

54^a

From: [4.1(b)]
Sent: lundi 6 janvier 2014 16:21
To: [4.1(b)]
Cc: [4.1(b)]
Subject: FW: EU+U.S. Precious Metals proposal to TTIP negotiators
Attachments: EPMF+IPMI - Joint TTIP Proposal_Cover letter_140106.pdf; EPMF+IPMI - Joint PM industry proposal TTIP_131219_Version 1.pdf; EPMF+IPMI - Appendices Joint PM industry proposal_131219.zip

For info. The final part of their request relates to conflict minerals.

[4.1(b)]

From: [4.1(b)]
Sent: Monday, January 06, 2014 10:18 AM
To: [4.1(b)]
Cc: [4.1(b)]
Subject: EU+U.S. Precious Metals proposal to TTIP negotiators

Dear

We hope the third round of negotiations which took place last December was fruitful.

We also take this opportunity to wish you, your family, and your colleagues, a happy New Year!

As announced in 2013, the EPMF and the IPMI, representing the EU and U.S. Precious Metals sector, are pleased to send you their joint proposal for consideration by the TTIP negotiators.

You will find attached to this mail:

- Our introductory letter
- Our proposal
- The annexes to the proposal in a .zip file

Since the attachments are heavy, would you be so kind to confirm the successful receipt of this mail in due course?

More information is available on request, naturally.

We look forward to hearing from you and having the opportunity to meet again at your earliest convenience.

Kind regards,

[4.1(b)] & [4.1(b)]
 EPMF IPMI



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IPMI & EPMF JOINT PROPOSAL TO TTIP NEGOTIATORS

**Improving Trans-Atlantic Trade in Precious Metals, Precious Metals Compounds, and
Precious Metals-Containing Raw Materials**

Version 1, 19 December 2013



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TABLE OF CONTENTS

I. BACKGROUND.....	3
II. SUMMARY OF JOINT PRECIOUS METALS INDUSTRY PROPOSAL TO NEGOTIATORS	7
III. DESCRIPTION AND SUPPORTING INFORMATION	9
1) Rules of origin for precious metals	10
2) Tariffs on precious metals and precious metals compounds	14
3) Unfettered flow of precious metals containing raw materials	16
4) Conflict minerals and Responsible sourcing of precious metals.....	20
IV. LIST OF APPENDICES.....	22



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I. BACKGROUND



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WHEREAS, **Precious metals** (namely Silver, Gold, Platinum, Palladium, Rhodium, Ruthenium, Iridium, and Osmium) have unique properties, and **play an integral and vital role** in manufacturing a variety of products, including consumer electronics, medical care, pharmaceuticals, anti-cancer therapies, agriculture, defense, energy, automotive electronics and pollution abatement/control catalysts, and other critical sectors of the joint economies of the U.S. and EU, from the catalysts used in the petrochemical refining sector to the precious metals utilized in advanced medical equipment and devices. For millennia, precious metals have spurred innovation and economic growth. This is as true today as it ever has been, and it applies equally in the EU as well as the U.S. Private companies and governmental agencies use precious metals in a wide array of applications that play important roles in our daily lives.

WHEREAS, The Members of the International Precious Metals Institute (IPMI) and the European Precious Metals Federation (EPMF) engage in the **global trade** of precious metals, precious metal compounds, and precious metals-containing raw materials; such as bullion, alloys, secondary materials containing precious metals, catalysts, chemicals, crucibles, medical devices, sputtering targets, and numerous other categories.

WHEREAS, Precious metals-containing raw materials, i.e. materials that are known to contain economically significant precious metal content¹, are used as feedstock for refining and manufacturing a wide variety of products (as illustrated in Appendix B); and there is a **competitive world market** for these materials.

¹ These can be of primary or secondary origin. For reference, a typical used catalyst from an automobile contains 0,5 to 1,0 % w/w platinum group metals (PGM), and a primary ore contains 0,0004 to 0,001 % w/w PGM.



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Whereas, Current "Rules of Origin" may **mischaracterize the origin** of precious metals collected and refined by the Members of the IPMI and the EPMF in regards to 'substantial transformation' required to determine the country of origin.

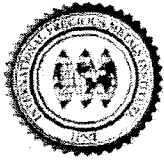
WHEREAS, The imposition of **tariffs** on precious metals materials hinders trade without providing commensurate benefit to trans-Atlantic commerce.

WHEREAS, Precious metals-containing raw materials are an integral and essential part of our members' trade, due to their precious metal content, and are **handled in a manner commensurate with their high value**. For instance, extensive security measures are employed to prevent loss of precious metals-containing raw materials in transit and at processing facilities (e.g. bullion shipments typically are transported by a security carrier); containers transporting them are closed with tamper-proof seals and are opened only if customer witnesses are present.

WHEREAS, Precious metals-containing raw materials are **not discarded** but rather are legitimately, efficiently and environmentally soundly **reclaimed, used, reused, recycled and refined** by IPMI and EPMF members for their precious metals content.

WHEREAS, The trans-Atlantic trade of precious metals-containing raw materials ensures that the best available technology is used in the reclamation of these secondary sources of precious metals, and hence contributes to **minimizing environmental damages and risks, and global waste disposal**, and thus should be encouraged by U.S. and EU governments.

WHEREAS, In some instances, the U.S. government and member states of the EU regulate these precious metal-containing raw materials as hazardous wastes under a number of legislative acts, directives, conventions, and guidelines. This resulting **complex web of regulatory requirements** and the **inconsistencies inherent in labeling** – as green/non-hazardous waste or goods, or as amber/hazardous waste or goods – means that transporting these raw materials across borders may be subject to



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significant delays both prior to shipment and at border crossings and, in extreme cases, may not even be allowed to proceed.

WHEREAS, The Dodd-Frank Act and announced EU responsible sourcing initiatives related to the sourcing of conflict minerals, including the precious metal gold, may impose **discordant requirements** or fail to recognize adequately **industry-led initiatives** and related sourcing, auditing, and certification schemes.

WHEREAS, These **differing applications of regulatory policies** in the U.S. and the EU adversely affect how precious metals, precious metals compounds, and precious metals containing raw materials are traded.

WHEREAS, The U.S. and EU have agreed to remove trade barriers, to tackle barriers behind the customs border – such as differences in technical regulations, standards and approval procedures -, and to open both markets for services, investment, and public procurement under a dedicated **Transatlantic Trade and Investment Partnership** (TTIP).



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II. SUMMARY OF JOINT PRECIOUS METALS INDUSTRY PROPOSAL TO NEGOTIATORS



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NOW, THEREFORE, BE IT RESOLVED THAT IPMI AND EPMF:

Recognize efforts made by the U.S. and EU to facilitate greater trans-Atlantic trade via the TTIP and support those efforts.

Call on the U.S. and EU TTIP negotiators to:

[out of scope]

- 4) **Conflict minerals and Responsible sourcing:** Ensure that Dodd-Frank and EU standards regarding responsible sourcing of minerals recognize the efficacy of industry-lead initiatives and related sourcing, auditing and certification programs, and are not inefficient and inconsistent such that divergent trade-distorting burdens are imposed.



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III. DESCRIPTION AND SUPPORTING INFORMATION



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IPMI & EPMF TTIP Task Force

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Avenue de Broqueville, 12 - 1150 Brussels, BELGIUM

Tel.: +32 2 775 63 23 Fax: +32 2 779 05 23

e-mail: braibant@epmf.be website: www.epmf.be



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³ As an example, gold is so rare that the world pours more steel in an hour than it has poured gold since the beginning of recorded history. Due to its high value, most gold discovered throughout history is still in circulation.



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4) Conflict minerals and Responsible sourcing of precious metals

The scene:

As global players, IPMI and EPMF Member companies act according to the principles of responsible trading and Corporate Social Responsibility (CSR). Many of them are already following the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as related industry-led initiatives on responsible sourcing, such as:

- WGC's Conflict-Free Gold Standard, described in detail on: http://www.gold.org/about_gold/sustainability/conflict_free_standard/;
- LBMA's Responsible Gold Programme, described in detail on: http://www.lbma.org.uk/pages/index.cfm?page_id=137; and/or
- RJC's Chain of Custody Certification, described in detail on: <http://www.responsiblejewellery.com/chain-of-custody-certification/>

Furthermore, as part of U.S. companies' supply chains, whether or not they are publicly traded in the U.S., precious metals companies already comply with the provisions set down by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) Section 1502 (summarized in Appendix G).

Scope:

Gold from mine origin/primary source.

Request in short:

The precious metals industry represented by the IPMI and the EPMF, requests that the EU and U.S. authorities ensure that the requirements of the U.S. DFA and the upcoming EU initiative on responsible sourcing do not result in



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unnecessary burdens or inconsistent compliance requirements for the concerned companies.

Possible implementation pathways:

Both the U.S. and EU share the common goal of prevention of finance of illegal armed conflict through commercial mineral transactions, including transactions in mined gold. The precious metals industry has fully adopted that goal, has strongly supported the *OECD Guidance and Supplement on Gold*, and has implemented that Guidance into robust due diligence programs with external audit and certifications of responsible sourcing. Understanding that the EU and U.S. may have some differences in scope and approach, their objectives can all be achieved through recognition of the *OECD Guidance and Gold Supplement*, as has already been done by the SEC in the U.S., and acknowledgement that industry responsible sourcing programs that incorporate due diligence and external audits are appropriate tools to satisfy legal requirements by all national authorities.

We believe the U.S. authorities should openly share with EU authorities the lessons learned under the DFA (which reporting requirements are summarized in Appendix G) so this can be considered by the EU in preparation of any EU legislation on responsible sourcing. This will ensure there is as little conflict and/or duplication as necessary between the two sets of standards. Also, the U.S. and EU could enter into a Mutual Recognition Agreement (MRA), similar to the MRA proposed above in section III.4, whereby companies fulfilling the requirements under one regulatory regime would be *de facto* recognized as having complied with the second regime too.



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IV. LIST OF APPENDICES



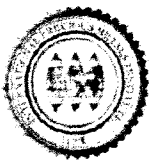
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Summary of reporting requirements under Dodd-Frank Act Section 1502

A publicly traded company (an "issuer" in SEC terminology) that manufactures products (or that contracts for their manufacture while retaining input on design and material content), which products contain tin, tantalum, tungsten or gold that is necessary for their function, must "reasonably" determine whether the origin of those minerals was the Democratic Republic of the Congo (DRC) or any of its nine adjoining countries in Central Africa (the "covered countries"). If the origin of those minerals is determined by the issuer not to be a covered country, or if the origin is determined to be recycled materials, that should be noted in the issuer's annual report, and no further due diligence by the issuer is required. If, on the other hand, the origin is determined to be mining in one of the covered countries (or if a source other than mining in a covered country is not reasonably certain), the issuer must then go further to determine the precise location and circumstances of the mining, and very specifically if the sourcing of such minerals financed armed conflict in the DRC. The issuer must have that enhanced due diligence audited, and must report its procedures and findings (annually in a Conflict Minerals Report, beginning in 2014) to the SEC and in its own annual report. If the issuer does not determine that its supply chain sourcing of minerals in the covered countries did not finance armed conflict in the DRC, it must include in its annual report to the SEC that its manufactured products are not DRC conflict free.

At the first level of due diligence – the initial reasonable country of origin inquiry – an issuer must track back through its supply chain of contractors and subcontractors of parts and components, asking where the minerals came from. The issuer can accept the representations of origin of its supply chain participants if the representations it receives are deemed by the issuer to be reliable. Reliability can be demonstrated most effectively by a third party audit of supply chain responsible sourcing due diligence, not necessarily by every supply chain participant but typically contracted by a smelter or refiner that would have the best information of the origins of its raw material feedstocks. In the case of gold, that typically means that the gold content of parts and components will be tracked back to an identified gold refiner, which will have its due diligence of its sourcing of unrefined raw materials – received from mines and collectors of recycled materials – audited in accordance with industry responsible sourcing certification programs, which have been specifically designed to implement the OECD Guidance and Supplement on Gold. The SEC, in issuing a rule to implement Dodd-Frank Act Section 1502, has said that the OECD Guidance and Supplement on Gold are appropriate international standards for compliance with its conflict mineral due diligence requirements.



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From: [4.1(b)]
Sent: 07 February 2014 17:54
To: [4.1(b)]
Cc: [4.1(b)]
Subject: FW: Position by H.C. Starck on Sargentini draft report - Conflict Minerals
Attachments: HC Starck position on draft Sargentini report - 07 Feb 2014.pdf

fyi

From: [4.1(b)]
Sent: Friday, February 07, 2014 3:06 PM
To: [4.1(b)]
Subject: Position by H.C. Starck on Sargentini draft report - Conflict Minerals

Dear [4.1(b)]
Dear [4.1(b)]

Following the meeting you had with H.C. Starck in November 2013 on the issue of conflict minerals, please find attached, for your reference, a short position paper H.C. Starck has communicated to Ms Judith Sargentini, MEP, concerning her draft report on this issue.

Please do not hesitate to contact me in case you have any questions.

Kind regards,
[4.1(b)]

On behalf of H.C. Starck

[4.1(b)]
Account Director

FleishmanHillard | 35 Square de Meeûs | 1000 Brussels | Belgium
O +32 2234 6895 | M +32 487 593 192 | F +32 2230 5706
E

EU Transparency Register No: 56047191389-84

    | fleishmanhillard.com

The power of true

Benelux Consultancy of the Year, 2013 | The Holmes Report
EU Consultancy of the Year, 2012 | The European Public Affairs Awards
Global Public Affairs Consultancy of the Year, 2012 | The Holmes Report

February 2014



H.C. Starck Position on draft Report on promoting development through responsible business practices, including the role of extractive industries in developing countries

Rapporteur: Judith Sargentini MEP

General

- H.S. Starck supports the main conclusions of the draft report, in particular:
 - EU rules on conflict minerals should absolutely be compatible with Dodd-Frank as well as with the OECD and EICC guidelines. If this is not the case, the compliance processes will generate significant additional administrative efforts and cost that leads to a competitive disadvantage.
 - The desire for the EU to spearhead the creation of global standards for 'responsible supply chains'. In this context it is worth reflecting on the merit of a uniform, global regulation for each of the 3TG metals. This would have the advantage to address the fragmentation we see in today's market – as well as the competitive disadvantage the Western industries have as compared eg. to Asian competitors.
 - The call for setting up stronger 'capabilities on the ground' in the countries where 3TG are being sourced in order to improve traceability. From an H.C. Starck experience, it is important the EU addresses what we perceive as probably the weakest element of the supply chain: local capacity to guarantee conflict-free minerals.
 - 'Capabilities on the ground' means skills, capabilities, training & guidance, infrastructure, processes and resources on site (in the countries of raw material origin) that are necessary to ensure conflict-free raw materials.
 - In line with repeated statements by Commissioner De Gucht, it is crucial that the EU embeds its approach to conflict minerals into broader foreign policy considerations – notably by strengthening the existing civil society and rule of law in conflict regions such as the Great Lakes Region.
 - In our experience in-region initiatives, like Solutions for Hope or iTSCI are effective ways to promote conflict-free sourcing of minerals.

