



PROJECT MANAGEMENT OFFICE

Conflict Minerals

Training for Suppliers



Content overview

Conflict Mineral

- **Core information on the rule**
- Implications for Suppliers
- Hitachi-ABB-Power Grids Policy and Supplier Code of Conduct
- Our Supplier requirements
- Guidance on the Supplier Response Template -Conflict Minerals Reporting Template (CMRT)
- Additional information and resources

What are conflict minerals and...

Why should the world care?

- The Second Congo War since 1998; 5.4 million people killed
- Over 100 mines in eastern Congo controlled by armed forces
- Local communities subject to serious human rights abuses
- Proceeds from mines used to finance weapons purchases

Conflict Minerals

- 3TG – Tin, Tantalum, Tungsten, Gold
- Mined in conditions of war
- Covered Countries = DRC + 9 adjoining countries*

*Angola; Burundi; Central African Republic; the Republic of the Congo; Rwanda; South Sudan; Tanzania; Uganda, Zambia.



Image credit: Marcus Bleasdale via Google images under a creative commons license

Conflict Minerals and Dodd-Frank Act Section 1502

Scope

Section 1502 Dodd-Frank Act

- Supply chain due diligence inquiry
- Transparency
- Disclosure

Who is impacted?

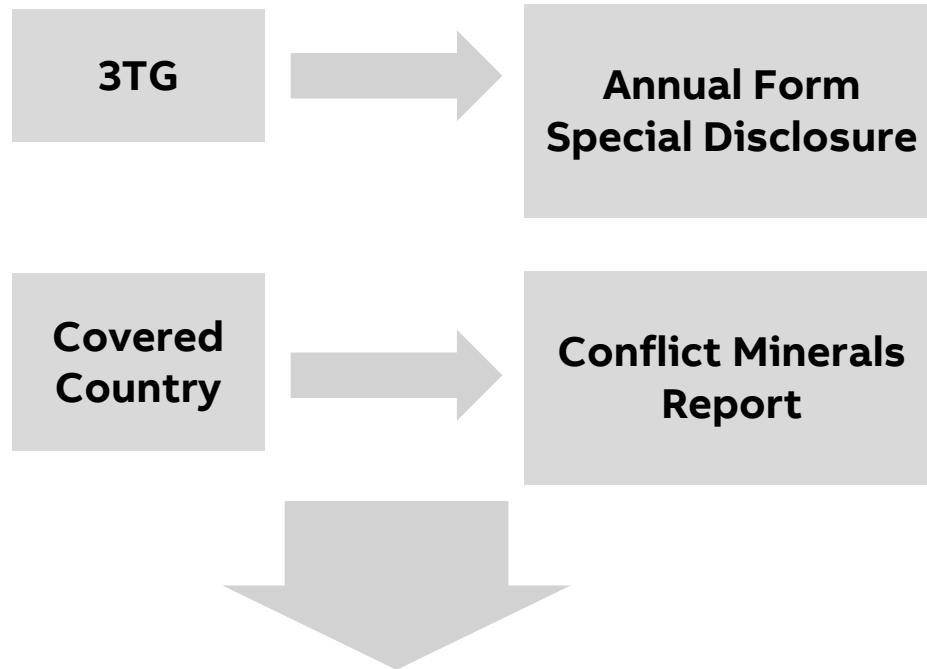
- **Directly** - companies listed on the New York Stock Exchange (SEC* registrants)
- **Indirectly** - suppliers to SEC registrants

*SEC = Securities and Exchange Commission.



