th afternoon or the 18th morning.

Our position paper on the EU proposal, including a comparison table developed with AmCham EU can be found in the attachment.

I look forward to hearing from you and remain available should you have any further questions.

Many thanks and kind regards,

[4.1(b)]
 Senior Policy Manager

Follow our Director General on twitter: @EURODIGIDG
 and DIGITALEUROPE @DIGITALEUROPE_

DIGITALEUROPE >> Rue de la Science, 14 >> B-1040 Brussels
 T. +32 2 609 5313 >> F. +32 2 431 0489 >> M. +32 478 57 50 82
<http://www.digitaleurope.org>



The information in this email is confidential and is intended solely for the addressee. Access to this email by anyone else is unauthorised. If you are not the intended recipient, you must not read, use or disseminate the information. Any views expressed in this message are those of the individual sender, except where the sender specifically states them to be the views of DIGITALEUROPE aisbl.

Comparative table of the EU proposal on conflict minerals with existing schemes

Comparing different regulatory approaches on responsible trading of conflict minerals

Executive summary

The objective of this comparative table is to help facilitate the work of EU policy makers to define a complementary and effective approach in pursuit of conflict free. Conflict minerals is a complex issue that requires the engagement of multiple stakeholders, including governments, the private sector and civil society. There is a clear need to promote real change, and we believe the Commission proposal is a step in the right direction.

* * *

ABOUT AMCHAMEU – AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled €2 trillion in 2013 and directly supports more than 4.3 million jobs in Europe.

ABOUT DIGITALEUROPE – DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies.

* * *

American Chamber of Commerce to the European Union (AmCham EU)
Avenue des Arts 53, B-1000 Brussels, Belgium
Register ID: 5265780509-97
Tel: +32 (0)2 513 68 92 | www.amchameu.eu

Secretariat Point of Contact: Julie Linde Kjeldsen; jl@amchameu.eu +32 (0)2 289 10 15

POSITION PAPER

Comparison of approaches to the responsible trading of Conflict Minerals

10 September 2014

The objective of this comparative table is to help facilitate the work of EU policy makers to define a complementary and effective approach in pursuit of conflict free minerals. The undersigned associations welcome the European Commission's proposal for a regulation on conflict minerals and support the three goals of the EU integrated approach to responsible sourcing:

- Breaking the link between minerals extraction, trading and the financing of armed conflict
- Supporting a market in the EU for responsible traded minerals that originate in conflict regions
- Improving the ability of EU operators throughout the supply chain to comply with existing due diligence measures.

The proposed Regulation would complement existing US legislation on responsible sourcing of conflict minerals (Dodd-Frank Act) and contribute to the harmonisation of global compliance programmes. We are pleased to see that the Regulation will exert pressure on importers of conflict minerals to source from smelters and refiners that are verified as being conflict-free. In addition, the list of smelters and refiners that the Commission would publish, and the information developed by responsible importers, would assist companies with their due diligence inquiries under the US Dodd-Frank Act.

POSITION PAPER

Comparison of approaches to the responsible trading of Conflict Minerals

EU Regulation

ISSUE	EU Proposal	Dodd-Frank Act (DEA)	Comments
Approach	Voluntary self-certification program	Mandatory disclosure requirement	The self-certification programme is embedded in a wider comprehensive approach to promote responsible sourcing of minerals based on the OECD due diligence guidelines. Different initiatives, such as Conflict Free Sourcing Initiative (CFSI) and the Conflict Free Tin Initiative (CFTI) have so far proven to be both effective and cost efficient. A voluntary approach carries less risk of a de-facto embargo.
Focus	Upstream (importers of minerals, metals listed in Annex A)	US Publically traded listed companies (upstream + downstream)	Concentrating on upstream supply chain operators and on facilitating transmission of quality information in the supply chain leverages the appropriate point in the supply chain and is consistent with the OECD Guidance, with industry initiatives, such as the Conflict-Free Smelter Program (part of CFSI), and complements the Dodd-Frank Act. Beyond the pinch point of smelters, it becomes exponentially more difficult to identify the origin of metals.
Geographical Scope	"Conflict-affected and high-risk areas"	DRC and adjoining countries	Today, supply chain due diligence initiatives are largely focused on the DRC and the Great Lakes Region. This focus was identified at the highest international level in a UN Security Council Resolution. It is imperative that a consistent process and criteria is defined for identifying areas as conflict-affected and high risk for the purposes of the EU regulation.

