



# CODE OF CONDUCT

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# 1. PREFACE

This Code of Conduct supports Closing the Loop's (CTL) Management System which manages, evaluates, protects, improves and develops the supply chain and relationships with all stakeholders involved in this supply chain. The principles and guidelines mentioned in this code are shared with all stakeholders and are referred to in all dealings with suppliers within the supply chain.

This code is supplemental to Closing the Loop's General Business Principles, and all commitments by CTL mentioned in the General Business Principles also apply within this code.

## 1.1 BASIC PRINCIPLES

The Code of Conduct is largely based on the latest version [RBA Code of Conduct](#) and the guidelines mentioned therein. Deviations from this code, and special interpretations are explained in section 3.5. In general, Closing the Loop conducts business according to the following principles:

- a) CTL and its partners in its supply chain comply with all applicable laws and regulations in the regions they operate,
- b) As a minimum, the partners in CTL's supply chain with which CTL has a direct contractual relationship are required to comply with this code,
- c) In addition to the items in this code, CTL also draws inspiration for this code from the OECD Due Diligence Guidelines as well as the UN Guiding Principles for Business and Human Rights,
- d) CTL maintains a clear and thorough view of its supply chain while continually striving for improvement in looking for risks in the supply chain and mitigating these risks.

## 1.2 SCOPE AND APPLICABILITY

This Code of Conduct applies at a minimum to all employees of CTL as well as first and second-tier actors in the supply chain. These are defined as the Local Service Providers (1<sup>st</sup> tier) in the countries of operation, and their direct Agents (2<sup>nd</sup> tier). The recyclers/refiners in the supply chain are also expected to follow this code as a minimum and are contractually obliged to do so.

Further to this minimum, the code is expected to be followed by actors further down the supply chain as much as possible, as well as by other stakeholders for which its content can be seen as applicable.

### **1.3 MANAGEMENT STRUCTURE & GRIEVANCES**

The supply chain management system and the adherence to this code of conduct is the ultimate responsibility of the Supply Chain Director of CTL, who ultimately answers to the CEO. As part of this responsibility, the Supply Chain Director reviews the management structure and this code of conduct on an annual basis and implements changes where necessary in order to improve these.

Grievances within the supply chain can be filed by any person who feels affected by a problem within this supply chain. These are filed directly by through [this form](#) with the company's Grievance Officer if needed and if the problem cannot be solved within the supply chain. The Grievance Officer will personally communicate with the person in question and take mitigating actions if necessary.

Management constantly documents processes and keeps records to ensure regulatory compliance where necessary.

### **1.4 RISK ASSESSMENT AND MANAGEMENT**

CTL uses the KYC procedure to identify any red flags or points of attention within its supply chain that relate to legal, environmental, health and safety, labour or ethics compliance. If a red flag or point of attention is identified, it will be investigated further by CTL to determine the impact and the possibilities to mitigate the risks. This is always done in consultation with the counterparty. Should red flags be found that will deem cooperation with this counterparty impossible according to this code, the relationship with the counterparty will be broken until the issue is resolved.

All suppliers and smelters/refiners of CTL are visited annually to assess the facility and its compliance with CTL's principles and code of conduct. CTL may investigate the option of a smelter/refiner to obtain specific certification and can work with them to achieve this. At a minimum, CTL will assess the facility's status by comparing to publicly available standards published by certification authorities such as RJC, RMI, EERA and WEEELABEX.

### **1.5 AUDITS & ASSESSMENTS**

CTL will annually self-assess this code of conduct and the adherence to this code of conduct by those involved through internal discussions, interviews, feedback forms and checking of documentation. CTL will also periodically request a third-party assessment. In addition, all stakeholders are free to request a third-party audit of CTLs processes and supply chain at their own expense.

## 1.5.1 Corrective Action

### 1.5.1.1 Identification of Issues

Issues within the supply chain (including red flags as identified according to OECD guidelines) are identified through various means documented in our Management Systems. The development of the supply chain as mentioned earlier in this document is the main means by which these issues are raised. Issues can also be flagged through client or partner requests, or through grievances.

### 1.5.1.2 Mitigation Procedure

Issues within the supply chain are always reported to the Director of Supply Chains, as well as to the CEO of the company. It is the responsibility of the Director of Supply Chains to address the issues and implement an internal procedure to remediate them in collaboration and agreement with the parties involved.

Issues involving the supply chain in a specific country will always be addressed in collaboration with the local service provider in that country.

Further measures to mitigate risks include the monitoring of improvement objectives, training of partners about policies and assess the understanding of the Code.

# 2 KNOW YOUR COUNTERPARTY (KYC)

## 2.1 SUPPLIERS

CTL applies the KYC principle when dealing with stakeholders within the supply chain, and with its customers. At a minimum, CTL has written contracts and proof of identification of its first-tier suppliers. Additionally, for second-tier suppliers, contracts are demanded between those suppliers and the Local Service Providers. As CTL deals a lot with the informal sector, proof of identification is not always possible though an effort is made to receive this as much as possible. For second-tier suppliers that are not literate, a verbal agreement is made, and a paper version signed by the Local Service Provider.