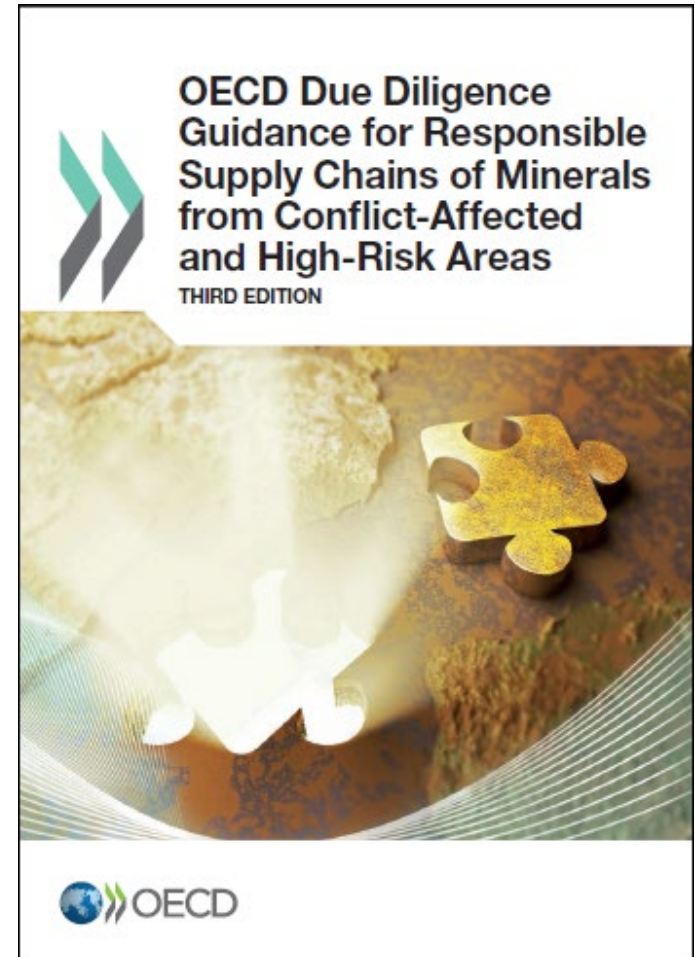
Conflict Minerals and Dodd-Frank Act Section 1502

Reporting requirements



Annual submission of the report due in May

Detailed due diligence framework provided by OECD





Content overview

Conflict Mineral

- Core information on the rule
- **Implications for Suppliers**
- Hitachi-ABB-Power Grids Policy and Supplier Code of Conduct
- Our Supplier requirements
- Guidance on the Supplier Response Template -Conflict Minerals Reporting Template (CMRT)
- Additional information and resources



Conflict Minerals

Implications for Hitachi-ABB-Power Grids suppliers

Implications

Sustainability is of highest importance for Hitachi-ABB Power Grids . We are committed to ensuring the health, safety and protection of people who come into contact with our products and business, and we require high social, environmental and human rights standards among our suppliers.

This means our suppliers need to:

- Adhere to our Supplier Code of Conduct
- Respond to our information requests in an accurate, honest and timely manner
- Conduct your own due diligence and engage with your own supply chain on conflict minerals