POSITION PAPER

Comparison of approaches to the responsible trading of Conflict Minerals

Definition of Conflict-Free	Not defined. Designed to support further compliance with the OECD Guidance and with a process-oriented focus	Product may be described as DRC conflict-free if it does not contain minerals that directly or indirectly benefit armed groups in the DRC and adjoining countries	OECD Guidance does not define conflict-free. It provides due diligence guidance to help companies respect human rights and avoid contributing to conflict through their sourcing decisions. The OECD describes their views on conflict-free in a <u>letter</u> to the SEC dated 29 July 2011.
Minerals Scope	Tantalum, Tungsten, Tin, Gold (3TGs)	3TGs	A focus on 3TGs achieves coherence between the EU and US policy approaches. Alignment of mineral scope would allow the current initiatives to mature.
Institutional bodies responsible	Competent authorities in Member States	Securities & Exchange Commission (SEC)	Responsibility should lie with public authorities that have the appropriate expertise and capacity to effectively implement and enforce the requirement, aiming to avoid market fragmentation within the EU.
Due Diligence Approach	OECD Guidance Five-Step Framework	Nationally or internationally recognized Due Diligence Framework. May use OECD Guidance	Companies support the five-step framework in the OECD due diligence guidance.
Auditing	Audit required for importers that have volunteered to participate	Audits are to be levied against companies that file DRC conflict free or if they have determined whether the conflict minerals financed have benefited armed groups, starting in 2015	A common approach to auditing is necessary. At an industry level, voluntary initiatives focus audits at smelters/refiners in the supply chain consistent with Step 4 of the OECD Guidance.

POSITION PAPER

Comparison of approaches to the responsible trading of Conflict Minerals

List of smelters/refiners	Based on information provided by Member States, COM shall make publicly available a list of responsible smelters and refiners	<u>Worldwide list</u> of 3TG minerals processing facilities to be put together by US Dept of Commerce 30 months after law's entry into force	It is important to have a common list of known smelters/refiners. Current industry initiatives list smelters/refiners that are compliant with the Conflict-Free Smelter Program, LBMA's Responsible Gold Program (London Bullion Market Association), RJC's Chain of Custody Certification Program (Responsible Jewellery Council).
----------------------------------	---	--	---

EU Joint Communication

ISSUE	Joint Communication	US Policy Measures	Comments
Public Procurement	COM and Member States to include requirements for respecting OECD Guidance in procurement contracts	N/A	<p>There should be a consistent approach to public procurement incentives across Member States and Commission.</p> <p>Performance clauses should aim to encourage the uptake of due diligence at a company level. It is companies, not products, that follow the OECD Guidance and we recommend that this language be revised to ensure implementation is consistent with the international due diligence framework. Such an approach would enable consistency across the EU and also allow for the flexible application of due diligence as recognized in the OECD Guidance. Public procurement should address all 3TG containing products.</p>
Consumer information	Member States to consider complimentary initiatives in the area of consumer info and labelling	SEC filing posted on company's website	Avoid market fragmentation. Annual reporting on supply chain due diligence is Step 5 of the OECD Guidance. Consistent with the EU Directive on disclosure of non-financial and diversity information, companies should have the flexibility to disclose relevant information in the way they consider most useful.

