



# GENERAL BUSINESS PRINCIPLES

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# 1 INTRODUCTION

## 1.1 LETTER FROM THE CEO

We are in a changing world full of opportunities. The world will move to a circular economy; One in which we work together to make sustainable growth possible in a way benefiting all stakeholders. We believe our business model is an example of how positive impact can be created for the environment, our people and our investors.

Closing the Loop's General Business Principles define how we conduct business as a Social Enterprise, and how we expect all our stakeholders to act in their own operations. We have chosen a single common denominator for actions and innovations in our business and reflect on this whenever we have decisions to make. Respect is that common denominator.

We define respect as the consideration for the rights (legal or implied), traditions, feelings and wishes of anyone and anything. This includes respect for people, places and ideas or concepts. Asking ourselves whether a decision we make respects all those involved enables us to follow our business goals with integrity and honour. We must follow this guideline at all times, for all decisions, and with all our interactions.

We expect every one of our stakeholders to uphold the same level of respect and we encourage them to let this respect govern all their actions and decisions as well.

It is up to our staff, our suppliers, our customers, our investors and our fans to uphold this respect, and to keep us to this basic principle. This document will help to explain our commitment to respect and assist in situations where there is doubt.

Only if we all work together and aim for constant improvement, can we work towards an economy that is truly circular, and a world with a social, bright and sustainable future.



Joost de Kluijver

Founder & CEO

## 1.2 PURPOSE OF THIS DOCUMENT

Closing the Loop is a Social Enterprise, and as such has high standards of positive impact in all the work we do. This includes a positive impact on all our stakeholders. In order to have a positive impact, it is important that we are aware of all the implications our work has, and how our work affects all stakeholders involved. This document explains how we aim to be as responsible as possible in all our dealings, from complying with all regulations, to meeting standards and obligations demanded by some of our stakeholders. It offers a guideline for anyone that wants to deal with our company to understand what basic principles we stand by, and what code we follow in doing our business.

## 1.3 WHO THIS DOCUMENT IS FOR

This document serves as a reference for any stakeholder of Closing the Loop. This includes all those within our supply chain, all our customers and any other organisations or individuals that want to understand to what standards we conduct business. Certain members (see section 2.2) within our supply chain are obliged to follow the same principles and comply with the Code of Conduct, and this guide aides them in doing so.

# 2 RESPECT

In conducting our business, Closing the Loop always does so with a central belief in respect. By respecting all aspects of our business, we are able to act responsibly towards our employees, our customers, our shareholders, our supply chain and the world in which we operate.

We constantly re-evaluate this commitment and adjust our processes and management systems where necessary in order to do our business with the maximum amount of respect for all stakeholders in our business.

## 2.1 RESPECT FOR OUR DIRECT STAKEHOLDERS

### 2.1.1 Respect for our Employees

We respect the contribution of our employees to the success of the company as a whole. In this, we try to ensure maximum use of the skills, talents and experience of our employees, while also making room for personal development. We expect the same level of respect from our employees in that they act with integrity and always in the interest of our company.

### 2.1.2 Respect for our Clients

Closing the Loop exists to enable a circular economy for mobile phones and offering ways to our clients to contribute to this. Our clients are the drivers of our business by making our work possible and sharing the ambition of transforming into a circular economy. We engage our clients in dialogue and ensure that our offers match their needs and expectations. In servicing our clients, we act in the highest standards of integrity and respect and we honour all our contractual commitments with our clients.

### 2.1.3 Respect for our Shareholders

We respect the expectations and honour the commitments that we have to our shareholders. We do this by working towards the return on investment expected by our shareholders while acting according to our agreed business principles.

## 2.2 RESPECT FOR OUR SUPPLY CHAIN

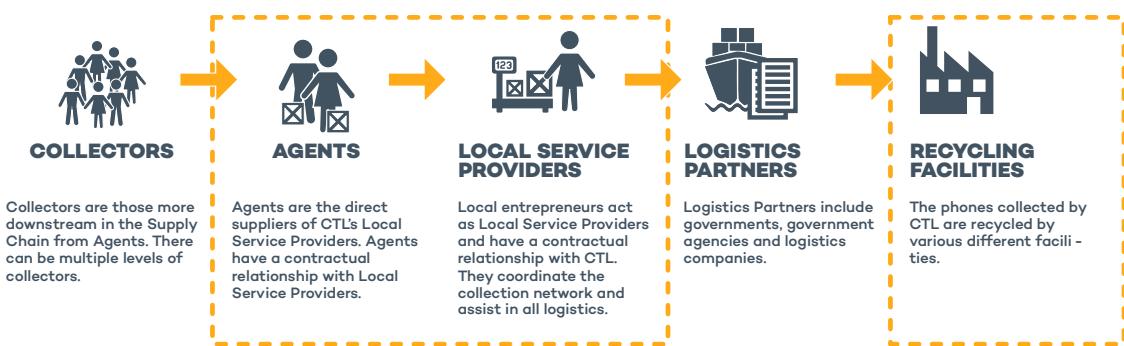


Figure 1 - CTL's Supply Chain - This diagram shows CTL's Supply Chain, with the key actors highlighted in an orange box.