On specific points of the draft Report

- *Creating a legally binding obligation for 'all natural resources [...] produced in any conflict-affected or high-risk area'.* We believe there is no one-size fits all approach to natural resources. Markets and supply-chains are too different to treat all metals equally.
- *Rules should 'be founded on a risk-based approach, requiring companies to assess actual and potential adverse impacts arising from their operations, and to mitigate the identified risks'.* It would be useful to clarify what is meant by such a risk-based approach and how it would be implemented in practice.
- *Introduce a sanctions mechanism.* A sanctions mechanism would only be useful if the EU pushed for an international regime which would also cover key countries such as China and Russia. Otherwise, the EU penalizes its industry with burdens others don't necessarily comply with which increases the competitive advantage of industries in third countries.

About H.C. Starck

- H.C. Starck GmbH is a German company with several production sites all over the world and its headquarters in Germany, employing about 3.000 people. H.C. Starck is a chemicals sector company that beneficiates ore concentrates and secondary raw materials into intermediate products ready for conversion into high tech components (www.hcstarck.com).
- H.C. Starck GmbH is a German company which is a leading international manufacturer of high-tech powders and components made of technology metals and advanced ceramics as well as thermal spray powders. Our products are used in many growth industries such as electronics, medical, energy, automotive, aviation and engineering.
- H.C. Starck employs more than 1900 people in Europe, and 1000 more in the U.S. and Asia.
- H.C. Starck sources only raw materials that are conflict-free and that meet the requirements of the OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The company has developed both internal processes and participates in external, third-party programs to ensure conflict-free sourcing.
- H.C. Starck has been audited and approved by the EICC being a conflict-free tantalum smelter the third year running in April 2013. By mid-2014, H.C. Starck aims to be also certified as a conflict-free smelter for Tungsten.

* * * * *

56

From: [4.1(b)]
Sent: 19 February 2014 16:10
To: [4.1(b)]
Cc: [4.1(b)]
Subject: conflict free minerals compliance statement
Attachments: 2014-02-05 ES COUR 002 BMA Conflict Minerals Compliance Statement.pdf

Hi,

Receiving more and more of this kind of conflict minerals compliance statement from large European corporations, this time from Erasteel, member of Eramet Group, one of the largest French corporations, clearly asking for a confirmation that these minerals or metals do not originate from DRC or adjoining countries, which is a clear misunderstanding of the section 1502 of the Dodd Franks Act.

This situation is quite worrying as we have no means to stop this tide.

Again asking for your help.

Best regards

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[4.7(b)]

Paris, 05 February 2014

N / réf. - O / réf. 2014-02-05
COUR 002/BMA

Subject: Conflict Minerals Compliance Statement

Dear Suppliers,

Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires due diligence and disclosure requirements on companies that manufacture products containing certain minerals designated as "Conflict Minerals" - cassiterite, columbite-tantalite, gold, wolframite, and their derivatives tin, tantalum and tungsten - sourced from certain Central Africa countries, such as Democratic Republic of Congo or surrounding countries.

These requirements are based on concerns that revenues obtained from the commercialization of these minerals may finance the ongoing conflict in the Democratic Republic of Congo.

To ensure compliance with these requirements our company requires that each supplier in its supply chain provides information regarding the conflict minerals that are or may be contained in the products purchased by our company.

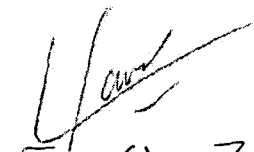
Although this is a US law, it impacts our company that belong to the ERAMET Group, regardless of where our suppliers might be located.


To enable the required transparency of this subject we hereby kindly ask you to fill out the survey questions attached. **Responses are required within 2 weeks from the receipt of this letter.**

If you cannot ascertain the answers to the survey questions, please escalate the questions internally to the appropriate individual or department so as to provide us with the necessary information. You may need to contact your own suppliers to be able to answer the necessary questions.

We expect a full cooperation from your company on this matter.

Best regards.


[4.7(b)]
VP Purchasing


[4.7(b)]
VP Quality

ERASTEEL SAS

TOUR MAINE-MONTPARNASSE 33, AVENUE DU MAINE F-75755 PARIS CEDEX 15 Tél. : (33) 01 45 38 63 00 Fax : (33) 01 45 38 63 30
ERASTEEL SAS AU CAPITAL DE 15 245 000 € R.C.S B 352 849 137 - 00018 APE 4672Z

Groupe
ERAMET

Subject: Conflict Minerals Compliance Statement

The United States Security and Exchange Commission recently issued its final rules requiring corporations to report the use of "Conflict Minerals" in the manufacture of their products. The current law, generally referred to as the "Conflict Minerals Law", was included as Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

"Conflict Minerals" in this context refers to specific minerals originating from mines controlled by armed groups in the Democratic Republic of Congo or adjoining countries. The specific metals in question are:

Tin (Sn)	Metallic Tin or Cassiterite
Tantalum (Ta)	Metallic Tantalum, Tantalum Pentoxide
Tungsten (W)	Metallic Tungsten or Wolframite
Columbite Tantalite	(COLTAN)
Gold (Au)	

_____ **(Company Name)** is in full compliance with this legislation.
_____ **(Company Name)** has conducted a country of origin inquiry of its suppliers and determined that the minerals utilized by _____ **(Company Name)** that are necessary to the functionality or production of _____ **(Company Name)**'s products do not originate from these restricted countries.

Should you have additional questions, please contact your _____ **(Company Name)** sales support team.

Signature

Name: _____

Title: _____

Company Name: _____

56^a

From: [4.1(b)]
Sent: mardi 25 mars 2014 11:51
To: [4.1(b)]
Cc: [4.1(b)]
Subject: Thank you
Attachments: Safran compliance process DFA.pptx; SAFRAN_Leaflet_2013.pdf; ATT00001.txt; ATT00002.htm

Dear [4.1(b)]
Dear [4.1(b)]

Thank you for the opportunity to speak with you last Friday. As we told you, Safran welcomes the European Commission proposal for a regulation on responsible sourcing of minerals and the additional explanations you provided on the proposal and on the legislative procedure are very useful.

Please find enclosed the presentation on the compliance process we set up to respond to the Dodd-Frank Act and the *Leaflet Safran 2013* which provide information on our Company.

Thank you again for your valuable input and please do not hesitate to contact us if you have any question 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



CONFLICT MINERALS

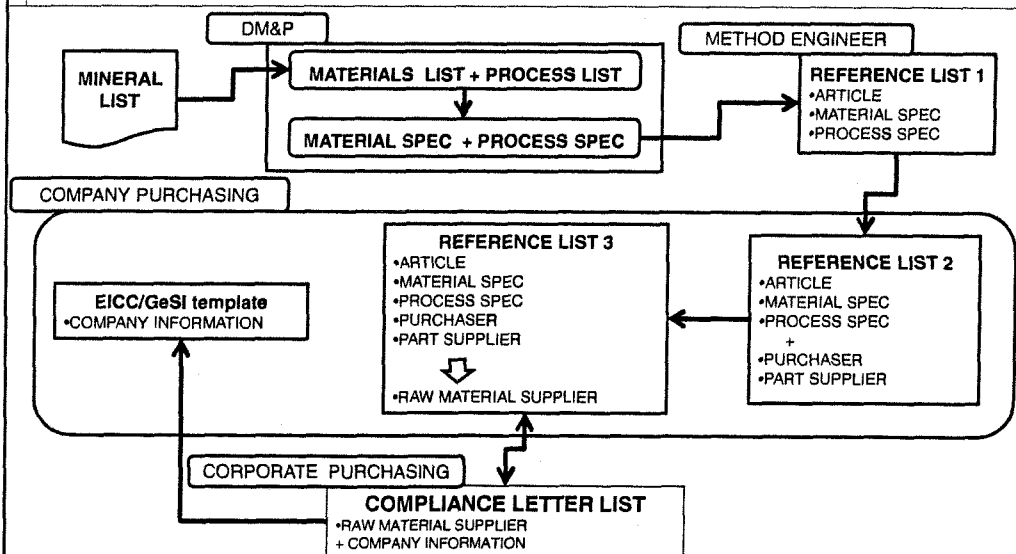
How Safran respond to the
Dodd–Frank Act Section 1502
and the SEC's final rule ?

01 / le 12/03/2014 / CORPORATE PURCHASING DIRECTION / LEVY J.J. SAFRAN CONFIDENTIAL

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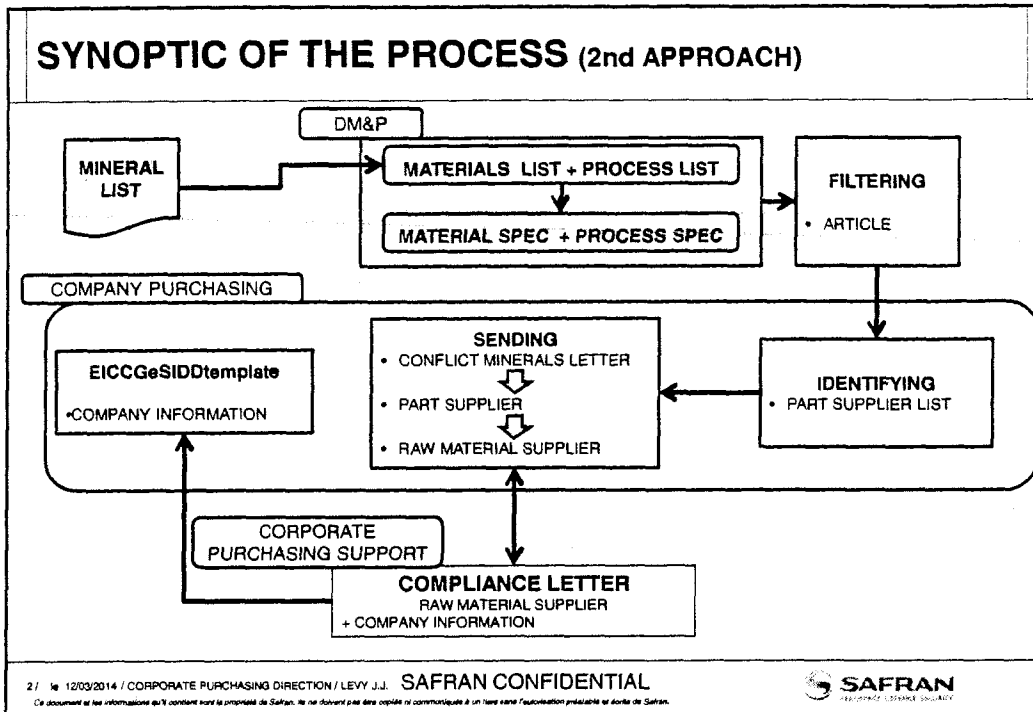
SYNOPTIC OF THE PROCESS (1st APPROACH)



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MATERIAL LIST MATERIAL LIST-CONFLICT MINERALS.XLSX

Metallic Materials


TYPE	ALLOYS	USUAL DESIGNATION	Ta (%)	Sn (%)	W (%)	Au (%)
STEELS	X17CrWNi13	AISI			X	
	X210CrW12				X	
	X230CoMoVWCr11				X	
	X35NiCrW15				X	
	X10CrNiW17				X	
	Z5CNUNb15.06	Custom 450	> 8°C			
	Z180C13	Sancy			0,35/0,6	
	Z25CNWS20-09	X20T			2,0/3,0	
	Z20CNWZ2	X20T			2,5/3,5	
	Z25CNWS22				2,5/4,0	
Z85WCDV6-6-5-2				6		
COBALT BASE	KC20WN	HS 25			14/16	
	KC25NW	HS 31			7,0/8,0	
	KC22NW	Ha 188			13/16	
NICKEL BASE FORGED	K24NWTa	MARM 509	3,0/4,0		6,5/7,5	
	NC18TDA	Udmet 710			1,25/1,75	
	NC18K15TDA	Udmet 720			1/1,5	
	NC18K10DAW	AD 730			1,0/4,0	
		René84			?	
	NC15	Hastelloy S			<1	
	NC22FeD	Hastelloy X			0,2/1,0	
	NC22W14	Ha 230			13/15	

JUST FOR INFORMATION

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 **SAFRAN**
ASSURANCE GÉNÉRAL D'AVIATION

NETWORK

COMPANY	METHOD ENGINEER	Phone number	PURCHASING ENTRY POINT	Phone number	RAW MATERIAL PURCHASER + DMSAP	
SAFRAN + NETWORK					Jean-Jacques Levy	Safran
					Antoine Cayrol	Safran
					Stéphane Brun	Snecma
					Laurent Sarraz	Snecma
					Romain Simonneau	Snecma
					Jean-Claude Begue	Microturbo
					Lancot Tual	Safran
					Caverio Margot	Safran DMSAP
Snecma	Valérie Cossegal	+33 1 69 59 32 40	Michel Renaud	+33 1 69 87 96 48		
MBD	Philippe Turgis Fabien Pestre	+33 1 46 29 62 64 +33 06 59 90 6197	Alan Dulis	01 46 20 75 07		
L3Sual	James Gray	+1 (800) 272 4064				
Hispano Suiza	Balistic Guerin	+33 1 45 30 64 76	Oliver Lecier	+33 1 69 66 48 74		
Morphy	Antoine Aréne	+33 (0) 2 35 84 54 28	Régis Martin	+33 (0) 2 36 84 79 66		
electron	Manus bohle	+41 71 726 73 35	Manus bohle	+41 71 726 79 35		
turbomeca	Clémence Faurie	+33 (0) 59 12 56 10	Oliver Jury	+33 (0) 59 12 59 58		
REOSC	Diego Hernandez	+33 1 69 09 76 68	Fredéric Da Silva	+33 1 69 89 72 46		
Sagem	Jean-Michel Gratton	+33 01 66 11 19 01	Jean-Claude Dubray	+33 4 70 08 37 97		
Techspace	Laurent Schuster	+32 (0) 42705164	Jean-Loic Anfon	+32 (0) 42709309		
Auracor	Fredéric Fosse	+33 (0) 2 36 11 40 38	Magali Roquetaux	+33 (0) 2 35 58 48 64		
Microturbo	Frédéric Deluche	+33 5 61 37 65 29	Jean-Claude Bégue	+33 (0) 5 61 37 56 30		
SLCA	Fredéric Fosse	+33 (0) 2 35 11 40 38	Magali Roquetaux	+33 (0) 2 35 58 48 64		
SOPRANCE	Stéphane Payen	+33 0 59 08 50 36	Guy Benjamin	+33 (0) 5 59 58 50 74		
TECHNOFAN	Jean-Yves Gieschel	+33 5 61 30 02 41	Thierry Castan	+33 5 61 30 32 38		
CENCO INC						
Safran Power	Lisa Grayson SPITILER Alex	+1 (300) 467 2541	Paul Broadhead Andrew Parker	+44 (0) 1296 563109		
HERAKLES			Sophie Bort	+33055204085		

8 persons involved on a group level

8 persons involved on a group level

**At least, 38 persons
directly involved.**

35 persons involved in Safran affiliates companies

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**REFERENCE LIST** LIST FOR EXCHANGE - CONFLICT MINERALS.XLS

TBF by Method Engineer							TBF by Company Purchasing representative				CP + RMLB
company	customer	program	part number	designation	Part material / grade	material spec	part producer / supplier	raw material producer	mineral (s)	special process deposit (mineral)	mineral origin (conflict zone)
rmbd	boeing	b737	123456789	landing gear	ti 6-2-4-2	nct	wy/mc		tantalum	tungsten	no
							</				