Risk mitigation is imperative

Suppliers are an integral part of this process



Content overview

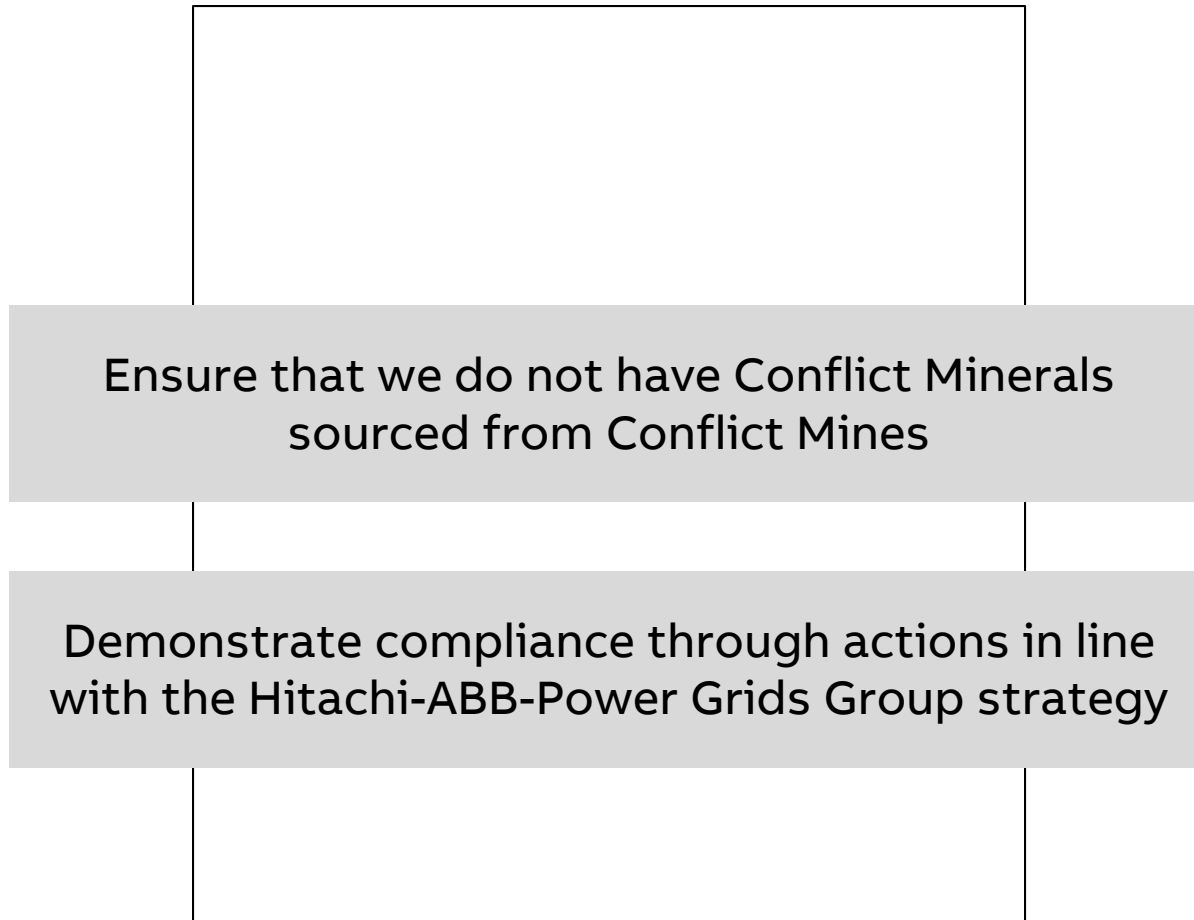
Conflict Mineral

- Core information on the rule
- Implications for Suppliers
- **Hitachi-ABB-Power Grids Policy and Supplier Code of Conduct**
- Our Supplier requirements
- Guidance on the Supplier Response Template -Conflict Minerals Reporting Template (CMRT)
- Additional information and resources



Hitachi-ABB-PowerGrids Conflict Minerals Policy

Purpose



Hitachi-ABB-Power Grids Supplier Code of Conduct

Purpose

To communicate requirements on material compliance and conflict minerals to suppliers

To manage Hitachi-ABB-Power Grids cooperation with suppliers in order to meet reporting requirements of the SEC





Content overview

Conflict Mineral

- Core information on the rule
- Implications for Suppliers
- Hitachi-ABB-Power Grids Policy and Supplier Code of Conduct
- **Our Supplier requirements**
- Guidance on the Supplier Response Template -Conflict Minerals Reporting Template (CMRT)
- Additional information and resources



Supplier requirements

Overview

1. Comply with the Hitachi-ABB-Power Grids Supplier Code of Conduct
2. Work towards ensuring that any conflict minerals contained in the products supplied to Hitachi-ABB-Power Grids do not originate from mines that support or fund conflict within the Democratic Republic of Congo and adjoining countries
3. Extend the due diligence through your supply chain to be able to determine the source of your conflict minerals

Our suppliers' willingness to comply with these requests will be a factor in our future sourcing decisions



Supplier requirements

1. Comply with the Hitachi-ABB-Power Grids Supplier Code of Conduct

Hitachi-ABB-PowerGrids Supplier Code of Conduct has been updated to include requirements specific to conflict minerals:

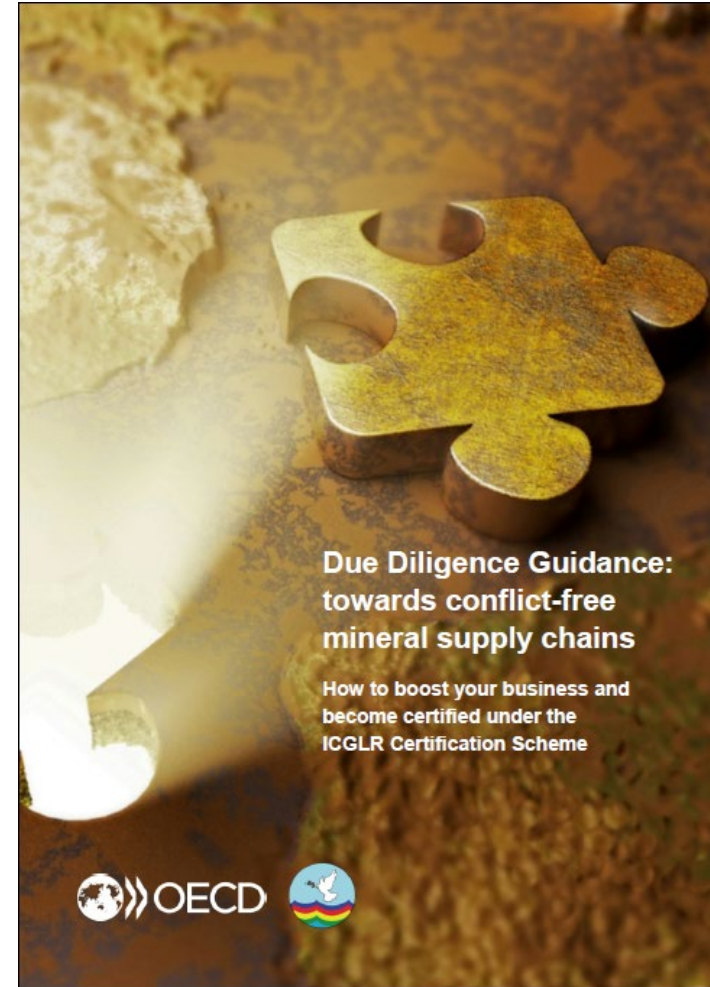
- “Implement a policy regarding conflict minerals and exercise due diligence to investigate the source of these minerals”
- Respond in a timely manner to Hitachi-ABB-Power Grids requests for evidence of your compliance with these requirements”

Supplier requirements

2. Meeting compliance standards

Work towards ensuring that any conflict minerals contained in the products supplied to Hitachi-ABB-Power Grids do not originate from mines that support or fund conflict within the Democratic Republic of Congo and adjoining countries

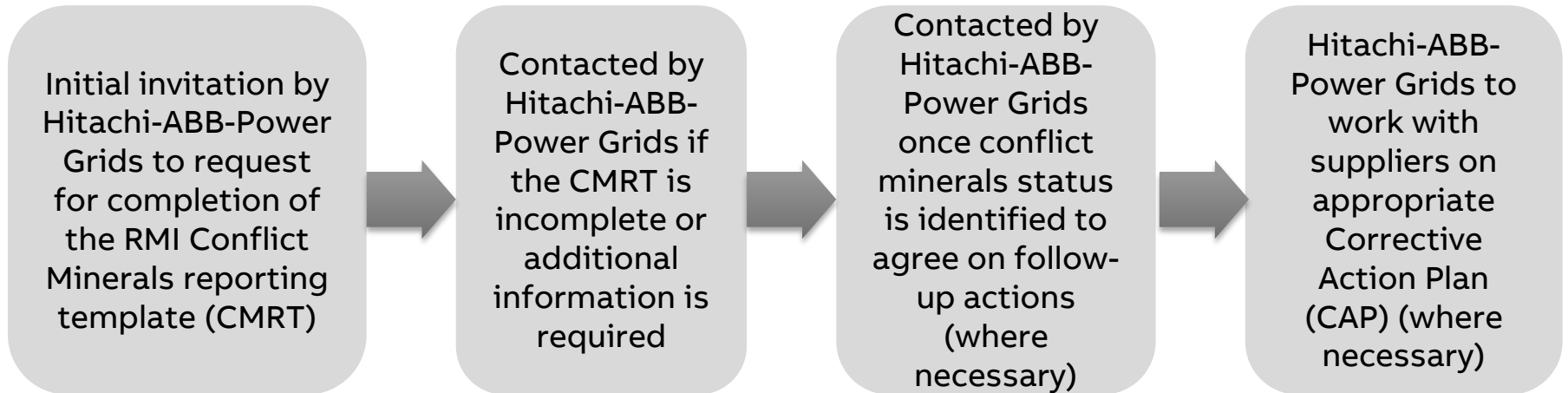
- How?
 - Undertake due diligence efforts
 - Establish company management systems
 - Identify and assess risks in the supply chain
 - Design and implement a strategy to respond to identified risks