POSITION PAPER

Comparison of approaches to the responsible trading of Conflict Minerals

"In-region" sourcing and responsible minerals trade	EU supports ICGLR Regional Initiative on Natural Resources. Member-State activity.	US support ICGLR Regional Initiative and Public-Private Alliance for Responsible Minerals Trade. USAID activity in DRC supports responsible minerals trade.	In-region sourcing and the development of systems to enable responsible trade from conflict areas should be a priority. Without such in-region efforts, due diligence further downstream may result in unintended embargo of all material from an area.
Outreach to countries with minerals/metals processing facilities	Outreach to countries w/smelters, including an int'l conference	State Dept diplomatic and commercial outreach	Outreach to smelters is important to help boost participation in industry's Conflict-Free Smelter Program and equivalent initiatives. There is an opportunity for EU and its economic partners to collaborate on outreach to countries with minerals/metals processing facilities
Institutional bodies involved	European Commission, External Action Service, EU Member States, European Parliament	State Department, USAID, SEC, Commerce Dept.	Institutional bodies involved at international level include UN Security Council Group of Experts on DRC, ICGLR, OECD
SMEs	Financial assistance available for Small and Medium Sized Enterprises via the COSME (Competitiveness of Enterprises and Small and Medium-sized Enterprises) program.	SEC rule extends phase in period for product descriptions to 4 years for SMEs (vs. 2 years)	It is critical that SMEs receive administrative and financial support to implement conflict-free systems.



EU Implementation of Conflict Minerals Legislation: How to Incorporate Lessons from the Dodd-Frank Act?

17 March 2015
Brussels, Belgium

Draft Agenda

8:30 Registration

9:00 Opening and Welcome (CFSI)
 [4.1(b)] Executive Director

9:15 Panel Discussion with EU Representatives

Remarks from President-in-Office of the EU Council (Latvia)

[4.1(b)]

The proposal for the EU regulation setting up a union system for self-certification of responsible importers of minerals from conflict areas is among the priorities of the current Presidency. What is the current status of this legislation in the Council? What is already achieved? What does Latvia's Presidency plan to achieve there?

EC Directorate General of Trade

[4.1(b)]

Director Trade Strategy and Analysis, Market Access

Outline conflict minerals implementing regulations. How will the determination of conflict be addressed? How would a "responsible importer" be defined and what roles will public disclosure and verification play?

Remarks from EU Shadow Rapporteur

(Invited)

Current status of conflict minerals legislation and a look at prospects and timeline for approval. Discuss expectations for how companies would participate in a voluntary scheme.

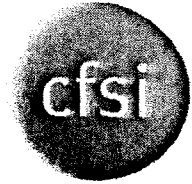
Open discussion with the audience.

11:00 Break

11:15 Private Sector Panel: Realities of Managing Supply Chain Risks

[4.1(b)] HP

[4.1(b)] Ericsson



Companies discuss their experience of how to identify and manage risks in sourcing pertaining to conflict minerals. CFSI illustrates the challenges of enrolling smelters into an audit system. Where are the hidden issues in collecting and validating data about the supply chain? What practices have shown some results to date?

12:30 Lunch

1:30 Preparing for Implementation: Alignment and Capacity Building

- ☐ 4.1(b) ☐ OECD
- ☐ 4.1(b) ☐ Signet
- ☐ 4.1(b) ☐ EU External Action Service
- ☐ 4.1(b) ☐ Estelle Levin Ltd.

The current conflict-free certification programs are discussing how to develop a common set of protocols that could provide much-needed verification steps and data for an EU scheme. However, data integrity is a large challenge and there are differing expectations around that. What business conditions and expectations will a new market scheme face? How will company participation be recruited at different levels of the supply chain? How will new standards be understood globally? What capacity building program needs to reach both upstream and downstream audiences?

3:15 Break

**3:45 Due Diligence Outlook: Stakeholder Panel
Global Witness.**

(Additional invited guest to be confirmed.)

