



Responsible minerals

Supplier guide 2024

Atlas Copco
Group

PREFACE

Dear supplier,

First and foremost, we would like to thank you for the collaboration with Atlas Copco Group. This supplier guide on responsible minerals provides clarity and guidance to suppliers on our expectations relating to our Responsible Minerals Program.

As a truly global company, active in over 180 countries, we work hard to uphold a high level of ethics and to always execute responsible business conduct. Although we do not procure directly from smelters/refiners, we do purchase goods that contain minerals through our comprehensive network of direct and indirect suppliers. In this context, responsible sourcing of minerals is essential to us.

We adopt a risk-based approach to sustainability due diligence and it is the ambition of Atlas Copco Group to ensure that all minerals in our supply chain are conflict-free and that the minerals used in our products are responsibly sourced.

An important part of our Responsible Minerals Program is constructive engagement with our business partners and suppliers to achieve excellence in performance. We appreciate your collaboration and support in this ambition by promoting and complying with the social and environmental standards of our Responsible Minerals Program.

1. Introduction

This supplier guide on responsible minerals is meant to inform about our expectations and provide guidance to support our business partners in meeting the requirements of our Responsible Minerals Program.

At [Atlas Copco Group](#) we are committed to not purchase any products or components that contain minerals that are mined or sourced in an irresponsible way according to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter referred to as the 'OECD Guidance').

Supplier engagement relating to responsible minerals is limited to those suppliers that are providing us with products or components containing so-called "conflict minerals", namely tin, tungsten, tantalum, gold (shortened 3TG) or cobalt.

Even though these minerals are essential for our products, they come with a risk that their production or trade are linked with conflict and human rights abuses. It is the ambition of the Group to ensure that our supply chain is conflict-free and complies with OECD guidance. In addition, through our Responsible Minerals Program, we ensure compliance with European legislation on corporate sustainability due diligence and reporting, the German supply chain act (Lieferkettengesetz) and/or support our customers in meeting the US Dodd-Frank Act (1502).



Why is supplier engagement key for our Responsible Minerals Program?

To implement successful risk-based due diligence, supplier engagement is necessary for the following reasons:

- To gain insights into the origin of the raw materials used in our products;
- To understand and manage Environmental, Social and Governance (ESG) risks in our supply chain;
- To identify non-conformant smelter sourcing from high-risk countries (CAHRAs¹) in the minerals supply chain.

It is for these reasons that Atlas Copco Group requests suppliers to provide information about the origin of the minerals in provided products or components. In addition, supplier engagement allows us to assess our first-tier suppliers' due diligence capacity and help drive positive improvements in the supply chain as such.

¹ **Conflict Affected and High-risk Area (CAHRA)** is defined by the EU as areas in a state of armed conflict, fragile post-conflict areas, as well as areas witnessing weak or non-existing governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses. For the purpose of the Conflict Minerals Regulation, the European Commission maintains an updated CAHRA List which is freely accessible: www.cahraslist.net

2. Responsible Minerals Program: Our approach

Our Responsible Minerals Program is built upon the risk-based due diligence framework that is spelled out in the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) ('OECD Guidance') and the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#).

In accordance with these guidelines, sustainability due diligence is a preventative and continuous approach that ensures that sustainability risks are continually monitored and acted upon. Sustainability due diligence happens proactively, through our Annual Responsible Minerals Supplier Survey and reactively through our company-wide grievance mechanism called SpeakUp. In our approach, we leverage on our supply chain for insights into origin and through a shared responsibility to conduct risk-based due diligence to safeguard responsibly sourced minerals.

At Atlas Copco Group, our Annual Responsible Minerals Supplier Survey is the basis for our supplier engagement to assess the use of responsible minerals in our supply chain. Based on the data gathered, we identify the origin of our suppliers and smelters, and whether they source from so called CAHRAs.

We also assess the sustainability due diligence capacity of our suppliers, as a basis for possible further engagement as and when required.



About the RMI templates (CMRT and EMRT)

To guide policy and to implement our Responsible Minerals Program, we leverage on our membership in the [Responsible Minerals Initiative](#) (RMI) as an industry standards body. The RMI templates for minerals reporting (the Conflict Minerals Reporting Template, CMRT, for 3TG and the Extended Minerals Reporting Template, EMRT, for cobalt)² are important tools to facilitate sustainability due diligence. It allows the identification of smelters in the supply chain of high-risk minerals. The RMI reporting templates also facilitate identification of the origin of minerals sourced, including from CAHRAs.