JUST FOR INFORMATION

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1/2

RAW MATERIAL PROVIDERS LIST - CONFLICT MINERALS.XLSX

Supplier	Declaration Score	Representative name	Representative Email	Date of completion	Letter received	ECR form received	Purchaser in charge
IMET		Henry S. Seher		29/12/21	OK		J.C. DEGAUJA DAGNET SARAO
VIMPO	A	Catherine Peiller	c.peiller@vimpo.de	21/05/19	OK	OK	A. DAGNET / SARAO
ATI Atyac	D	Tim Wiggins	tim.wiggins@atymetals.com	24/08/18	OK	OK	L. SARAO
ALBERT & DUVAL		Bruno Mathonnet	bruno.mathonnet@albert-duval.com	13/02/12	OK		J.C. REGUE
CORUS TATA STEEL		K.M.L. Genetse			OK		J.C. REGUE
COPPER ALLOYS		Ben Turner	ben.turner@copperalloys.com		OK		J.C. REGUE
CANNON MURKOWSON		Kurt J. P. Jans			OK		E. JIRONOV
UGITECH					OK		J.C. REGUE
GLORIA	A	Jing Lin		05/03/16	OK	OK	J.C. REGUE
HAYNES							E. JIRONOV
THYSSER VON							E. JIRONOV
WINCHESTER ELECTRONICS CORP.	D	Robert Walicki	R.Walicki@winchesterelectronics.com	01/11/19	OK	OK	J. GRAY
PSD							E. JIRONOV
BOHLER		Michael Rospaer	michael.rospaer@bohler.com	31/01/16	OK		E. JIRONOV
TIW METALS							E. JIRONOV
CONSTITILUM	A	Christian Kerschel	christian.kerschel@constilum.com	14/03/16	OK	OK	A. DAGNET
SUMITOMO	C	Hiromasa Suzuki	hiromasa.suzuki@sumitomo-ipc.com	04/05/16	OK	OK	A. DAGNET

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COMPLIANCE LETTERS

2/2



Er ist in Führung überholt

December 26, 2012



Conflict Minerals Reporting Template

Subject Conflict Minimization Consideration Statement

Dear Valued Customer:

The United States Security and Exchange Commission recently issued its final rules requiring corporations to report the use of "Conflict Minerals" in the manufacture of their products. The current law, generally referred to as the "Conflict Minerals Law", was included in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

"Conflict Minerals" in this context refers to specific minerals originating from mines controlled by armed groups in the Democratic Republic of the Congo or adjoining countries. The specific metals in question are:

Tin (Sn)	Metall Tin or Cassiterite
Tantalum (Ta)	Metall Tantalum, Tantalum Pentoxide
Tungsten (W)	Metall Tungsten or Wolframite
Columbium Tantalum	(COLTAN)
Gold (Au)	

THAET is in full compliance with this legislation. THAET has conducted a country of origin inquiry of its suppliers and determined that the materials minerals utilized by THAET that are necessary to the functionality of production of THAET's products do not originate from these restricted countries.

Should you have additional questions, please contact your TIAA sales support team.

Henry J. Corner
Vice President, Planning and Materials
Titanium Metals Corporation

[illegible]

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MONITORING PROCESS															
Step 1 DM&P Materials & Process list	Step 2 Method Engineer REF LIST 1 ARTICLE			Step 3 Company Purchasing REF LIST 2 PART SUPPLIER			Step 4 Company Purchasing REF LIST 3 RAW MATERIAL SUPPLIER			Step 5 Corporate Purchasing COMPLIANCE LETTER LIST			Step 6 Company Purchasing EICCGESIDD COMPANY INFO		
	STEP 2			STEP 3			STEP 4			STEP 5			STEP 6		
Snecma															
MBD															
Labinal															
HS															
Morpho															
Vectronix															
Turbomeca															
REOSC															
Sagem															
Techspace															
Aircelle															
Microturbo															
SLCA															
Sofrance															
Technofan															
Cenco Inc															
Safran Power															
Herakles															
	ME designé	Spec définie	List 1 dispo	PEP designé	En cours	dispo	0	50%	100%	0	50%	100%	0	50%	100%

JUST FOR INFORMATION

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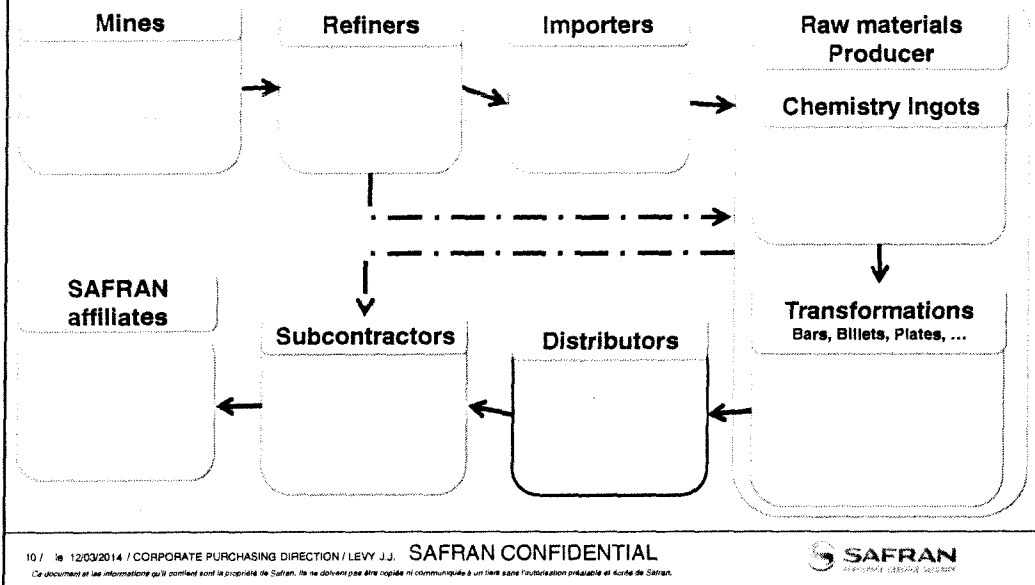
 **SAFRAN**
AIRCRAFT ENGINE SECURITY

APPENDIX

SAFRAN

Metallic Raw Material Supply Chain

SAFRAN Metallic Raw Material - Supply Chain

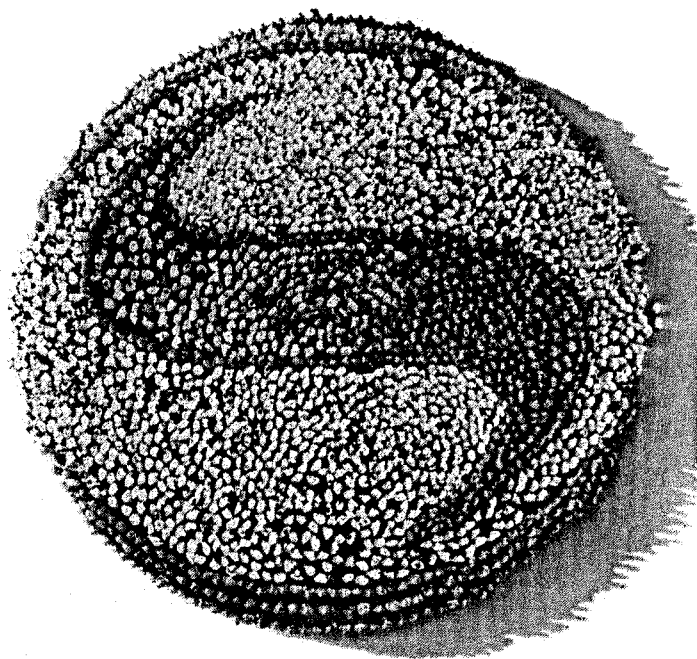


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SAFRAN IN 2013



Human logo formed
by 3,000 engineers and managers
at Safran Discovery Day
on June 6, 2012 in Paris, France.

AEROSPACE



N°1 worldwide

- Jet engines for commercial airplanes (with over 100 seats, in partnership with GE)
- Helicopter turbine engines
- Landing gear
- Wheels and carbon brakes (commercial jets with over 100 seats)
- Aircraft electrical interconnection systems
- Power transmissions (commercial jets with over 100 seats)

N°2 worldwide

- Cryogenic and solid rocket propulsion

N°4 worldwide

- Military aircraft engines

SAFRAN IS A LEADING INTERNATIONAL HIGH-TECHNOLOGY GROUP

and Tier-1 supplier of systems and equipment for aerospace, defense and security. Operating worldwide, Safran has 62,500 employees and generated sales of 13.6 billion euros in 2012. Through its global presence Safran not only enhances its competitiveness, but also builds industrial and commercial relations with the world's leading prime contractors and operators, while providing local services to customers around the world. Working alone or in partnership, Safran holds world or European leadership positions in its core markets.

DEFENSE



N°1 worldwide

- Helicopter flight control systems
- FADEC engine control units (commercial aircraft, in partnership with BAE Systems)

N°1 in Europe

- Optronic systems
- Tactical drones
- Inertial navigation systems

SECURITY



N°1 worldwide

- Biometric ID documents
- Automated fingerprint identification systems (AFIS), plus biometric facial and iris recognition systems

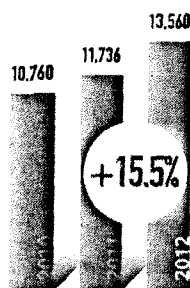
N°1 worldwide

- Explosive detection for checked luggage
- Multibiometric technology

N°4 worldwide

- Smart cards

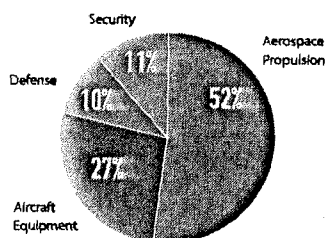
2012 BENCHMARKS



SALES

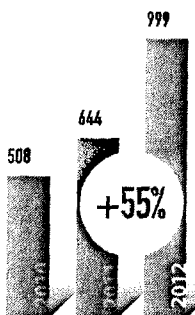
(adjusted data, millions of euros)

The rise in sales reflected the performance of the aviation businesses (original equipment and commercial engine support), the resilience of our defense business (avionics) and dynamic growth in the security market (biometric identification, e-documents).



SALES BY BUSINESS

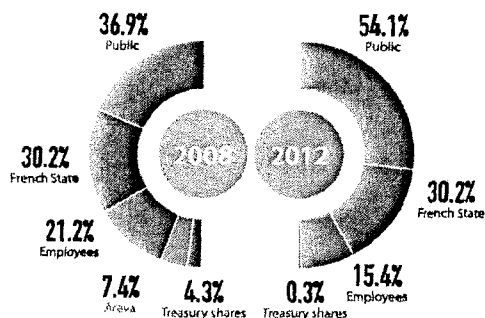
Aerospace sales recorded double-digit growth, with propulsion rising 14.6% and aircraft equipment 19.2%. The Group's avionics (defense) business grew, and sales by the security business jumped nearly 24%.



NET INCOME - GROUP SHARE

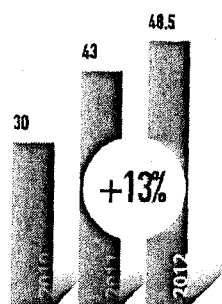
(adjusted data, millions of euros)

The Group share of adjusted net income jumped 55% in 2012 compared with 2011, reaching 999 million euros, or 2.41 euros per share, compared with 644 million euros and 1.59 euros per share in 2011.



CAPITAL SHAREHOLDING STRUCTURE at December 31

The increase in its float (publicly-held shares) strengthened the liquidity of the Safran share. The significant number of employee shareholders, which boosts employee motivation and loyalty, is also a factor in underpinning stability.



RECORD ORDER BOOK

(billions of euros)

Safran booked 18.1 billion euros worth of orders in 2012, increasing the order book by 5.5 billion euros to a total of 48.5 billion euros at the end of the year. This figure is equal to about four years of production at current rates.



13.6
BILLION EUROS
IN SALES IN 2012

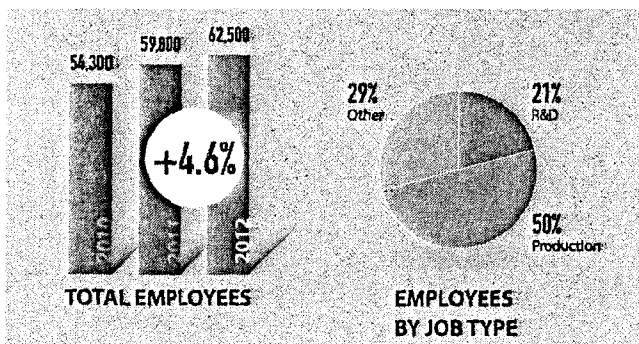
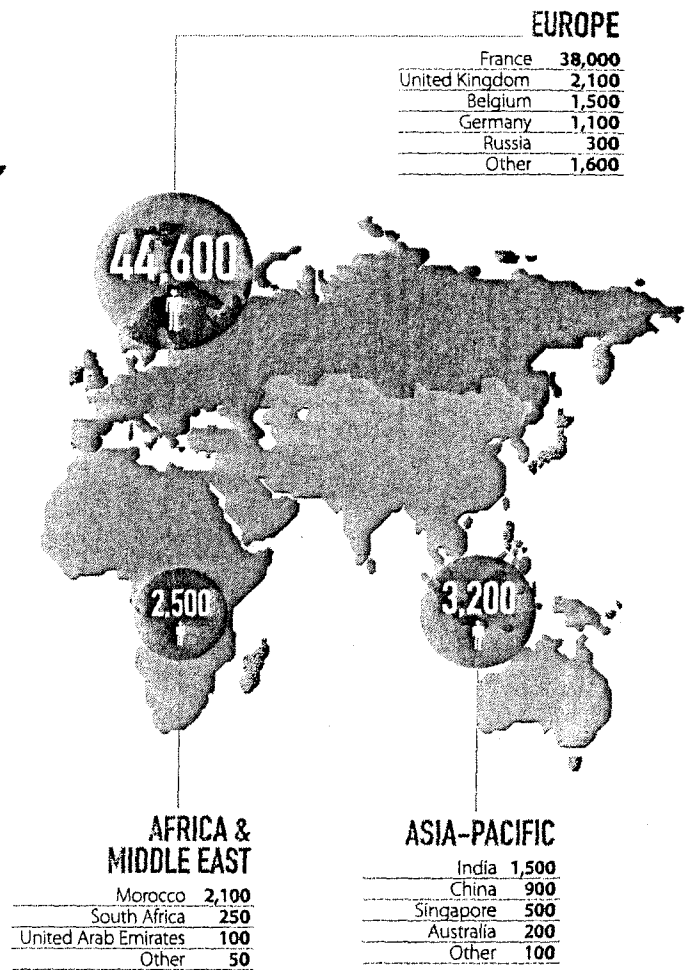
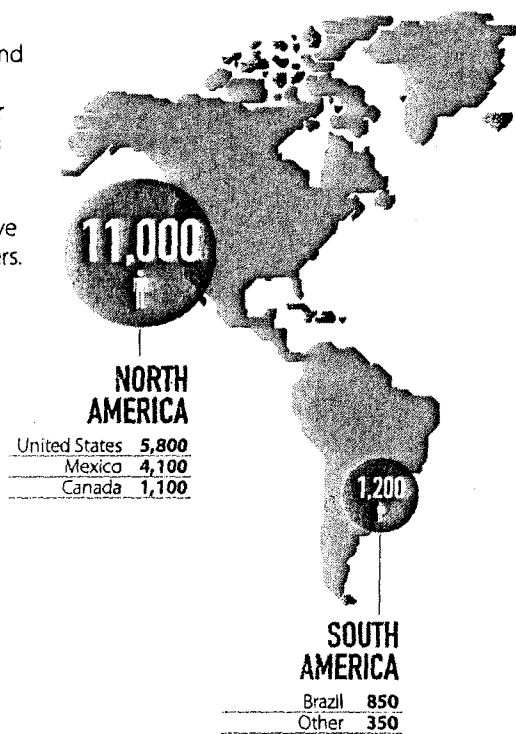


2nd
IN THE CAC 40 FOR
SIZE OF EMPLOYEE
SHAREHOLDING

2012 BENCHMARKS

62,500 EMPLOYEES WORLDWIDE

Our core markets – aerospace, defense and security – are global. With operations in over 50 countries, Safran is a truly global enterprise, with local entities guaranteeing responsive support for all customers.