There is a steady push towards enhanced transparency for all conflict minerals programs. What does due diligence mean to observers who are tracking corporate behavior? What has been working so far and where might it go in future?

4:45 Review of the day

5:00 Conclusion

Good afternoon Ladies and Gentlemen,

My name is [4.1/6)] and I'm working as a policy officer at the European Commission's DG TRADE on the responsible supply chains of minerals from conflict zones.

First, I would like to thank the *Responsible Jewellery Council* for having invited me and to address you today at Baselworld 2015.

In view of time constraints to travel, I hope you will find this recorded message useful on the recently issued EU approach on conflict minerals. I will present to you the recent developments on Commission's legislative proposal on conflict minerals as well as the wider approach on the responsible sourcing of minerals originating from conflict zones.

As you probably recall, the EU proposed its integrated approach on the responsible sourcing of minerals in March last year, with one of the objectives in mind to stop profits from trading minerals being used to fund armed conflicts.

The package of measures recently proposed aims at making it more difficult for armed groups in conflict-affected and high-risk areas to finance their activities through the mining and trade in minerals. The focus of the approach is to make it easier for companies to source tin, tantalum, tungsten and gold responsibly and to encourage legitimate trading channels.

The global mineral trading industry is estimated to be worth about €200 billion on an annual basis. It is difficult to say how much of this is made up of trade in real 'conflict minerals' because, by its very nature, the trade is in volatile areas affected by conflict. Furthermore, groups seeking to fund themselves from such trade will endeavour to keep their trade away from scrutiny.

This problem is the most acute in Africa particularly in the Great Lakes Region. However, the problem is wider. The Heidelberg Institute reports that the combination of natural resources and conflict is present in about 20% of almost 400 conflicts it has registered worldwide.

The 'integrated EU approach' has been developed with the three following main and complementary objectives in mind:

1) A First objective is to break the link between minerals extraction, minerals trading, and the financing of armed conflicts.

2) A second objective is to create a market in the EU for responsibly traded minerals that originate in conflict regions. Experience in the Great Lakes region shows that due to risk averse business decisions, EU and US operators prefer to source these four minerals elsewhere. The practical consequence on the ground is that local mining jobs are lost, trade has partly gone underground and where formal markets are used, the minerals are not fetching the best price due to low global demand. This is not solving the first problem: the link between trade in minerals and the financing of armed groups.

3) A third objective is to improve the ability of EU operators wherever they are in the supply chain to comply with existing due diligence frameworks. The current situation is highly fragmented with the bulk of efforts taking place at the downstream level. For this reason, the EU proposes an approach that stimulates a better flow of information from upstream to downstream.

The 'integrated EU approach' consist of a draft Regulation on one hand, and a number of accompanying measures as set out in a joint Communication on the other hand.

The draft Regulation proposes the setting up an EU system of certification for importers of tin, tantalum, tungsten and gold (metal and ores), who choose to import regardless of origin responsibly into the Union.

This voluntary self-certification system requires EU importers of these metals and their ores to exercise 'due diligence' – i.e. to avoid causing harm on the ground – by monitoring and administering their purchases and sales in line with the OECD due diligence guidance.

The aim of the importer certificate is to create legal certainty and transparency and to ensure that through their supply chains companies do not contribute to the financing of armed conflicts.

With more than 500 importers of such ores and metals into its territory, the EU is amongst the largest importers of tin, tantalum, tungsten and gold ores and concentrates with a share of almost 35% of global trade. The EU is also a

relative large importer of tin, tantalum and tungsten metal with presently almost 25%, and gold metals with 15% share of global trade.

Moreover, although the transformation of minerals into metals by smelters and refiners is a key stage in the supply chain to ensure that due diligence is carried out currently only 20% of the global smelters (and 40% of the global refiners) carry out due diligence.