Supplier requirements

3. Respond to Hitachi-ABB-Power Grids requests for evidence

Suppliers will be contacted by Hitachi-ABB-Power Grids in the following way:



It is imperative that your responses are:

- **Accurate**
- **Honest**
- **Timely**

[Click here to download latest CMRT from RMI](#)



Content overview

Conflict Mineral

- Core information on the rule
- Implications for Suppliers
- Hitachi-ABB-Power Grids Policy and Supplier Code of Conduct
- Our Supplier requirements
- **Guidance on the Supplier Response Template -Conflict Minerals Reporting Template (CMRT)**
- Additional information and resources



Supplier Response Template

Key Questions Overview

Conflict Minerals Reporting Template (CMRT) – how to answer Questions 1 to 8

- **Question 1:** Is any 3TG intentionally added or used in the product(s) or in the production process?
- **Question 2:** Does any 3TG remain in the product(s)? (*)
 - If the answer provided for any of the 3TG listed is “**No**”, you do not need to complete any further information for that particular mineral – all further questions will be automatically blocked. If you answer “**No**” for all of the minerals, your declaration is considered complete.
 - If the answer provided for any 3TG listed is “**Yes**”, responses are required for Questions 3 to 7 (if CMRT is below 6.0 version) for each 3TG as indicated by the yellow highlighted fields in the template. If you are using CMRT version 6.0 and above, responses are required for Questions 3 to 8 for each 3TG as indicated by the yellow highlighted fields in the template.

PLEASE NOTE THAT ALL RESPONSES MUST BE IN ENGLISH



Supplier Response Template

Key Questions Overview

Conflict Minerals Reporting Template (CMRT) – how to answer Questions 1 to 8

– For CMRT version 5.12 and below

- **Question 3 and 4** related to origin
- **Question 5:** related to the status of your supplier data collection activities;
- **Question 6:** related to the status of your smelter identification efforts;
- **Question 7:** related to the published RMI Compliant Smelter List

– For CMRT version 6.0 and above

- **Question 3,4 and 5** related to origin
- **Question 6:** related to the status of your supplier data collection activities;
- **Question 7:** related to the status of your smelter identification efforts;
- **Question 8:** related to the published RMI Compliant Smelter List

PLEASE NOTE THAT ALL RESPONSES MUST BE IN ENGLISH

Supplier Response Template

Conflict Minerals Reporting Template (CMRT 5.12 and below) – Questions 1 to 4

1) Is any 3TG intentionally added or used in the product(s) or in the production process? (*)	Answer	Comments
Tantalum (*)		<p>Question 1: From the drop-down menu, select the correct answer for each metal and provide as much information as possible in the comments box</p>
Tin (*)		
Gold (*)		
Tungsten (*)		
2) Does any 3TG remain in the product(s)? (*)	Answer	Comments
Tantalum (*)		<p>Answering "No" in Question 2 for any metal means that Questions 3-7 are automatically blocked out for this metal</p>
Tin (*)		
Gold (*)		
Tungsten (*)		
3) Do any of the smelters in your supply chain source the 3TG from the covered countries? (SEC term, see definitions tab) (*)	Answer	Comments
Tantalum (*)		<p>Questions 2-4: From the drop-down menu, select the correct answer for each metal and provide as much information as possible in the comments box</p>
Tin (*)		
Gold (*)		
Tungsten (*)		
4) Does 100 percent of the 3TG (necessary to the functionality or production of your products) originate from recycled or scrap sources? (*)	Answer	Comments
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		

Supplier Response Template

Conflict Minerals Reporting Template (CMRT 5.12 and below) – Questions 5 to 7

5) What percentage of relevant suppliers have provided a response to your supply chain survey? (*)		
	Answer	Comments
Tantalum (*)		<p>Question 5: If you answer "100%" or "with a percentage %" other than "None", you must complete the Smelter List worksheet;</p>
Tin (*)		
Gold (*)		
Tungsten (*)		