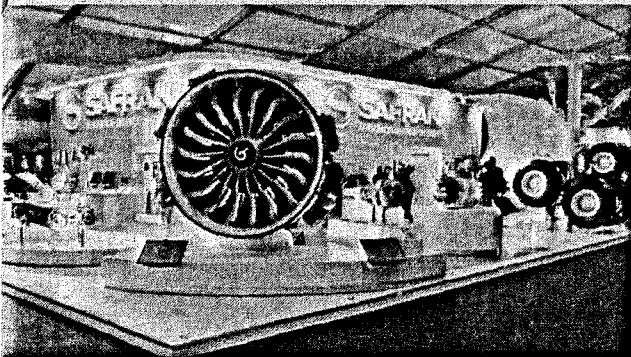
AEROSPACE

A WORLD LEADER IN AEROSPACE PROPULSION

Safran covers the entire life cycle of engines powering civil and military fixed and rotary-wing aircraft, from design, development and testing, to production, sales and support. We are also a world leader in space propulsion, as prime contractor for the cryogenic propulsion systems on the Ariane 5 launch vehicle, and supplier of other systems and equipment for launchers and spacecraft.

LEAP Tomorrow's aero-engine

The new LEAP engine will power the next generation of single-aisle commercial jets, the Airbus A320neo, Boeing 737 MAX and Comac C919. Incorporating a number of innovations, this engine offers a significant improvement in economic and environmental performance compared to current engines. Its proven architecture will deliver operational reliability and reduced maintenance costs for all operators.



CIVIL AND MILITARY AIRCRAFT ENGINES

- **Single-aisle commercial jets:** With the CFM56, Safran and its partner GE hold world leadership in the market for engines powering mainline commercial jets with over 100 seats. Its successor, LEAP, has already been chosen for the Airbus A320neo, Boeing 737 MAX and Comac C919.

- **Regional and business aircraft:** Safran is developing the Silvercrest, a new-generation jet engine for large, long-range business aircraft. Along with NPO Saturn, Safran is also prime contractor for the SaM146, which powers the Sukhoi Superjet 100 regional jet.

- **Military aircraft:** Safran produces the TP400 turboprop engine (Airbus A400M transport), as well as the jet fighter engines M88 (Rafale) and M53 (Mirage 2000), and the Larzac and Adour engines for training aircraft.

- Safran offers a complete range of maintenance, repair and overhaul (MRO) services for these engines.

HELICOPTER TURBINE ENGINES

- **Light/medium helicopters:** Safran offers two families of engines for this helicopter class, Arrius and Arriel, powering a number of civil and military helicopters made by Eurocopter, Sikorsky, AgustaWestland, Kamov and AVIC. The Group is developing the Arrano engine for Eurocopter's new X4 helicopter.

- **Medium helicopters:** Safran provides the engines for the Eurocopter Tiger and the HAL (Hindustan Aeronautics Ltd.) Dhruv, and is developing the Ardiden 3 for new-generation helicopters.

- **Heavy helicopters:** Working alone or in partnership, Safran makes the Makila and RTM322 turboshaft engines powering heavy helicopters by Eurocopter (EC225/725, Super Puma), NH Industries (NH90), AgustaWestland (AW101) and Boeing (WAH-64).

- Safran provides comprehensive local support services for all operators.

SPACE

- **Launchers:** Safran produces the Vulcain*2 and HM7B cryogenic engines for the main and upper stages, respectively, on the Ariane 5 launcher, along with the solid rocket boosters (with Avio). We are also developing the new Vinci* upper-stage engine for the Ariane 5 ME and Ariane 6 launchers. Along with Avio, Safran is prime contractor for the P80 solid rocket motor on the first stage of the new Vega light launcher, and the Group also provides a number of systems and equipment on the second and third stages.

- **Satellites:** Safran produces Hall effect plasma thrusters for satellites (such as the PPS*1350 for Alphasat), as well as plasma propulsion systems, and is developing a range of thrusters with power ratings from 300 W to 20 kW. Safran also makes liquid rocket propellants (MMH) and high-precision sensors for satellites.

AEROSPACE

A MAJOR PLAYER IN AIRCRAFT EQUIPMENT

Safran is a major supplier of systems and equipment for both civil and military fixed and rotary-wing aircraft. Our products are used on most types of aircraft, not only in service, but also under development, including business and regional aircraft, single-aisle and twin-aisle commercial jets. We are structured to provide integrated packages – such as propulsion systems including the nacelle, or complete landing systems – to both aircraft manufacturers and operators.

egts Economical, ecological taxiing

The electric green taxiing system (egts) developed by Safran and Honeywell allows airplanes to move on the ground autonomously, without using their jet engines, thanks to electric motors in the wheels on the main landing gear. Safran is working closely with airlines on the development and testing of this system, with EasyJet and TUIfly already contributing to this project. The system will be introduced on new single-aisle jets in 2016, then made available for retrofit on aircraft already in service.



LANDING AND BRAKING SYSTEMS

• **Landing gear:** Safran designs, produces and supports landing gear for civil and military fixed and rotary-wing aircraft of all sizes. These systems are used on a number of aircraft, including the Airbus A320, A350 XWB, A380 and A400M, the Boeing 787 Dreamliner, Rafale, Eurofighter Typhoon, F-18, etc. The Group also designs integrated landing systems, including the landing gear, gear extension and retraction system, wheels and brakes and other equipment.

• **Wheels and brakes:** Safran designs, produces and supports wheels and carbon brakes, in particular for the Airbus A320 and A350 XWB, Boeing 737 Next-Generation, 767, 777 and 787.

ENGINE SYSTEMS AND EQUIPMENT

• **Nacelles and thrust reversers:** Safran provides these items for mainline, regional and business aircraft. We are the sole nacelle systems integrator for the engines on the Airbus A380. Working alone or in partnership with GE, the Group is developing nacelles for the LEAP engines powering the Airbus A320neo and Comac C919, and for the Silvercrest and GE Passport business jet engines.

• **Power transmissions:** Safran designs, produces and supports mechanical power transmissions for engines on civil and military fixed and rotary-wing aircraft, including the Airbus A320, A330/A340, A350 XWB and A400M, the Boeing 737 and 777, Rafale, Eurocopter EC175, Gulfstream G650, etc.

ELECTRICAL SYSTEMS AND ENGINEERING

• **Electrical interconnection systems:** Safran designs, produces and supports the installation of electrical wiring harnesses and cabinets, especially for Airbus and Boeing aircraft.

• **Power electronics and electrical distribution systems:** Safran applies all technologies needed for electrical power generation and distribution. It will supply the electrical distribution systems on the new Embraer KC-390 transport, and handle complete integration of the electrical system.

• **Engineering:** Major players in the aerospace and land transport sectors call on Safran's expertise in electrical systems, aerostructures, mechanical systems and safety-critical software.

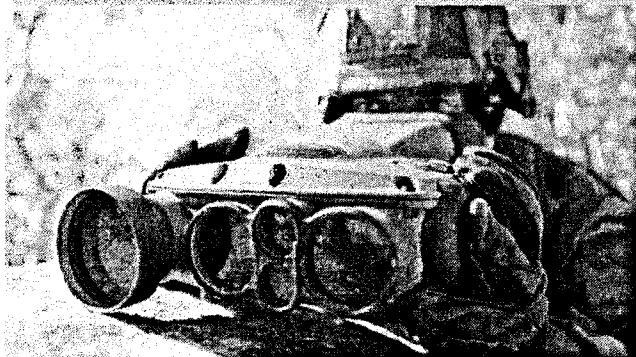
DEFENSE

THE EUROPEAN LEADER IN OPTRONIC SYSTEMS

Safran offers a complete range of systems and equipment in the key sectors of optronics, avionics, navigation, electronics and safety-critical software, not only for defense, but also for advanced civil applications. We design products for a wide range of missions, including homeland security, police, customs, and sea or mountain search & rescue. Our solutions enhance the capabilities of armies, navies and air forces in many countries.

FELIN Soldier modernization program

FELIN is an integrated equipment suite intended for soldier modernization programs. Developed and built by Safran as prime contractor, FELIN offers significant improvements in terms of self-protection, observation, communications, mobility and support for warfighters. The program was launched in 2004, and FELIN systems are now progressively being deployed by French army regiments.



OPTRONICS

- **Soldier modernization:** Safran is prime contractor for the FELIN integrated equipment suite, designed to enhance observation, communications, mobility and support functions for infantry soldiers.
- **Optronics and sights:** Safran produces portable observation systems and equipment, and is developing solutions for land vehicles, aircraft and submarines.
- **Drones:** Safran produces the Sperwer tactical drone system, is developing the Patroller™ system, and applies all enabling technologies for these unmanned aerial systems.
- **High-performance optics:** Safran is the world leader in high-performance optics for space, supplying systems and equipment for the Helios, Meteosat and Spot programs, as well as a number of scientific satellites.

AVIONICS

- **Navigation and sensors:** Safran offers a wide range of inertial and hybrid navigation systems for submarines, surface vessels, ground combat vehicles, aircraft, missiles and satellites.
- **Seekers and guidance:** Safran provides the seekers for the Mistral and MICA IR missiles, and is developing the seeker and sight for the upcoming MMP medium-range missile, under prime contractor MBDA. The Group is prime contractor for the AASM Hammer air-to-ground guided weapon, already in service on the Rafale fighter.
- **Flight control systems:** The world leader in flight control systems for helicopters, Safran is developing some of the systems for Eurocopter's new-generation X4 helicopter.
- The Group also provides a wide range of innovative services for airlines under the Cassiopée label.

ELECTRONICS AND SAFETY-CRITICAL SOFTWARE

- **Onboard electronics:** Safran supplies and supports computers and pc boards used to control critical aircraft functions: flight data recording, engine control (FADEC), flight controls, information systems, landing and braking systems, etc. These products have been chosen for many of today's leading aircraft, including the Airbus A380 and A400M, Boeing 787, Rafale fighter, NH90 and Caracal helicopters, etc.
- **Safety-critical software:** Safran develops sophisticated safety-critical software, an integral part of the onboard systems made by the Group.

SECURITY

THE WORLD LEADER IN BIOMETRIC IDENTIFICATION

Safran develops solutions that ensure the security of people, goods, businesses and countries, while guaranteeing safe transportation and transactions. In particular, we apply all technologies needed for airport security, including explosive detection, biometric identification, secure travel documents, border control, and more.

AADHAAR Biometrics to benefit all citizens

Safran plays a key role in the world's largest biometric identification program, Aadhaar, which aims to assign a unique ID number to each resident of India. Our products and technologies are widely used in this program, especially biometric data acquisition terminals, enrollment services and processing software.



IDENTIFICATION

- **Large-scale ID systems:** Safran offers biometric ID enrollment and registration solutions, and is participating in the world's largest program of this type, Aadhaar, in India.
- **Border control and ID checks:** Safran designs systems and equipment enabling the biometric identification of preregistered passengers, and also provides police and government authorities worldwide with automated fingerprint identification systems (AFIS).
- **Other applications:** Safran's identification technologies are also used in road safety systems and secure gaming terminals (lotteries and betting).

E-DOCUMENTS

- **SIM cards:** Safran supplies SIM cards to the world's leading mobile phone operators, calling on a global supply chain to deliver hundreds of millions of cards every year.
- **Bank cards:** Safran works with leading banks in Europe, Latin America and Asia.
- **Secure ID documents:** Safran produces highly secure personalized ID documents, including ID cards, passports and visas, driver's licenses, voter cards, healthcare cards, employee ID cards, etc.

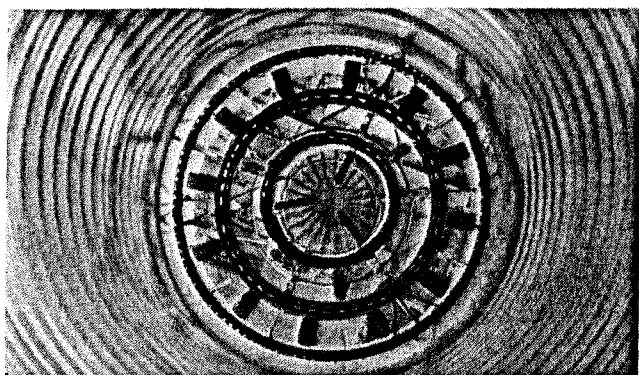
DETECTION

- **Explosive detection:** Safran applies both computed tomography and X-ray diffraction technologies, vital to systems capable of automatically detecting explosives and dangerous or illicit substances. Nearly 2,000 of the Group's explosive detection systems are in service worldwide, especially at airports.
- **Trace detection:** Systems by Safran detect and identify traces of explosives or illicit substances, using ion mobility spectrometry. These systems, fixed, mobile or portable, are deployed in many different security applications, including border control, protection of high-value sites and during major events.

INNOVATION & INDUSTRIAL EXCELLENCE

INVESTING TODAY TO MEET TOMORROW'S CHALLENGES

Safran focuses on innovation and competitiveness, and we work closely with suppliers and partners to develop unified solutions that address today's pressing economic, societal and environmental challenges.



An ambitious R&D policy

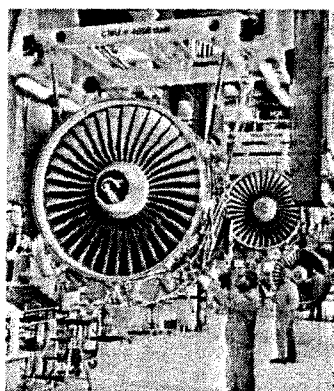
Safran's success is built on a strategy of continuous innovation, anchored in Research & Development investments equal to about 12% of total sales, plus targeted acquisitions, especially technology start-ups. We also form partnerships with laboratories and research organizations from around the world, and maintain long-term relations with a number of engineering schools and universities. This razor-sharp focus on innovation is at the heart of Safran's corporate identity. Our business successes have always been the result of technological developments that kicked off decades earlier. Safran files hundreds of patents every year. We ranked third among French companies in terms of the number of patents published in 2012 (according to the ranking published in April 2013 by INPI), and Snecma (Safran) is ranked among the 2012 "Top 100 Global Innovators" by Thomson Reuters.