Therefore, as part of the EU draft Regulation and to increase public accountability and transparency of smelters and refiners practices, making it easier to source metals responsibly, the EU aims to publish an annual list of EU and globally 'responsible smelters and refiners'.

The system of certification by the importer will be enforced by the authorities in the EU Member States. Ex-post checks by Member State competent authorities are foreseen in the Regulation based on information disclosed by the certified importers to MS competent authorities. In case of infringement, sanctions are foreseen, such as withdrawal of certificate and/or removal from the smelters list.

We acknowledge that recognition of existing industry supply chain schemes (when OECD compliant) is an issue that should be fully taken into account.

The rationale retained by the Commission for its approach follows the key principles of i) being targeted (addressing key points in the supply chain, i.e. smelters/refiners); ii) being proportionate (voluntary, and based on market incentives to be effective, while at the same time avoiding negative impact on conflict regions) and iii) complementary (targeting upstream rather than downstream operators like the U.S. Dodd-Frank which so far has proven to have unintended consequences to producing region in the absence of adequate, reliable local certification capacity.

The proposal for an EU Regulation is based on a broad public consultation, an impact assessment and extensive consultations with the business, civil society, OECD as well as with institutions in producer countries. It responds to the European Parliament's call in 2010 for the EU to legislate along the same lines as the US which requires its companies using 'conflict minerals' to declare their origin and exercise due diligence.

The proposed regulation is a necessary instrument to promote responsible mineral sourcing but it is not a silver bullet as on its own it is not enough to address all the complexities of the conflict minerals issue.

That is why, in addition, the 'integrated EU approach' outlines a number of accompanying measures to encourage the uptake of the certificate and supply chain due diligence by EU companies and beyond. To this end,

(i) The Commission will develop public procurement incentives for companies participating in tenders for products such as mobile phones, printers and computers, but basically all products containing tin, tantalum, tungsten and gold;

(ii) Financial support will target SMEs to carry out due diligence and for the OECD to assist in capacity building and outreach activities;

(iii) The Commission will provide visible recognition for the efforts of EU companies who source responsibly from conflict-affected countries or areas; we are reflecting how the EU can best act as honest broker by for instance orchestrating a multi-stakeholder responsible sourcing initiative.

(iv) The EU will step up policy dialogues and diplomatic outreach with governments in extraction, processing and consuming countries to encourage a broader use of due diligence;

(vi) Importantly, the EU will step up development cooperation with the countries concerned to ensure the OECD Due Diligence principles are put into law and local certification capacities are build.

(vii) The EU also calls upon EU Member States to contribute through their own policies and instruments.

The Commission is fully committed to follow up on the announced accompanying measures and we are currently working to operationalize them. For instance, we are identifying the funding needs and instruments to implement development cooperation actions on the ground. Furthermore, we have started outreach actions with major processing countries such as China and India which we will further intensify with other important producing, processing and consuming partners.

The draft Regulation is currently in first reading by the European Parliament that took up the file in the autumn last year. A high number of amendments have been suggested by the Foreign Affairs Committee (AFET) and the Development Committee (DEVE). These amendments will be taken into account by the lead Committee which is on Trade Committee (INTA). A first reading outcome by the EP is expected before summer this year. It could be expected that the EP will strengthen the proposal made by the Commission. It is difficult to say at this stage in what sense this would be done.

The EU Member States in the Council's Working Party on Trade Questions, so far generally welcomed the approach taken under the draft Regulation (i.e. voluntary nature, product scope and its global geographical scope). The Council will prepare its first reading position after completion of the first reading by the Parliament. The draft Regulation will only enter into force once the legislative procedure is over – the exact timing at this stage is difficult to provide.

To summarise, the EU is making progress in defining its regulatory approach on the responsible sourcing of minerals from conflict zones. Supported by calls from the Member States and the Parliament, the Commission is currently looking how to preserve all the good work that has been carried out so far by the owners of the existing voluntary supply chain schemes.

Thanks you for your attention.