All suppliers are given this Code of Conduct and are contractually obliged to adhere to it.

## 2.2 CLIENTS

CTL obtains all legally required information from its clients to confirm their identity and ability to engage in the contractual obligations entered into with CTL. For clients that purchase precious metals, CTL complies fully with the “*Wet ter voorkoming van witwassen en financieren van terrorisme*” as required by Dutch law.

## 2.3 REFINERS/RECYCLERS

CTL has contractual relations with all the refiners/recyclers with which it does business. This contractual relationship includes this Code of Conduct and all guidelines and agreements within. CTL does its own Due Diligence with regards to the certification and compliance of the recyclers/refiners it works with. Though having certifications such as WEEELABEX or RMI is an added bonus, CTL does not demand them as CTL also works with smaller (and newer) smelters. At a minimum CTL requires full compliance with local law.

In all relations with recyclers/refiners, CTL does encourage and assist where possible with certification (such as RJC or RMI) by providing information necessary for registration as well as offering expertise and connections to aid in certification. To the extent that contracts allow, CTL shares the identity of all the refiners involved in its operations.

## 2.4 LEGAL COMPLIANCE

CTL demands compliance with all local laws and regulations from all actors in its supply chain. Actors with whom CTL have contractual relationships have the contractual responsibility to comply with all local laws and regulations, and to provide a declaration to CTL of their legal and regulatory status. The validity of any permits is checked annually, as is the declaration of legal status.

## 2.5 SUPPLY CHAIN DEVELOPMENT

CTL aims for continuous improvement of all processes and actors within its supply chain. As a social enterprise with an impact mission, this is directly tied to the mission of the company, and thus integrated in all the work done by CTL. CTL addresses development and improvement through the following mechanisms.

### 2.5.1 Improvement Objectives

CTL annually sets improvement objectives, specifically related to the impact of its operations. These objectives are known by all employees, and the relevant objectives are communicated with first-tier suppliers.

### 2.5.2 Training

As an actor in a highly unregulated field with many potential risks, CTL has integrated training into its supply chain. This not only ensures effective and efficient business operations but promotes the health and safety of all those involved in the supply chain.

First-tier suppliers are trained annually on the health & safety aspects of collecting and storing electronic waste as well as the operations and procedures needed to comply with CTL's mission and specifically with this code of conduct. These suppliers are further trained to train their suppliers for their own operations. Training is currently fully developed and executed by CTL and is specific to the processes and circumstances of the company. We require our partners to comply with local and national health and safety law that is effective in the country of manufacture.

### 2.5.3 Documentation & Communication

All processes and transactions are properly and permanently documented. Transactions are communicated to all parties involved in the transaction, and processes are shared with the actors involved within the supply chain. Chainpoint is used as a dedicated Supply Chain Management tool by CTL and its suppliers to track all transactions related to its supply chain. The information in this system is auditable by any party in the supply chain.

All agreements and communications with suppliers that affect this code of conduct are done in writing, either by email or physical documents.

## 2.6 THE CODE

CTL uses the RBA Code of Conduct as a base for its own code. This code is shared along with this document with all stakeholders affected.

CTL applies all articles of the code relevant to its business, and sections where CTL's code differs from the RBA code or where interpretation is relevant are highlighted below.

### 1. Introduction

Though the RBA code mentions the electronics industry as a focus for this code, CTL has decided to adhere to the same principles even though it does not technically fall within the electronics industry as defined by the RBA.

### 2. A. Labor

CTL defines employees in its supply chain as anyone that is paid for a service within the supply chain. This does not always have to be in a contractual relationship, or in a formal employment.

### 3. A.2 Young Workers

Closing the Loop does not allow children under the age of 15 years in its entire supply chain. The RBA defines "The term child refers to any person under the age of 15, or under the age of completing compulsory education, or under the minimum age of employment in the country ... ". Young Workers (age 15 to 18), can only perform light work under supervision of an adult as of the ILO Convention 182 and under restrictions on overtime and hazardous work.

Though RBA mentions stages of manufacturing, for CTL any part of the supply chain is taken as the context for this code.

Closing the Loop's approach to child labour, procedures to keep the supply chain child labour free and the remediation plan in the event of child labour is further explained in Closing the Loop's Child Labour Policy.

### 4. B.4 Industrial Hygiene

CTL requires participants in the Supply Chain (contractually to 2<sup>nd</sup> tier suppliers) to be provided with safety equipment for the collection, handling and storage of electronic waste. This includes gloves for most actors, and face masks for warehouse workers that count/sort/weigh the collected electronic waste. There is no official equipment specification as this is a voluntary measure by CTL. The safety equipment is provided by CTL to ensure the usage of proper gloves and face masks.