Extensive capital expenditures

Safran invests heavily in industrial facilities around the world to keep pace with rising production rates, support our strategy of establishing a distinctive difference through innovation, and move closer to our customers. We remain profoundly attached to our home territory, where two-thirds of our people work. We continue to develop strategic research and production capabilities in France, and build new facilities meeting today's most demanding industrial and environmental standards.

A structured approach to continuous improvement

Over the last few years, Safran has deployed a modernization initiative to improve our competitiveness and industrial performance, covering all Group companies, businesses and functions. We have set up improvement projects to enhance performance across the entire design and production cycle, based on cost-effective industrial and technological excellence, while meeting customer expectations in terms of performance, functionality, quality and lead-times. Safran deploys Lean-Sigma methodologies in all areas, including support functions, to optimize our processes by using proven tools to make them more reliable and predictable. This approach generates higher productivity, lower overhead costs and improved service quality delivered to our customers. We also apply a participative innovation approach across the Group, enabling each and every employee to be recognized as a change agent based on their ideas and initiatives.



ABOUT **12%**
OF SALES
INVESTED IN R&D

OVER **750**
PATENTS FILED
IN 2012

TALENTS

TALENTS GUARANTEEING FUTURE SUCCESS

In our high-intensity technology sectors, the innovations we develop today – and the talented people behind these innovations – will guarantee our success in the future. Safran invests heavily to recruit the most talented people available, and makes sure they enjoy real career development opportunities. At Safran, developing people's full potential is one of our top priorities.



3,000 engineers and managers brought together at Safran Discovery Day on June 6, 2012.

ATTRACTING AND INTEGRATING TOP TALENTS

Safran recruits a wide variety of candidates, including recent graduates, seasoned engineers and managers, technicians and line workers. We also maintain strong relationships with engineering schools and universities offering post-graduate degrees in our fields, while investing heavily in training young people through work-study programs, apprenticeships and internships.

SAFRAN CORPORATE UNIVERSITY: A UNIFYING FORCE

Safran Corporate University helps promote a shared corporate culture and values, while directing training efforts towards priority objectives for skills development, with programs designed for all employees. Our university already has two international campuses, in Dallas and Beijing. The university also offers programs leading to vocational certificates and degrees.



The future Safran Corporate University campus in Massy, near Paris.



AFFIRMING OUR SOCIAL MODEL

Safran's employees have a clear stake in our performance, through an active policy of employee shareholding and continuously improved social benefits. They are stakeholders in our strategy, based on a constructive labor-management relationship and a dynamic process of participative innovation.

7,500
NEW HIRES
IN 2012

25%
WOMEN IN THE
WORKFORCE

TALENTS

SHARING STRONG VALUES

Our commitment to exemplary performance is an integral part of our corporate strategy, with an inclusive human resources policy based on respect, a culture dedicated to anticipating health, safety and environmental risks, and to philanthropy and sponsorship actions that reflect our values.



Encompassing a wealth of diversity

Safran is fully committed to equal opportunity and diversity in the workplace, both major factors driving performance and innovation. Our actions in this area are based on four primary objectives: promoting gender equality throughout the enterprise; employing seniors; hiring disabled persons and maintaining their employment; and social inclusion. Safran has signed agreements to support these goals, already deployed at most companies, and established partnerships with associations that actively promote these principles.



Protecting our employees' health and safety

Safran aims for excellence in occupational health and safety, plus environmental protection. In all of these areas, we deploy action plans that are continuously enhanced. Our major commitments focus on improving ergonomics, preventing occupational stress, and managing the use of chemical substances and our employees' exposure to these substances.

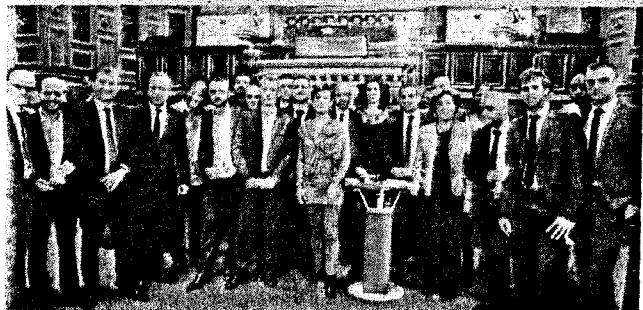
RECRUITMENT 2.0

Check out Safran on social networks     [viadeo](http://viadeo.com)

All of our job offers can be consulted at www.safran-talent.com

PHILANTHROPY Fostering social inclusion and equal opportunity

Safran applies its corporate philanthropy policy through two foundations, one to support social integration and the other for music. We also work directly with top-tier public and private partners to carry out other actions. Since 2005, Safran has supported nearly 400 different projects.



Safran supports the association *Talents des cités* ("Inner City Talents").

SPONSORSHIP A unifying project

Since 2005, Safran has sponsored an ocean racing yacht. From the outset, this project has been supported by the passion of our employees, who have contributed the Group's own technologies, processes and methods, achieving a breakthrough in the history of boat sponsorship.



The Safran Open 60 class ocean racer and skipper Marc Guillemot.

ENSURING SUSTAINABLE, RESPONSIBLE GROWTH

Safran's corporate social responsibility (CSR) policy is based on long-term commitments and values shared by all employees. To better meet our stakeholders' expectations, we have set up a dedicated CSR governance structure and formalized our CSR strategy around six objectives.

SAFRAN'S STRATEGIC CSR OBJECTIVES

- Develop innovative products and processes with minimal environmental impact.
- Always aim for excellence in ensuring the security and protection of people and goods.
- Develop people's potential.
- Foster the involvement of suppliers and partners in this initiative.
- Sustain a culture of integrity.
- Guarantee optimum communications with all stakeholders.

Safran's CSR approach is applied by all Group departments and concerns all stakeholders, including business partners (aircraft manufacturers, airlines, shareholders, etc.), internal stakeholders (employees, unions), civil society (neighbors, associations, NGOs, media), observers (financial analysts, ratings agencies, auditors) and public partners (federal and local governments, schools, laboratories).



SAFRAN COMPANIES

Aircelle

Complete nacelle systems for aircraft engines, associated support services, composite materials for aerostructures.

Herakles

Solid rocket motors for launchers and missiles, energetic materials, pyrotechnic equipment, thermostuctural and organic composite materials for the aerospace, defense, automotive and manufacturing industries.

Hispano-Suiza

Power transmissions for commercial and military airplane and helicopter engines.

Labinal Power Systems

Electrical systems for the aerospace market, covering all electrical onboard functions (power generation, distribution and conversion, wiring, load management, ventilation). Engineering solutions for the aerospace, automobile and rail industries.

Messier-Bugatti-Dowty

Aircraft landing and braking systems. Capabilities covering the entire product cycle, from design and production to maintenance, repair and overhaul (MRO).

Morpho

Multibiometric identification solutions (fingerprint, iris and facial recognition), identity management solutions. Smart cards, secure documents and transactions. Explosives and narcotics detection solutions.

Sagem*

Optronics, avionics and navigation systems and equipment, electronics and critical software for both civil and defense markets, covering land, sea, air and space applications. A full range of product support services.

Snecma

Engines for commercial and military aircraft, maintenance, repair and overhaul (MRO) services. Liquid-propellant rocket propulsion systems for launch vehicles and plasma propulsion systems for satellites and space vehicles.

Techspace Aero

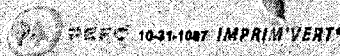
Low-pressure compressors for aircraft engines. Equipment for aircraft and spacecraft. Test cells and equipment for engine testing.

Turbomeca

Turbo-shaft engines for civil and military helicopters, power systems for new generation aircraft and propulsion systems for missiles, target drones and unmanned aerial vehicles (UAV). Maintenance, repair and overhaul (MRO) and associated services.

* Sagem is the commercial name of the company Sagem Défense Sécurité.

Safran Communications Department - I LIAISON WORLDWIDE PARIS - January 2014.
Printed by Imprimeries Vincent in Tours, France, on Condat silk 250 g and 150 g paper.



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KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS

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www.safran-group.com



566

From: [4.1(b)]
Sent: mercredi 26 mars 2014 16:34
To: [4.1(b)]
Subject: RE: Regulatory Timeline Proposal Conflict Minerals

Dear [4.1(b)]

Thanks for your queries that I would reply as follows:

- Is the Council already discussing the proposal? We received information that the WPTQ will be in charge of the draft Regulation, we have no clear indication yet on the timeline.
- Would the Commission continue to work on the proposal? And with the change of the Commission- will the new Commission continue to work on it? Or will they have to draft a new proposal? The Commission has issued the draft Regulation to the EP and the EU Member States who will proceed with the file under normal procedures.
Same goes for the Parliament: will they start working on the current Proposal it when the new Parliament starts? Would that effectively mean- they will start working on the current Proposal in September? The draft Regulation has been attributed to INTA with an EPP rapporteur. The new EP will probably start working on the file as from September.

Best regards,

[4.1(b)]

From: [4.1(b)]
Sent: Wednesday, March 26, 2014 4:26 PM
To: [4.1(b)]
Cc: [4.1(b)]
Subject: Regulatory Timeline Proposal Conflict Minerals

Dear [4.1(b)]

As I understood, the Commission has proposed the Regulation on 'conflict minerals' and the Civil Society Dialogue will take place on 7 April.

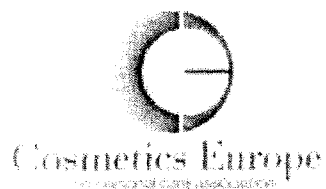
Could you please let me know what the Regulatory Timeline would look like?:

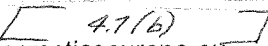
- Is the **Council** already discussing the proposal?
- Would the **Commission continue to work on the proposal?** And with the change of the **Commission-** will the new **Commission continue to work on it?** Or will they have to draft a new proposal?
- Same goes for the Parliament: will they start working on the current Proposal it when the new Parliament starts? Would that effectively mean- they will start working on the current Proposal in September?

Many thanks for letting me know!

With kind regards,

[4.1(b)]
Public Affairs Manager



Cosmetics Europe - The Personal Care Association
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Email: 
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EU Transparency register: 83575061669-96

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57

From: [4.1(b)]
Sent: 02 April 2014 10:24
To: signe.ratso@ec.europa.com;
[4.1(b)]
Cc: [4.1(b)]
Subject: EPMF Response to Draft EU Proposal on Responsible Sourcing
Attachments: EPMF_SusCom_Response to Draft EU Proposal on Responsible Sourcing_140305_140331.pdf

Dear Ms Ratso, [4.1(b)]

Thank you for preparing the draft EU proposal on Responsible Sourcing issued on 5 March 2014.

The European Precious Metals Federation (EPMF) very much appreciates the efforts made to produce such a rational deliverable.

We are pleased to share some of the questions and comments on the draft proposal, for your consideration, in the attached letter.

We look forward to hearing from you and to possibly having an opportunity to discuss our views with you at your best convenience.

Kind regards,

[4.1(b)]

[4.1(b)]

Secretary-General
European Precious Metals Federation
Avenue de Broqueville 12
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BELGIUM

Office : + 32 2 775 63 23

Mobile : + 32 473 52 52 73

[4.1(b)]

31 March 2014

Ms Signe RATSO

Director, DG Trade
Trade Strategy and Market Access
European Commission
Charlemagne building
Rue de la Loi 170
B-1000 Brussels

[4.1(b)]

Head of Unit, DG Trade
Market Access, Industry, Energy and Raw Materials
European Commission
Charlemagne building
Rue de la Loi 170
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[4.1(b)]

Member of Cabinet
Commissioner Karel De Gucht
DG Trade
European Commission
Charlemagne building
Rue de la Loi 170
B-1000 Brussels

[4.1(b)]

Member of Cabinet
Commissioner Antonio Tajani
DG Industry and Entrepreneurship
European Commission
Charlemagne building
Rue de la Loi 170
B-1000 Brussels

Brussels, 31 March 2014

Dear Ms Ratso,

Dear [4.1(b)]

Dear [4.1(b)]

Dear [4.1(b)]

The European Precious Metals Federation represents the interests of its member companies and national associations vis-à-vis the European authorities on several topics of relevance for the sector such as the safety of chemicals and waste management; access to raw materials, recycling and sustainability, including responsible sourcing; energy and climate change; trade, customs, tax and competitiveness; etc.

Gathering the experience, the knowledge and the expertise of industrial and regulatory specialists of the PM sector is achieved by establishing a cooperation network, and where necessary, form alliances, with organisations such as Eurométaux (of which EPMF is a Member), the International Platinum Group Metals Association (IPA) and other associations with whom EPMF shares common goals and values, such as the World Gold Council (WGC), the London Bullion Market Association (LBMA), and the Responsible Jewellery Council (RJC).

The precious metals sector has shared constructive comments on the initiatives of the US Securities Exchange Commission (SEC), the OECD, and the European Commission on responsible sourcing and was pleased to see that they were positively considered in all cases. In parallel, a series of interlocking responsible production and sourcing standards have been put in place through industry initiatives intended to operationalise the OECD Guidance and Gold Supplement. The first third party audits and resulting certifications have recently been reviewed and granted successfully.

We believe that the Draft Legislative Proposal on Responsible Sourcing published by the European Commission on 5 March 2014 is the result of a matured learning process, which takes on board the 'gaps' not yet addressed by the other initiatives, without adding or duplicating requirements for those legal entities who already comply with other responsible sourcing standards. We appreciate the efforts made by the European Commission to



31 March 2014

produce a proposal which recognises the efficacy of existing initiatives, and ensures a leverage effect on non-EU entities.

We issue this communication to highlight some items that may need to be clarified to ensure an efficient implementation of the legislation, after it is approved:

- **Article 2(a) and 2(b): Definition of metals and minerals.** There seems to be a lack of precision as to whether the metals and minerals falling under the scope of the draft legislative proposal are those fulfilling the definition or those listed in Annex I. Can the European Commission confirm that the scope is limited to those materials traded under the Combined Nomenclature Codes listed in Annex I only?
- **Article 4(e): Definition of conflict-affected and high risk area.** This definition is a good starting point for entities to identify the materials and supply chains they need to monitor and trace following a responsible sourcing standard, but still leaves much room to subjective interpretations which could take some entities to consider all source areas as possibly meeting this definition as a precaution, while other entities face the risk of 'missing' some areas in their assessment. Is there any intention of the European Commission to provide Guidance on how to interpret this definition as objectively as possible, or to recommend any references and tools to assist the assessment?
- **Article 2(g): Definition of importer.** This definition has been used in other regulatory contexts and has, in many cases, raised the question of ownership of the material versus the responsibility for filing the import documentation and ensuring the transport (and treatment) of the material. Is the European Commission's intention to refine this definition in light of the specificity of the minerals and metals sector (e.g. trading activities, tolling activities, etc.)? In other regulatory contexts, the flexibility has been given to assign either the administrative importer or the owner of the material as importer, as long as the requirements are met for the concerned material in the end.
- **Articles 4(f) and 4(g): Management system obligations appear to be more complicated when importing metals than when importing minerals.** From reading these articles, it seems more burdensome to import a metal than to import a mineral, probably because it is assumed that the source of the raw material from which the metal is produced before import into the EU is separated from the importer of the metal by a higher number of intermediates than when the mineral is imported. Can the European Commission confirm this is an artefact from reading the draft legislative proposal and that there is no intention to favour the import of minerals versus the import of metals? As you know, the precious metals including gold are very scarce materials and the EU sector would need equal access to either forms of the gold (in metal or in mineral form).
- **Articles 3(2) and 10: Frequency and depth of ex-post checks by Member States Competent Authorities left at Member States' discretion only?** Nothing is provided in the draft legislative proposal to harmonise the way in which Member States will perform their ex-post checks. Will this detail be provided in a dedicated Guidance for Member States perhaps? This would promote level playing field across the EU and as such, a more efficient enforcement and implementation of the legislation.
- **Article 6: Third-party audit obligations.** Some entities have undergone third-party audits as part of voluntary industry initiatives already. Can the European Commission confirm that third party audit reports produced for the purpose of the industry initiatives of the LBMA, WGC, and RJC, for example, will be deemed acceptable under the EU legislation?