6) Have you identified all of the smelters supplying the 3TG to your supply chain? (*)		
	Answer	Comments
Tantalum (*)		<p>Questions 6-7: From the drop-down menu, select the correct answer for each metal and provide as much information as possible in the comments box</p>
Tin (*)		
Gold (*)		
Tungsten (*)		

7) Has all applicable smelter information received by your company been reported in this declaration? (*)		
	Answer	Comments
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		

Supplier Response Template

Conflict Minerals Reporting Template (CMRT 6.0 and above) – Questions 1 to 5

1) Is any 3TG intentionally added or used in the product(s) or in the production process? (*)		Answer	Comments
	Tantalum (*)		
	Tin (*)		
	Gold (*)		
	Tungsten (*)		
2) Does any 3TG remain in the product(s)? (*)		Answer	Comments
	Tantalum (*)		
	Tin (*)		
	Gold (*)		
	Tungsten (*)		
3) Do any of the smelters in your supply chain source the 3TG from the covered countries? (SEC term, see definitions tab) (*)		Answer	Comments
	Tantalum (*)		
	Tin (*)		
	Gold (*)		
	Tungsten (*)		
4) Do any of the smelters in your supply chain source the 3TG from conflict-affected and high-risk areas? (*)		Answer	Comments
	Tantalum (*)		
	Tin (*)		
	Gold (*)		
	Tungsten (*)		
5) Does 100 percent of the 3TG (necessary to the functionality or production of your products) originate from recycled or scrap sources? (*)		Answer	Comments
	Tantalum (*)		
	Tin (*)		
	Gold (*)		
	Tungsten (*)		

Question 1: From the drop-down menu, select the correct answer for each metal and provide as much information as possible in the comments box

Answering "No" in Question 2 for any metal means that Questions 3-8 are automatically blocked out for this metal

Questions 2-8: From the drop-down menu, select the correct answer for each metal and provide as much information as possible in the comments box



Supplier Response Template

Conflict Minerals Reporting Template (CMRT 6.0 and above) – Questions 6 to 7

6) What percentage of relevant suppliers have provided a response to your supply chain survey? (*)

	Answer	Comments
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		

Question 6: If you answer “100%” or “with a percentage %” other than “None”, you must complete the Smelter List worksheet;

7) Have you identified all of the smelters supplying the 3TG to your supply chain? (*)

	Answer	Comments
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		

Questions 7-8: From the drop-down menu, select the correct answer for each metal and provide as much information as possible in the comments box

8) Has all applicable smelter information received by your company been reported in this declaration? (*)

	Answer	Comments
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		



Content overview

Conflict Mineral

- Core information on the rule
- Implications for Suppliers
- Hitachi-ABB-Power Grids Policy and Supplier Code of Conduct
- Our Supplier requirements
- Guidance on the Supplier Response Template -Conflict Minerals Reporting Template (CMRT)
- **Additional information and resources**



Hitachi-ABB-Power Grids general and specific information

General information

- SEC Conflict Minerals Ruling ([link](#))
- OECD Guidelines ([link](#))
- Simplified guide to the OECD Guidelines ([link](#))

For more information please head to www.hitachi-abb.powergrids.com/supplying

Disclaimer

The purpose of this training material is to provide background information to Hitachi-ABB-Power Grids suppliers on conflict minerals, communicate Hitachi-ABB-Power Grids requirements regarding conflict minerals and provide guidance on how to fulfil these requirements. The recommendations in this training material are based on Hitachi-ABB-Power Grids understanding and experience and do not relieve Hitachi-ABB-Power Grids suppliers from their obligations to follow all applicable legal requirements, including contractual obligations.

This training material does not claim to interpret any such laws, regulations, requirements, standards or contracts. While reasonable efforts have been made to check the accuracy of this training material, Hitachi-ABB-Power Grids does not make any representations or warranties with respect to the accuracy or completeness of the contents of this training material, and Hitachi-ABB-Power Grids specifically – but without limitation – disclaims any implied warranties of merchantability or fitness for a particular purpose as concerns this training material.

The information in this training material is not to be considered to be legal or other professional advice. If legal advice or other professional assistance is required, you should engage the services of a competent professional.