

# PUBLIC POLICY STATEMENT

# **CONFLICT MINERALS**

June 2022

## **Executive Summary**

Mining is an intensive process involving potential social and environmental risks that, if not properly managed, can cause lasting negative impacts. A growing body of research suggests that these risks are associated with Conflict Minerals, a variety of metals and minerals that extend beyond cassiterite, columbite/tantalite and wolframite (the most common derivatives of which are tin, tantalum and tungsten, respectively) and gold (commonly known as 3TG).

Conflict-free supply chains are an integral part of our Responsible Sourcing program. Lonza regularly completes scoping assessment activities to determine which materials and products in our supply chain contain any Conflict Minerals that may be necessary to the functionality or production of our products.

Lonza has established this Public Policy Statement governing its position and expectations towards its suppliers on managing the use of Conflict Minerals in our supply chain, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the [OECD Guidance](#)) and as derived by the [Swiss conflict minerals regulation](#) and the [EU Regulation 2017/82137](#).

## **Background**

'Conflict Minerals' are defined as minerals originating from mines, smelters, or refineries in conflict-affected and high-risk areas identified by the presence of armed conflict, widespread violence, or other risks of harm to people, including but not limited to tin, tantalum, tungsten, their ores and mineral derivatives, or gold (3TG) originating from the Democratic Republic of the Congo or any adjoining countries (the DRC Region).

Lonza AG and its affiliates ("Lonza") continually monitors all new developments for these minerals and acts to mitigate any related human rights risks utilizing the [OECD Guidance](#).

## **Our Principles and Commitments**

Lonza is committed to ethical business conduct and responsible sourcing. As part of this commitment, Lonza's goal is to source products, components or materials that require the use of 3TG from conflict free sources. In support of that, Lonza:

- does not knowingly purchase products, components or materials for use in Lonza's products that contain 3TG from sources that originate from conflict-affected and high-risk areas, including the DRC Region;
- exercises due diligence of its suppliers consistent with the OECD Guidance; and
- requests all relevant suppliers to provide the Conflict Minerals source information necessary to support our due diligence and in particular provide responses to the Responsible Minerals Initiative ([RMI](#)) Conflict Minerals Reporting Template ([CMRT](#)).

## **Our Expectations**

The international supply chain for 3TG is complex, and the tracing of them is challenging. Therefore, Lonza expects its suppliers to have appropriate policies and due diligence (according to OECD) measures in place that allows us to reasonably determine if products, components or materials containing 3TG originate from conflict free sources, including those from the DRC Region. Specifically, Lonza expects that its existing and new suppliers:

- to source responsibly, including from legitimate, conflict-free mines in the DRC Region;
- cooperate with Lonza in connection with any due diligence (or additional due diligence) that Lonza chooses to perform with respect to its country of origin inquiries;
- provide, upon request by Lonza, evidence of the due diligence performed by the supplier to support any country of origin/ sourcing certification provided to Lonza (e.g. via supplier assessment and/or audits);
- work with their own upstream suppliers to identify the chain of custody for any conflict minerals (including the smelter, country of origin, mine location and status of any conflict minerals that may be present); and

- assist Lonza to identify opportunities to source conflict -free materials as needed.

Lonza reserves the right to verify any information received from our suppliers. Suppliers who are not able to provide adequate information regarding the source of 3TG in their products or materials supplied to Lonza or that supply materials or products containing 3TG from the DRC Region will be requested to take corrective action to ensure compliance with this policy.

In case it is found that a supplier does not comply with this policy, Lonza reserves the right to terminate the business relationship with the non-compliant supplier.

### **Lonza's broader commitment to Responsible Sourcing**

- Suppliers to Lonza must adhere to the requirements of our [Supplier Code of Conduct](#). This code defines standards of business ethics, as well as labor, health, environmental and safety practices. We routinely request supplier assessments and/or audits to monitor adherence to this code.
- Along with the businesses, our procurement team develops responsible sourcing strategies for spend categories, raw materials and services. Our risk analysis process enables us to identify high-risk materials and geographies and take adequate mitigation actions.
- Lonza publicly discloses in its [website](#) our responsible sourcing practices and other measures undertaken in order to adequately inform the public about our supply chain expectations. In addition, Lonza proactively communicates this Policy to relevant employees and suppliers. Suppliers are encouraged to contact the sourcing teams with whom they regularly conduct business if they have questions concerning this Policy.