31 March 2014

- **Article 8(1): No maximum timing foreseen for the European Commission to issue and update list of 'responsible smelters and refiners'.** Nowhere in the draft legislative proposal is the time allowed to the European Commission to prepare and update the list of 'responsible smelters and refiners' specified. As rightly pointed out in the Commission's communication accompanying the draft proposal, appearing on a list of 'responsible smelters and refiners' may enhance the commercial visibility and credibility of responsible entities towards customers. Such a list should hence be produced and updated quickly after the Member States have submitted their reports to the European Commission. Would the European Commission consider adding a specific timing in a future version of the proposal?
- **Article 8(4): Declaration submitted by importers but COM generates a list of 'responsible smelters and refiners'.** Although importers (who may or not be smelters and refiners) are the ones submitting responsible sourcing declarations to their Member States Competent Authorities, the European Commission issues a list of 'responsible smelters and refiners' (who may or not be the importers). Can the European Commission perhaps clarify which entities will appear on the list: a) responsible smelters and refiners, b) responsible importers, or c) responsible smelters, refiners, and importers or 'responsible suppliers'? This would add value to the 'commercial image' effect of the list overall and appeal entities to implement responsible sourcing practices.

We would be pleased to discuss the above questions and comments with you and your experts at your most convenient time.

Kind regards,



[41(b)]
EPMF



[41(b)]
EPMF



[41(b)]
Vice-President
EPMF

[]

57^a

From: [4.1 (b)]
Sent: mercredi 2 avril 2014 18:37
To: [4.1 (b)]
Cc: RATSO Signe (TRADE);
Subject: Final draft agenda (with current attendee list) and final draft presentation for Chatham House rules meeting with BOMcheck Steering Group companies
Attachments: Final draft slides for 8 April meeting.pptx; Final draft agenda for BOMcheck Industry Steering Group meeting with the....doc

Dear [4.1 (b)]

Please see attached final draft presentation and final draft agenda (with current attendee list) and for our meeting on 8 April in Brussels, 10.00am to 4.00pm at the Thon Hotel EU, Rue de la Loi/Wetstraat 75, Brussels <http://www.thonhotels.com/hotels/countrys/belgium/brussels/thon-hotel-eu/>. We are still waiting to hear back from some companies and so the list of attendees may still change.

We are looking forward to very interesting discussions with you, Reinirus and Dr Ratso next Tuesday.

Best regards

[4.1 (b)]



[4.1 (b)]

Head of WEEE, RoHS and EcoDesign

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Draft slides for BOMcheck meeting with
European Commission,
8 April 2014, Brussels

Commission proposal: Integrated approach
to responsible sourcing

- Three aims:
 - Reduce opportunities for armed groups to resort to 3TG trade in conflict-affected areas
 - Improve ability of EU operators – especially in the downstream section of the supply chain – to comply with existing due diligence frameworks
 - Reduce distortions in global markets for 3TG minerals sourced from conflict affected and high risk areas
- Scope
 - 3TG minerals & metals (tin, tantalum, tungsten, gold)
 - Global: all conflict affected regions, not limited to DRC region
 - Focus on upstream part of the supply chain, especially smelters / refiners
- Proposal contains two parts
 - System for a voluntary EU 'responsible importer' self-certification
 - EU accompanying measures to promote responsible sourcing

System for a voluntary EU 'responsible importer' self-certification

- 'Self-certification' means the act of declaring one's adherence to the obligations (based on OECD DD guidance) relating to
 - management systems
 - risk management
 - third-party audits
 - information disclosure
- EU to publish an annual list of "responsible smelters and refiners"
 - List is based on the responsible importers' lists of responsible smelters or refiners in their supply chains (see Article 7.3 (a)) which responsible importers provide to Member States (see Article 15)
 - The responsible importer may also be a smelter or refiner
 - List includes for each smelter and refiner:
 - Name
 - Address
 - Whether minerals sources originated from conflict areas

3

EU accompanying measures to promote responsible sourcing

- Public procurement incentives for companies selling products containing 3TG
- Financial support for
 - SMEs to carry out due diligence
 - The OECD for capacity building and outreach activities
- Visible recognition for the efforts of EU companies who source responsibly from conflict-affected countries
- Policy dialogues and diplomatic outreach with governments in extraction, processing and consuming countries to encourage a broader use of due diligence
- Raw materials diplomacy including in the context of multi-stakeholder due diligence initiatives
- Development cooperation with the countries concerned
- Support by EU Member States through their own policies and instruments

4

Member States

- Member State authorities will implement the requirements
- Member States will designate competent authorities to ensure the effective and uniform implementation, and shall report the competent authority details to the Commission within 3 months of the Regulations entering into force
- Designated authority should:
 - Execute ex-post checks to ensure self-certified responsible importers comply with the obligations, using a risk based approach
 - Submit a list of self-certified responsible importers to the Commission

5

EU proposal vs Dodd-Frank section 1502

- EU proposal is different from DF with respect to:
 - Global scope, not only DRC region
 - Voluntary self-certification, at least for first 3 years
 - Focus on upstream actors (smelters) instead of stock listed companies
 - Tries to include incentives for sourcing responsibly from conflict regions
- Both
 - Build on the OECD due diligence framework
 - Limit metals to 3TG only (for now)
 - Use public pressure – via NGOs, media, etc. – to support scrutiny

6

Questions on Article 2: Definitions

- Can the Commission make reference (for example, in the implementation guidance) to some of the independent maintained lists of 'conflict-affected and high-risk' areas which companies can consider. For example, the Heidelberg Conflict Barometer.
- How many component manufacturers are likely to be importers of minerals or metals
'importer' means any natural or legal person declaring minerals or metals within the scope of this Regulation for release for free circulation within the meaning of Article 79 of Council Regulation (EEC) No 2913/19929

7

Questions on Article 3: Self-certification as a responsible importer

- Are there any direct or indirect responsibilities on downstream users?
- Difference / overlap / compatibility with Conflict Free Sourcing Initiative:
 - CFS Audit Program vs third party audits required for responsible importers
 - CFS compliant smelter list vs the EU responsible smelter list
- For companies in the EU that are recycling conflict minerals from within the EU, should there be provisions for them to self-certify as responsible suppliers and be eligible to participate in government purchasing incentives?
- For companies importing scrap conflict minerals for recycling, will there be special/appropriate self-certifying mechanisms for their participation?

8

Questions on Article 6 and Article 7

- If the CFSI extends the scope of the CFS Audit Protocol so that it can be used for all 'conflict affected and high-risk' areas, can this extended CFS Audit Protocol be recognized as suitable for the 7.3 (b) "independent third-party audits of the responsible smelters or refiners"?
- If yes, should the EU provide this recognition (for example, in the implementation guidance) or should the OECD provide recognition, or both?
- If no, and there is no alignment on auditing protocols, then is there a risk that countries/governments may disengage from supporting smelter audits because they perceive that their smelters are being asked to follow one audit protocol by CFSI for Dodd-Frank and another audit protocol for EU responsible sourcing regulations?

9

Questions on Article 6 and Article 7

- What credentials does an auditing company have to present to be eligible to carry out the third party audit?
- What standard should the third party auditor be required to follow? What is the level of attestation which is required? Would ISO standards be recognised as adequate for the audit reporting process?
- The 31 March disclosure obligations in Article 7 take effect in the calendar year following the date of entry into force of the Regulation. For example, if the Regulation is published mid / end of 2015, then the first disclosure obligation would be due by 31 May 2016 for the 2015 calendar year. To prepare for the 2015 calendar year, importers would need to implement their management systems and risk management arrangements by mid / end of 2014, almost a year before the Regulation is published. Hence it may be better if the Regulation could specify that the first disclosure obligation will cover the first full calendar year following adoption of the Regulation.

10

Questions on Article 8

- How can the CFSI list of conflict-free smelters gain some alignment with the EU list of responsible smelters and refiners? How can we avoid the risk that a CFSI conflict-free smelter is not included in the EU list of responsible smelters and refiners, and vice-versa?
- A possible worst case scenario is that only a small number of importers choose to self-certify and consequently there may be only a small number of entries in the EU list of responsible smelters and refiners. Would this act as a trigger for the EU to consider making importer self-certification mandatory when the regulation is reviewed 3 years after implementation?

11

Questions on Annex I

- There are a number of important feedstocks for smelters and refiners which are not included in the product descriptions, for example APT and AMT for Tungsten
- Is there a mechanism to include these feedstocks in the product descriptions in Annex I?

12

Questions about the Joint Communication to the European Parliament and the Council (1)

- Page 10 states *"EU business operators have signalled their readiness through the public consultation, position papers and studies to increase their engagement in the responsible sourcing of minerals from conflict-affected and high-risk areas. The EU will take action to provide visibility to the efforts of companies that provide letters of intent announcing relevant commitments."*
- Please can the Commission discuss and give some examples of:
 - What in the Commission's view would qualify as a 'relevant commitment'?
 - How would the Commission validate the company's relevant commitments and ensure that all companies commitments are at the same standard? Would the Commission expect some level of third party audit of these commitments to assure that the same standards are met?
 - What does the Commission have in mind regarding "the EU will ... provide visibility"? How much publicity would a company gain from this visible recognition?

13

Questions about the Joint Communication to the European Parliament and the Council (1)

- Page 10 states *"EU business operators have signalled their readiness through the public consultation, position papers and studies to increase their engagement in the responsible sourcing of minerals from conflict-affected and high-risk areas. The EU will take action to provide visibility to the efforts of companies that provide letters of intent announcing relevant commitments."*
- A company sells products in Europe and these products are manufactured outside Europe using metals and ores sourced from EU list of responsible smelters and refiners and/or the smelters listed in the CFSI's Conflict Free Smelter Program. Can the Commission foresee that the EU could provide visibility to the efforts of this company, or would a condition of this visible recognition be that the smelters used by the company would also be included in the list of responsible smelters and refiners referred to in Article 8

14

Questions about the Joint Communication to the European Parliament and the Council (2)

- Page 11 states *"The Commission and the High Representative call upon EU Member States to support due diligence efforts by companies within their jurisdiction through appropriate action at national level. Complementary initiatives could be developed in the area of consumer information and labelling and further incentives for responsible corporate behaviour created."*
- Please can the Commission discuss what it has in mind in this regard. Specifically on labelling,
 - Does this mean that the Commission could envisage national labels informing consumers about a conflict free supply chain?
 - In principal such a label could promote the conflict free supply chain of product using components made from metals / ores imported by European responsible importers. Would it be possible for product using components manufactured outside Europe from conflict free metals / ores to also be so labelled? If not, then could this create a trade distortion?

15

Questions about the Joint Communication to the European Parliament and the Council (3)

- Page 10 states *"The Commission will promote the uptake of both the responsible importer certificate and the list of responsible smelters/refiners through performance clauses in the European Commission's own public procurement contracts. Products purchased through public procurement containing tin, tantalum, tungsten and/or gold will therefore need to respect OECD Due Diligence Guidance or equivalent due diligence schemes in order to satisfy contractual obligations."*
- How would the public procurement incentive work for finished product A where the OEM does all manufacturing in China, and finished product B where the OEM has some metals / minerals importers in the EU for product manufacturing in the EU, which the OEM asks to self-certify. Is product A less able to access this procurement incentive because it does not manufacture in the EU and so does not have any importers to ask to self-certify?
- If a EU company has metals importers who choose not to self-certify, does this place you at a disadvantage compared to companies which are manufacturing

16

Questions about the Joint Communication to the European Parliament and the Council (3)

- Page 10 states *"The Commission will promote the uptake of both the responsible importer certificate and the list of responsible smelters/refiners through performance clauses in the European Commission's own public procurement contracts. Products purchased through public procurement containing tin, tantalum, tungsten and/or gold will therefore need to respect OECD Due Diligence Guidance or equivalent due diligence schemes in order to satisfy contractual obligations."*
- Company A and company B sell product in Europe. If company A manufactures product in the EU and has some metals / minerals importers in its EU supply chain who choose not to self-certify, does this place the company A at a disadvantage compared to company B which carries out all product manufacturing outside Europe?

57²

**Draft Agenda for BOMcheck Industry Steering Group meeting with European Commission
to discuss the proposed EU Responsible Sourcing Regulations 8 April**

Thon Hotel EU, Rue de la Loi/Wetstraat 75, Brussels

<http://www.thonhotels.com/hotels/countrys/belgium/brussels/thon-hotel-eu/>

Attendees:

- | | |
|------------------------------------|---------------------|
| • Signe Ratso, European Commission | • Siemens |
| • European Commission | • Sony |
| • European Commission | • OSRAM |
| • Philips | • Texas Instruments |
| • Philips | • Texas Instruments |
| • ABB | • ENVIRON |

10.00 Welcome and introductions

- Anti-Trust Guidelines
- Chatham House Rule (<http://www.chathamhouse.org/about-us/chathamhouserule>)

10.10 "EU responsible trading strategy for minerals from conflict zones" Dr Signe Ratso, European Commission, DG Trade, Director Trade Strategy and Analysis, Market Access

10.40 Industry questions to the European Commission

- Article 2
- Article 3
- Article 6 and Article 7
- Article 8
- Annex I

12.30 Lunch

13.30 Industry questions to the European Commission (continued)

- Public procurement incentives for companies selling products such as mobile phones, printers and computers containing tin, tantalum, tungsten and gold
- Visible recognition for the efforts of EU companies who source responsibly from conflict-affected countries or areas
- Raw materials diplomacy including in the context of multi-stakeholder due diligence initiatives

14.30 European Commission questions to Industry

- Presentation of the review clause (Article 15) under the draft Regulation to assess the functioning and the effectiveness of the proposed scheme. Further guidance on this issue is provided in Chapter 7 of the Staff Working Document (impact assessment) on monitoring and evaluation.
- Evolution of the number of operators exercising due diligence on the basis of the OECD Due Diligence Guidance, in particular:
 - (non-) certified EU importers
 - EU and global smelters/refiners
 - EU downstream companies
- Evolution of the EU public procurement contracts including performance clauses on due diligence
- Evolution of the relevant minerals sourced responsibly from conflict zones including from the Great Lakes Region

16.00 Close

576

From: [4.1 (b)]
Sent: jeudi 10 avril 2014 07:20
To: [4.1 (b)]
Cc: RATSO Signe (TRADE); [4.1 (b)]
Subject: AW: Conflict Mineral summit at FTI Consulting Brussels

Dear [4.1 (b)]

Thanks for your response. I'm fine for the moment – but I'm very curious about the upcoming regulation / implementation guidance.

Wishing you all the best !