What is expected from our suppliers?

Atlas Copco Group requires our direct suppliers to commit to responsible sourcing of all minerals included in the components and products sold to us. This commitment is exercised through minerals data collection via the Annual Responsible Minerals Supplier Survey and through sustainability due diligence, implemented continuously. Moreover, all our significant suppliers must sign our Business Partner Criteria document to confirm compliance with

² <https://www.responsiblemineralsinitiative.org/reporting-templates/cmrt>

Atlas Copco Group's Code of Conduct which includes responsible minerals sourcing requirements.

The supplier requirements under our Responsible Minerals Program are as follows:

1. Upon request by Atlas Copco Group to cooperate in our Responsible Minerals Program by providing information and conduct due diligence on minerals supply chains. In practice, this means:
 - a. To respond to Atlas Copco Group's requests for minerals' origin and/or sustainability due diligence information, including by completing the Annual Responsible Minerals Supplier Survey and follow up on additional requests for information and/or corrective action plans agreed upon and/or requested by Atlas Copco Group.
 - b. As part of the annual survey, to provide us with completed CMRT/EMRT reports³. This is to be done annually and is in line with our expectation on suppliers to only source 3TG and/or cobalt from smelters and refiners that are validated as conformant (and/or active) by the Responsible Minerals Assurance Process (RMAP) third-party assessment program.
***Note:** The CMRT/EMRT reports should minimum include a list of utilized smelters or refiners and provide a list of minerals included in the products sold to Atlas Copco Group. To collect this information, relevant lower-tier suppliers must be contacted.*
2. Establish OECD compliant policies, due diligence systems and practices:
 - a. A responsible minerals sourcing policy must exist to ensure that the products manufactured do not directly or indirectly contribute to significant adverse human rights and environmental impacts in CAHRAs.
 - b. An OECD-compliant due diligence program must be established and implemented to contribute to responsible minerals supply chains.
3. Communicate expectations to lower-tier suppliers and subcontractors that they must establish OECD-compliant policies, due diligence systems and practices.



When conformance is difficult

At Atlas Copco Group, we build long-term relationships with our direct suppliers. To safeguard a successful Responsible Minerals Program, it is our ambition to integrate the results of our annual survey and subsequent supplier engagement discussions into the broader supplier relationship. We want to pursue constructive supplier engagement and provide support (where feasible and possible) on responsible minerals sourcing.

³ Guidance from RMI on how to complete the reporting templates:
https://www.responsiblemineralsinitiative.org/media/docs/CMRT%206.0%20Guide_final.pdf

3. Sustainability due diligence: What steps can you take as a supplier?

For some businesses, responsible sourcing of minerals and sustainability due diligence may be relatively new procedures and relevant policies and processes might not yet be in place. To continue as a supplier to Atlas Copco Group, it is recommended to invest in sustainability due diligence on minerals supply chains, to ensure that relevant and correct information can be provided regarding origin and sourcing conditions for the minerals used.

By putting into place an OECD-compliant sustainability due diligence program (policy, systems and practices), your company can positively contribute to responsible minerals supply chains, which continue to pose social and environmental risks especially for minerals sourced from high-risk countries. Useful guidance documents can be found at OECD and RMI⁴.

Sustainability due diligence on minerals could include the following steps:

- Make sure that you know which minerals you have in your supply chain and if they contain 3TG or cobalt.
- Engage with your suppliers and use RMI's reporting templates CMRT/EMRT to identify used smelters and refiners. Make sure that you understand your suppliers' policies and efforts to safeguard responsible minerals sourcing.
- Verify that used smelters and refiners have been successfully audited against a standard such as RMI. Follow up on data provided and make sure the information is correct.

⁴ See: <https://mneguidelines.oecd.org/mining.htm> and <https://www.responsiblemineralsinitiative.org/training/publications-brochures/>

Contact details

We value your feedback on our Responsible Minerals Program. This could be done by sending us an email to responsible.minerals.ac@atlascopco.com

If you have a complaint, you submit this through our [grievance mechanism](#) which is always accessible on our website and allows reporting in your local language either by phone or an online form.

Thank you for your support to Atlas Copco Group's Responsible Minerals Program!

Any questions or suggestions?

Contact the Responsible Minerals Program team by email:

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