Closing the Loop's supply chain is at the heart of our company, and the impact we have on this supply chain is the core of our business. We therefore treat this supply chain with the highest level of respect possible and demand the same from all actors within this supply chain. We aim for the maximum amount of transparency possible in our supply chain without compromising our ability to conduct our business in a competitive manner. Key Actors in the supply chain are contractually obliged to comply with Closing the Loop's General Business Principles, either directly or through a third-party contract.

In all interactions with our supply chain, we respect all basic human rights as set forth in the United Nations Guiding Principles on Business and Human Rights<sup>1</sup> and commit to a workforce free of child labour, harassment and discrimination. As we operate in countries and sectors with potential risks, we also follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas<sup>2</sup>. Most of these commitments are derived from the RBA Code of Conduct, as elaborated later in this document. We also liaise with local governments and other interest groups to ensure we comply with local standards and legal obligations.

### 2.2.1 Business Relationships

We aim to engage in long-term relationships with our supply chain partners that are mutually beneficial. We aim to make our business relationships formal and documented as much as possible, including the relationships in the informal sector. In our agreements within our supply chain we demand adherence to our business principles and compliance with our Code of Conduct and endeavour to make these business dealings as transparently as possible.

<sup>1</sup> [https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr\\_eN.pdf](https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf)

<sup>2</sup> <https://www.oecd.org/corporate/mne/GuidanceEdition2.pdf>

## 2.2.2 Legal Compliance

In our entire supply chain, we comply with health and safety standards as well as all local laws and regulations. In addition to that, we aim to exceed the legal requirements by sticking to higher standards as is expected in the EU, even for our activities in other regions of the world.

## 2.2.3 Code of Conduct

We have developed a Code of Conduct for our supply chain largely based on the latest version [RBA Code of Conduct](#) and the guidelines mentioned therein, and we expect all actors in our supply chain to comply with and respect this code of conduct. The Code of Conduct is constantly being evaluated and improved as deemed possible within our business principles. All formal agreements (contracts) with actors within our supply chain include a contractual obligation to comply with this Code. In turn these actors are also required to include this Code in their own contractual agreements with suppliers that form a part of our supply chain.

## 2.3 RESPECT FOR THE ENVIRONMENT

Closing the Loop's vision is a truly Circular Economy for IT, making IT the world's first waste-free industry, and ensuring this is true on a global scale. In striving for this goal, our commitment to and respect for the environment is inherent in our vision. We therefore align all our business practices in such a way that our impact on the environment is a net positive. In addition, we also aim to increase this positive impact as much as possible by evaluating all negative impacts of our business, and constantly developing our business to make these as few as possible.

Through its partnership model, Closing the Loop ensures the maintenance of all required environmental permits.

## 2.4 BUSINESS ETHICS

Closing the Loop's operations and all business activities are corruption and bribery free. All stakeholders and anyone in the supply chain is held to the anti-corruption and bribery policy. Furthermore, CTL encourages anyone to report any suspicion of a breach of its business ethics. Operations are continuously evaluated to mitigate risks for corruption.

## 2.5 NO CHILD LABOUR

CTL commits to a strict child labour policy in accordance with the International Bill of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Convention on the Right of the Child as well as the United Nations Guiding Principles on Business and Human Rights. The company does not employ children. Young workers are allowed to perform non-hazardous, light work under the supervision of an adult.

All employees, supply chain partners and stakeholders are expected to adhere to this commitment and agree to do so in their contracts with the company.

The policy is embedded throughout the organisation as CTL drives respect for human rights across the organisation and in its business values. There are several elements, processes, and procedures in place in the company's Management System to ensure the policy.

# 3 ANTI-CORRUPTION & BRIBERY

## 3.1 WHY THIS POLICY?

Closing the Loop adopted an anti-corruption and bribery policy to prevent and detect any form of bribery or corruption. Reducing corruption is at the heart of the realisation of the Sustainable Development Goals; SDG 16 includes commitments to fight corruption, increase transparency, tackle illicit financial flows and improve access to information, and we fully support that.

## 3.2 WHAT DO WE CONSIDER CORRUPTION?

Closing the Loop considers the offering, promising, requesting or receiving of a financial or non-financial advantage or anything of value in order to receive personal gain a corruptive offence. We consider those payments a bribe if the purpose of it is to secure the improper performance of or misuse of a person's position.

This policy in particular covers small unofficial payments, such as facilitation payments to public officials to ensure or speed up a performance and sometimes considered to be “way of doing business” in certain parts of the world.

## 3.3 WHO IS SUBJECT TO THIS POLICY?

Any person who acts in the course of or on behalf of Closing the Loop such as Employees, Local Service Providers, Agents, Stakeholders and Shareholders and other partners involved in the supply chain are subject to this policy. Though Closing the Loop will do everything in its power to avoid these actions, it cannot be held responsible for actions of a third party acting on its behalf.

## 3.4 STATEMENT

No person who is subject to this policy should

- offer or provide a bribe or anything which may be viewed as a bribe either directly, indirectly or through a third party
- request or receive a bribe which may be viewed as a bribe either directly, indirectly or through a third party, or perform a job function improperly in anticipation of a bribe