Freundliche Grüsse / Kind regards

[4.1 (b)]
Sourcing Compliance Manager

Von: [4.1 (b)]
Gesendet: Mittwoch, 9. April 2014 17:28
An: [4.1 (b)]
Cc: Signe.RATSO@ec.europa.eu; [4.1 (b)]
Betreff: RE: Conflict Mineral summit at FTI Consulting Brussels

Dear [4.1 (b)]

Thank you for your email.

Mrs Ratso asked me to reply on her behalf to your questions which you can read as follows:

- Recycled materials fall outside the scope of the draft Regulation
- Any products released for free circulation for trading or processing in the EU are within the scope of the draft Regulation
- As regards your questions on threshold and concrete definition on importers' requirements, the Commission will issue detailed implementing guidelines to provide further clarity on operators' roles and requirements. The implementing guidelines will be issued in due time and before the effective application of the Regulation.

I hope that it clarifies your questions. Should you need further information, please do not hesitate to contact us.

With best regards,

[4.1 (b)]

[4.1 (b)]
Policy Officer



European Commission

DG TRADE/G3

Market Access, Industry, Energy and Raw Materials

CHAR 08/115

B-1049 Brussels/Belgium

[4.1 (b)]

From: [4.1 (b)]
Sent: Monday, April 07, 2014 9:24 AM
To: [4.1 (b)]
Subject: Conflict Mineral summit at FTI Consulting Brussels

Dear [4.1 (b)]

Last week, I also took part at the summit for Conflict Minerals organized at FTI Consulting.
I have to thank for your support in implementing such a law in an efficient manner.

Because of the discussion and questions were more about macro-economic and ethical aspects I did want not interrupt the discussion.

As were a subsidiary of an US-based medical device company, the Dodd-Frank-Act is also valid for us. In refer and comparison to this, too, I have to raise some questions/points/concerns regarding its practical implementation:

- Recyclers: will there be a section in implementation guidance? Will it be similar to the Dodd-Frank-Act?
- Products not-for-sale are out of scope of the Dodd-Frank-Act. Will the scope be similar to that?
- For or alloys there are some very small portion of one of the 3TGs (e.g. unter 0.5 %). Will there be a threshold portions from when the law will be valid?
- When a company does fulfill all requirements of the Dodd-Frank-Act, can we conclude that we also fulfill all requirements of E.U. regulation to certify as responsible?
- You mentioned several times that the focus is on the smelters/refiners. But when we do buy directly from a non-EU firm than we are the importer. Will the implementation guidance provide concrete definitions and timelines when and which part of the supply chain has to fulfill the requirements. (upstream vs. downstream; smelters/refiners vs. OEMs)

I would very welcome your response.
With wishing you all the best I remain

Best regards

[4.1 (b)]
Sourcing Compliance Manager

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Mobile: +41 (0) 79 5577919
Fax: +41 (0) 52 244 8641
mail to: [4.1 (b)]

58

From: [4.1(b)]
Sent: mardi 15 avril 2014 17:28
To: RATSO Signe (TRADE) []
Cc: [4.1(b)]
[4.1(b)]
Subject: Eurometaux Response to the EU draft regulation on responsible sourcing of minerals from conflict affected areas []
Attachments: Eurometaux_reponse_EU CM draft regulation 15 04 14.pdf

To Ms Signe RATSO, Director Trade Strategy and Analysis, Market Access

For Information: [4.1(b)] Head of Unit, Market Access, Industry, Energy and Raw Materials, Mr []
[4.1(b)] []

Dear Ms Ratso,

Please find attached the EUROMETAUX response to the “EU draft 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”.

We are very confident that the precise analysis of the Commission’s proposal and our concrete proposals will assist your work and that of your colleagues in the respective Directorates General.

Kindly note that this position paper has also been sent to the competent services of:

DG Enterprise and Industry
European External Action Service
And to the Cabinet of Commissioner De Gucht

Yours sincerely,

[4.1(b)]
Director General

EUROMETAUX

12, Avenue de Broqueville

B-1150 Brussels

Tel: +32 2 775 63 10

Mobile: +32 475 668 776

Email: [4.1(b)] []

Website: www.eurometaux.eu

Eurometaux response to the
EU draft 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
April 2014

Eurometaux, the European Non-Ferrous Metals Association, welcomes the Draft Legislative Proposal on Responsible Sourcing published on 5 March 2014¹. We appreciate the joint efforts of the European Commission and the European External Action Service to provide a comprehensive approach to address the issue of responsible sourcing.

The European non-ferrous metals industry is concerned about the human rights situation in conflict-affected and high-risk areas, and recognises the need to ensure the responsible sourcing of natural resources. As stated in our latest position paper sent to the Commission's Services², as well as in our letter to the Commission's President, Mr. Barroso³, the European Non-Ferrous Metals industry supports the objective of moving towards increased transparency in the trade of certain minerals originating from conflict areas, and would hence support a comprehensive, pragmatic, and effective proposal without putting the competitiveness of the European industry at risk. Herewith, we would like to share the following preliminary comments, suggestions and concerns that may need to be clarified to ensure the efficient implementation of the proposed legislation once it has been approved.

¹ Proposal for a Regulation of the European Parliament and of the Council 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

² Eurometaux's Position and Proposals on a possible EU initiative on minerals originating from conflict-affected countries, sent to the European Commission's Services, February 2013

³ Eurometaux's Call for a pragmatic and effective proposal on the forthcoming EU initiative on responsible sourcing of minerals from conflict-affected regions, sent to President of the European Commission Mr. José Manuel Barroso, November 2013

An effective foreign policy and a development co-operation initiative are vital in order to break the link between minerals extraction and conflict

The Joint Communication to the European Parliament and the Council accompanying the Draft Proposal⁴ states that *"any trade-related EU action in this area needs to be placed in this broader context and complement the EU's foreign policy and development co-operation initiatives"*.

Eurometaux very much welcomes this approach, and urges the European authorities to come up with a set of concrete actions that should help to improve the situation on the ground. As stated earlier in Eurometaux's position paper, our industry is keen to contribute to an effective and workable solution that will increase the level of transparency in the trade of minerals originating from conflict zones. However, the role of the EU authorities is indispensable in order to break the link between minerals extraction and conflict. Thus, to fully achieve this goal, this Draft Regulation must be treated as a part of a broader context which has to be supported by concrete and effective foreign policy and development co-operation activities.

EU system should be explicit in scope and consistent with existing regulatory frameworks

We support the EU authorities' efforts to ensure consistency with the already existing US Dodd-Frank Act Regulation⁵. Indeed, the potential incoherence between European and US regulations could well force companies to undergo two separate compliance processes for EU and US companies and create unnecessary administrative burdens. We therefore urge the European authorities to be consistent with the already existing Dodd-Frank Act in scope and to guarantee that European regulation is recognized on both sides of the Atlantic.

Existing voluntary initiatives should not be undermined

Eurometaux's members are in line with the OECD guidelines and are already actively involved in a number of responsible supply chain initiatives and auditing programmes geared to the implementation of more transparency along their supply chains. We believe that the European authorities should make sure that these efforts are not undermined, and should recognise participation in already existing self-certification systems. In particular, it would be

⁴ The European Commission's and European External Action Service's Joint Communication to the European Parliament and the Council on Responsible sourcing of minerals originating in conflict-affected and high-risk areas; towards an integrated EU approach

⁵ Securities and Exchange Commission's conflict mineral rules created pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act

important to confirm that third party audit reports produced for the purpose of voluntary industry initiatives are accepted under the EU proposed legislation.

In order to have an effective mechanism, the EU legislation should contain a set of concrete incentives

Although the Joint Communication to the European Parliament and the Council provides a list of possible incentives for companies to comply with the proposed regulation, there seems to be a lack of precision regarding concrete schemes and their implementation. We believe that an effective set of concrete incentives for both the upstream and downstream sectors of the supply chain, is the crucial factor in order to make the proposed EU system work. Following the example of the U.S. Dodd-Frank Act, where downstream companies are incentivized to purchase conflict-free minerals through the SEC reporting requirements, we suggest, among other measures, to create an analogous listing for “responsible” customers to ensure transparency and “buy-in” of downstream customers.

Definition of the scope of the regulation is essential

According to Article 2 (a) and (b):

'minerals' means ores and concentrates containing tin, tantalum and tungsten, and gold as set out in Annex I;

'metals' means metals containing or consisting of tin, tantalum, tungsten and gold as set out in Annex I;

According to our understanding, the metals and minerals falling under the scope of the Draft Legislative Proposal are those listed in Annex I, although it would be useful if a more precise description were to be provided.

We welcome the European authorities' approach to introduce definitions of metals and minerals corresponding to the combined nomenclature (CN) classification. The CN system is widely recognized in international trade and will help to identify products by their composition or by their purpose.

However, in this context, we ask the Commission to keep the scope of minerals and metals in line with the US Dodd-Frank Act. In addition, it is important to state clearly that secondary raw materials are excluded from the scope of the draft proposal. Although secondary materials have other CN numbers, the formats listed in Annex I (bars, rods, wire, profiles, sheets, strip, foil, powder, etc.) can be processed from secondary raw materials, which can create confusion in the market.

Furthermore, there is no evidence that downstream products beyond raw ores and concentrates would contribute to conflicts (e.g., oxides, carbides, powders, bars, rods, wires,

plates, etc.). The processing of ores is a costly and labour-intensive process that requires conversion plants, chemicals and equipment that are not present in conflict regions. We would therefore welcome clarification from the Commission as to why these products are included.

The EU system as proposed will inadvertently distort markets and create an advantage for businesses outside of Europe, i.e. the manufacturing of value added products from conflict minerals will be pushed out of the EU. The EU importers, smelters and upstream manufacturers are put at a disadvantage vis-à-vis their counterparts outside of Europe because customers of products that contain or use 3Ts and gold in a manufacturing process can freely import "downstream products", i.e. products with CN codes not covered by the draft regulation. This is in clear contradiction to the Commission's goal of securing an industrial base in Europe.

Definition of "conflict-affected and high-risk areas"

According to Article 2(e): "conflict-affected and high-risk areas" are defined as *"areas in a state of armed conflict, fragile post-conflict, as well as areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses."*

The definition leaves much room for subjective interpretation and legal uncertainty. Although we are aware that the Commission's aim is to avoid stigmatising any regions, such a vague and broad definition could well lead to a situation where subjective interpretation by companies or governmental authorities can result in competitive disadvantages, market distortions and unequal applications for EU companies.

We urge the Commission to provide a clear definition of which countries and which regions are covered, and to attach a detailed list of conflict-affected and high-risk areas to the regulation.

Disclosure requirements are extensive and impossible to implement in practice

Art. 4 (f) states:

As regards minerals, operate a chain of custody or supply chain traceability system that provides, supported by documentation, the following information:

- (i) description of the mineral, including its trade name and type,*
- (ii) name and address of the supplier to the importer,*
- (iii) country of origin of the minerals,*
- (iv) quantities and dates of extraction, expressed in volume or weight,*
- (v) when minerals originate from conflict-affected and high-risk areas, additional information, such as the mine of mineral origin; locations where minerals are*

consolidated, traded and processed; and taxes, fees, royalties paid, in accordance with the specific recommendations for upstream companies, as set out in the OECD Due Diligence Guidance.

However, seeing that external raw materials trade is often carried out by small, specialized counterparties, compliance with Points (iii), (iv) and (v) **might well be impossible**. The suppliers companies often do not have precise information about the country of origin of the ores and concentrates they sell, as these products are very often mixed in ports. Furthermore, their scale of activity is limited, so they have no capability to verify and store such data.

In addition, the practical reasoning of the requirement for stating the date of extraction is not understandable, and impossible to comply with in practice. Even major mining companies do not have such data, as it would be difficult to obtain them, and the practical reasoning of this requirement is questionable.

Furthermore, there is a potential risk that the requirement laid down in Point (v) of the above-mentioned article concerning taxes, fees, and royalties paid would not be aligned with requirements laid down in Chapter 10 of the Accounting Directive which was adopted last year. We therefore need clarification from the European authorities on this point.

Thus, the introduction of disclosure requirements that are expansive and impossible to implement in practice will significantly weaken the EU system by creating administrative burdens for European companies, which will reduce their incentive to produce and deal with products containing the minerals concerned. This will result in European companies withdrawing from the market and being replaced by companies from other regions (Asia, for example) that are not bound by similar regulations.

Without establishing a global supply chain control supported by legislative actions in all main global economies, the goal of gathering all necessary data as mentioned in Article 4 of the proposed Draft Regulation would be impossible to achieve without a major threat to the competitiveness of EU companies.

Third party audits need further clarification

The subsequent element which raises our concern is the “independent third-party audits regarding each of the responsible smelters or refiners in its supply chain carried out in accordance with the scope, objective and principles set out in Article 6 of the Regulation.” As proposed in the regulation, every importer who takes part in the process of transportation and processing of minerals from extraction until the final product is manufactured is obliged to present an audit of his smelters or refineries that are along the supply chain.

The first concern that arises is the lack of a precise indication of the auditor, as well as who is going to bear the costs of the process. As commencing an audit is the duty of ‘responsible

importers', it could be assumed that the responsible importer himself appoints and remunerates an auditor.

The second concern is related to a lack of clear wording as to whether an audit, once initiated, could be recognized by other clients/responsible investors. Otherwise, if every importer is obliged to commence his own audit, this might lead to a situation whereby companies are audited several times in the same case by many different auditors, thereby increasing the operational costs and adding to the employees' workload.

The third concern relates to the lack of an indication of the frequency of such audits. It might be understood from the wording in the proposed Regulation that it is necessary for importers to perform annual audits separately at their own expense. The justification for annual audits is not clear. Audits performed every two years or more would support the objective of the regulation without imposing as heavy an administrative burden. As a consequence, this could lead to operational problems in EU companies arising from numerous audits as well as significant costs for responsible importers.

We therefore urge the European authorities to clarify these points of the regulation, especially in terms of the possibility of recognition of audits once commenced, a precise indication of frequency, and the issue of the cost bearer. The risks of not amending the regulation are likely to result in non-uniform application and interpretation in the auditing process and during reviews conducted by the competent Member State authorities. This will significantly increase administrative burdens, costs and the workload on EU companies applying this regulation, which will in turn affect the competitiveness of EU companies in comparison with global competitors. We suggest that the audit protocols be made clear and developed in close consultation with industry groups.

Very far-reaching disclosure obligations (beyond OECD guidance) conflict with business confidentiality concerns

The auditing process envisioned under the EU system involves the disclosure of commercially sensitive information. We can foresee that the scope of information that should be transferred to clients in the supply chain could conflict with the business confidentiality principle. On the other hand, not submitting the information requested by the client due to its sensitivity may be treated as non-compliance. Thus, the company-level grievance mechanism (as well as "collaborative arrangements" with other companies or external experts) could conflict with laws and policies relating to data protection, employee confidentiality and works councils.

The EU system should therefore clarify how "*due regard*" will be given to "*business confidentiality and other competitive concerns*" (Art. 7) and resolve this issue in a more precise manner.

Another aspect of this issue is the transfer of sensitive data to the public authorities. This regulation should therefore foresee a Member States Guidance that includes proper technical

and procedural measures in order to protect confidential information sent by companies to relevant authorities.

Member State Competent Authorities - Infringement and ex post Checks

The proposed EU system provides for the Member States to lay down the rules applicable to infringements of the regulation and the competent authorities of each Member State to ensure uniform compliance with the system. We question whether a uniform implementation throughout all Member States can be realized. Our member companies operate throughout the EU and may be subject to review and oversight by several competent authorities. Without a level playing field among different Member States, efficient enforcement and implementation of the legislation, the proposed EU system cannot be efficient.

We urge the European authorities to provide a dedicated Guidance for Member States. One of the suggestions that will make a system more effective is to allow a company or group of affiliated companies to interface with one authority.

List of responsible smelters and refiners

According to Art. 8 (2) *the Commission shall identify (...) those responsible smelters and refineries that source – at least partially – from conflict-affected and high risk areas.*

Therefore, smelters and refineries that will source from “safe” areas only will not be on the “responsible smelters and refineries list”. It will bring some downstream users to the false conclusion that not being on the list is equal to not being in compliance with the Regulation, where in fact those companies will not be in scope of the Regulation, which may significantly undermine the competitiveness of EU companies.

Art. 8 (4) also needs further clarification: *“The Commission shall remove from the list ... names of smelters/refiners in the supply chain of the no longer recognized responsible importer”* – If an importer has several smelters in his supply chain and, for example, one non-responsible, will all smelters then be taken from the list?

Article 8(1) does not foresee maximum timing for the European Commission to issue and update the list of ‘responsible smelters and refiners’. As rightly pointed out in the Joint Communication to the European Parliament and the Council, appearing on a list of ‘responsible smelters and refiners’ could enhance the commercial visibility and credibility of responsible entities towards customers. Such a list should therefore be produced and updated quickly after the Member States have submitted their reports to the European Commission.

We suggest that the European authorities add a specific timing in a future version of the proposal.

Concluding remarks

The European Non-Ferrous Metals industry supports the objective of moving towards increased transparency in the trade of certain minerals originating from conflict areas, and agrees with both the idea and the goal of the proposed EU regulation. However, we very much believe that some of the proposed solutions require enhanced analysis and refinement in order to make the current draft EU regulation efficient, while keeping EU companies competitive on global markets.

To fully achieve this goal, we are convinced that the Regulation should be treated as part of a broader context, which has to be supported by undertaking political activity.

We urge the European authorities to intensify a dialogue with third-party states in order to develop a unified global approach. The establishment of a global supply chain control supported by legislative actions in all main global economies would support the goal of gathering all necessary data, without threatening the competitiveness of EU companies. We would be grateful to receive further information regarding the state of the regulation, and for our opinion to be included in the planned regulation within the existing regulatory framework.

Eurometaux represents the European Non-Ferrous Metals industry
<ul style="list-style-type: none">○ Non-ferrous metals contribute to the European creation of wealth and jobs: they represent 2% of EU GDP and create 450,000 direct jobs and over 1 million indirect jobs in Europe. Their use in high-tech and high added-value activities makes them very valuable to the EU's economy and competitiveness.○ The non-ferrous metals industry is indispensable for modern society. Thanks to their intrinsic properties – including durability and recyclability - non-ferrous metals are vital in order to meet essential societal needs and to build a low-carbon economy.

From: [4.1(b)]
Sent: mercredi 7 mai 2014 14:45
To: [4.1(b)]
Cc: [4.1(b)]
Subject: RE: Thank you and further questions

Dear [4.1(b)]

Thank you very much for your replies to our questions.
 We now understand those points very well.

Thank you very much again for your time.

Kind regards

[4.1(b)]

[4.1(b)] (Ms) | Manager | CEO Office & European CSR Promotion Office
 Panasonic Europe Ltd., Willoughby Road, Bracknell, Berks, RG12 8FP, UK
 Tel: +44 (0)1344 706952 : Mobile: +44 (0) 7769 924565 : Fax: +44 (0)1344 706901
 Email: masako.hiraki@eu.panasonic.com

Panasonic Europe Ltd. - Registered Office: Willoughby Road, Bracknell, Berks RG12 8FP, UK - Registered in England & Wales - Company No. 3329345
 Save the environment ... Please don't print unless necessary"

送信元:
 宛先:
 Cc:

日付: 05/05/2014 16:16
 件名: RE: Thank you and further questions

Dear [4.1(b)]

Thank you for your email.

As for the public procurement, any downstream company (in or outside the EU) who conducts due diligence according to the OECD Due Diligence Guidance (and provides audit proof) is entitled to the public procurement incentive independently whether they source from an EU responsible importer. Buying from an EU responsible importer facilitates the downstream due diligence process but it is just one way of proving it, there are other alternatives.

The OECD requires to carry out third-party audit of the supply chain due diligence at identified points in the supply chain. According to the 3Ts and gold supplements, identified points are the smelters and refiners respectively which should have their due diligence practices audited by independent third parties.

I hope that you will find this further information useful.

With best regards,

[4.1(b)]

Policy Officer



European Commission

DG TRADE/G3

Market Access, Industry, Energy and Raw Materials

CHAR 08/115

B-1049 Brussels/Belgium

+32 2 298 53 23

[4.1(b)]

From: [4.1(b)]

Sent: Monday, April 28, 2014 11:47 PM

To: [4.1(b)]

Cc: [4.1(b)]

Subject: RE: Thank you and further questions

Dear [4.1(b)]

Thank you very much for your answers to our questions. We appreciate your time to give us clearer ideas.

After studying the contents of your answers with a colleague in our HQ Japan and some JEITA members, we would like to further ask you some questions.

Please see below.

>As for your questions on public procurement, this measure is about to incentivise downstream companies to conduct due diligence in line with the OECD Due Diligence Guidance. One mean to >satisfy this public procurement requirement is to buy from EU responsible importer/smelter/refiner. However, as clearly indicated in the Communication other equivalent schemes may also be >used to prove that due diligence has been carried out by the procuring company. Hence, there is no conflict with WTO rules and this procurement incentive does not include a discriminatory >approach.

Could we understand that if companies outside of the EU conduct due diligence in line with the OECD Due Diligence Guidance and disclose information equivalent to "the responsible importer", they are regarded as equivalent to "the responsible importer"? (In other words, downstream companies that procure from "equivalent responsible importer" outside of EU can still receive public procurement incentives?)

>Since the OECD Guidance includes a specific third-party audit requirement, procuring companies will need to undergo to demonstrate their due diligence compliance. Further guidance for >downstream companies on how this procurement measure will work in practice will be explained in the upcoming implementation guidelines.

We understand that OECD Guidance does not require downstream companies to have their due diligence practices audited by independent third parties. Is this understanding correct?

Thank you very much in advance for your time.

Kind regards

[4.1(b)]

[4.1(b)] Manager | CEO Office & European CSR Promotion Office

Panasonic Europe Ltd., Willoughby Road, Bracknell, Berks, RG12 8FP, UK

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Email: [4.1(b)]

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送信元: [4.1(b)]

宛先: [4.1(b)]

CC: [4.1(b)]

日時: 15/04/2014 15:33

件名: RE: Thank you and further questions

Dear [4.1(b)]

Thank you for your email and for the information provided.

As regards the CN codes, the Commission's position is to keep the list as it is currently. Nevertheless, we cannot exclude that during the legislative discussion, the Parliament and/or the Council may revise it before adoption. Accordingly, importers of the products listed in the final Annex I may decide to participate in the voluntary self-certification scheme regardless where they are situated in the supply chain.

As for your questions on public procurement, this measure is about to incentivise downstream companies to conduct due diligence in line with the OECD Due Diligence Guidance. One mean to satisfy this public procurement requirement is to buy from EU responsible importer/smelter/refiner. However, as clearly indicated in the Communication other equivalent schemes may also be used to prove that due diligence has been carried out by the procuring company. Hence, there is no conflict with WTO rules and this procurement incentive does not include a discriminatory approach. Since the OECD Guidance includes a specific third-party audit requirement, procuring companies will need to undergo to demonstrate their due diligence compliance. Further guidance for downstream companies on how this procurement measure will work in practice will be explained in the upcoming implementation guidelines.

Our intention is to apply this procurement incentive for all relevant public purchases by the EU institutions and encourage Member States to follow suit in their respective jurisdictions. To that end, we will develop a harmonised approach in the form of a handbook for authorising officers within the EU institutions and in EU Member States.

Should you have any further questions, please do not hesitate to contact us.

With best regards,

[4.1(b)]

[4.1(b)]
Policy Officer



European Commission

DG TRADE/G3

Market Access, Industry, Energy and Raw Materials

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B-1049 Brussels/Belgium

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[4.1(b)]
From: [4.1(b)]
Sent: Tuesday, April 08, 2014 9:37 AM
To: [4.1(b)]
Cc: [4.1(b)]
Subject: Thank you and further questions

Dear [4.1(b)]
cc: [4.1(b)]

Thank you very much for taking your time to meet us on Wednesday 2nd April.
It was a great opportunity for us to explain to you how the large scaled Japanese companies like ours are working towards coping with Dodd Frank Act and SEC Rules.
We appreciated your time to listen to our issues as Downstream Companies and also very importantly answer our questions on the European Commission's recently announced Joint Communication and Regulation Draft.
We hope we will be able to continue having such discussion opportunities in the future.

After discussing with a colleague of our Panasonic HQ in Japan, I would like to add some points as follows;

Confidential information

In the smelter list of the EICC/GeSI template, there are columns which ask names and locations of mines. As smelters tend to keep mine information as trade secret, these columns are often kept empty when we receive the templates back from our suppliers.

China

The ratio of Chinese companies in our supply chain: We are currently checking with our procurement department. When we hear from them, I will contact you again.

On behalf of JEITA (Japan Electronics Information Technology Industries Association), I would like to ask you the following further questions;

Further Questions:

1. CN Codes (I partially asked this question during the meeting, but could not fully explained)

(1) We understand that the proposed Regulation applies to importers of the minerals and metals listed in Annex I. Is it possible that the applicable CN codes may be revised before the Regulation comes into force — for example, if it is found out that the current CN codes mostly cover to products handled by downstream companies that do not deal directly with smelters/refiners?

Also, may we ask you to consider requiring reporting only of products procured from a smelter or from a company further upstream, even if covered by a CN code?

Reason

The Joint Communication states that EU companies face certain challenges with regard to the OECD Due Diligence Guidance and the Dodd-Frank Act, namely lengthy and complex global supply chains involving a high number of operators that are often insufficiently aware. If the CN codes also include metals handled by companies downstream from those handled by the smelter, downstream companies will be compelled to expend considerable resources on investigating traceability.

Examples of CN codes covering products manufactured downstream from the smelter

- Tin anodes for electroplating (8007 00)
- Solder (8003 00)
- Tungsten plate used for manufacturing electrical contacts (8101 94 00)

2. Public Procurement

(1) If public procurement incentives means procurement from companies that conduct due diligence in accordance with the OECD DDG, then (i) companies procuring from "responsible importers" (which only European companies can certify themselves as) may receive preferential treatment. Would that not be a WTO violation in that it would favor procurement within the EU? (ii) What criteria should be used to determine that due diligence is being performed in accordance with the OECD DDG? Will it ultimately be necessary to undergo a third-party audit to demonstrate that?

(2) To streamline procedures for companies, would it be possible to ask that all incentives of EU member states be the same? (I assume this would be up to each member state?)

I look forward to hearing from you shortly.

Thank you and kind regards

[41(b)]
[41(b)]

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60

From:

[4.1(b)]

Sent:

17 April 2014 15:06

To:

[4.1(b)]

Cc:

[4.1(b)]

Subject:

RE: Scope of Regulation COM 2014/0059 (COD) - [00014-14]

Dear [4.1(b)]

Thank you very much for your email to [4.1(b)] who asked me to reply to your questions on his behalf.

Regarding the scope of the draft Regulation, EU importers who import the products listed (ores, concentrates and metals) in Annex I of the draft Regulation can opt to self-certify as responsible importers. An EU importer of a product which is not listed in Annex I but the imported product contain tin, tungsten, tantalum or gold fall outside the scope of the draft Regulation. Once participating in the scheme, the responsible importer (be it a smelter, metal trader or component manufacturer) who imports the listed products has the obligation to carry out supply chain due diligence in line with § 4, 5, 6 and 7 of the draft Regulation.

Conflict-affected and high-risk areas are defined as per § 2 (e) of the Regulation:

" conflict-affected and high-risk areas means areas in a state of armed conflict, fragile post-conflict as well as areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses".

This definition is in line with international law and follows the approach of the OECD Guidance. Once importers have identified where they minerals are sourced from, they have to incorporate and apply a model supply chain policy consistent with Annex II of the OECD Guidance to assess any potential risks in their supply chain (as per § 4 (b) and § 5 (a) of the Regulation). Annex II of the OECD Guidance lists potential risks of significant adverse impact which may be associated with extraction and trading minerals from conflict-affected and high-risk areas.

The Commission will issue detailed implementing guidelines to provide further clarification for operators as well as for Member States to implement the draft Regulation. As such, further information and reference points will be provided on the definition of conflict-affected and high-risk areas. However, the Commission's intention is not to issue such a list.

I hope that you will find this information useful.

Should you have any further questions, please do not hesitate to contact us.

With best regards,

[4.1(b)]

[4.1(b)]



European Commission

DG TRADE/G3

Market Access, Industry, Energy and Raw Materials

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[4.1(b)]

From: [4.1(b)]
Sent: Wednesday, April 16, 2014 2:40 PM
To: [4.1(b)]
Cc: [4.1(b)]
Subject: Scope of Regulation COM 2014/0059 (COD) - [00014-14]

[4.1(b)]
European Commission, DG Trade
B-1049 Brussels, Belgium

[4.1(b)]

Scope of 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 COM 2014/0059 (COD)

Dear [4.1(b)]

We are writing to you with regard to the proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL 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.

We are a German based law firm with clients from the health care sector. Naturally, products from our clients might contain tin, tantalum and tungsten, their ores, and gold.

In this regard, we would like to know:

1. Do our clients fall under the personal scope of the Regulation? In particular, do our clients fall under the definition of importers respectively responsible importers in Article 2 g) and h) of the Regulation even if they only import products or unfinished goods that contain one of the metals listed in Annex I of the Regulation or does the proposed Regulation and the self-certification apply only for importers of unprocessed metals listed in Annex I?

From our point of view, the Regulation applies only to importers of the unprocessed metals. It is clear from the Preamble and the definition in Article 2 of the Regulation, that self certification applies to responsible importers of the minerals. Minerals however are defined as metals listed in Annex I. Furthermore, Annex I contains an exhaustive list, thus it is clear that only the metals listed in Annex I are in the scope of the Regulation. Lastly, the intent and purpose of the Regulation, especially in point (13) of the preamble, clarifies that smelters and refiners should verify the origin of the minerals and not the importers, as they are at the last stage of the chain. Thus, for the importers it would be difficult to proof the origin.

We would like to confirm our point of view, as it is of utmost importance for our clients.

2. Is there a definition of conflict - affected and high-risk areas?
3. Is there a non exhaustive or even exhaustive list of such areas?

§ 2 (e) of the Regulation defines conflict - affected and high-risk areas as "areas in a state of armed conflict, fragile post-conflict as well as areas witnessing weak or non-existent governance

and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses".

Nevertheless this definition is not clear to us. Do you refer to the OECD definition (<http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>)? Unfortunately the OECD guidance does also not provide examples of these areas.

We appreciate your help and please feel free to contact us at anytime in case of questions.

Sincerely yours,

[4.1(b)]
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[4.1(b)]

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