



# **TKH GROUP N.V.**

# **CONFLICT MINERALS POLICY**

# **2025**



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## 1. Introduction

TKH Group N.V. (TKH) specializes in the creation of innovative, client-centric technology systems that drive success in automation and electrification. By integrating hardware, software, and customer-focused insight, our smart technologies provide unique answers to customers' challenges. In doing so, we work to make the world better by creating ever more efficient and more sustainable system.

We want to be recognized as a technology company that inspires trust and respect and that creates value both for our partners and for ourselves, taking fully into account the importance of fulfilling our strict environmental, social, and economic requirements to achieve a strong and long-lasting competitive edge.

It is our intention to establish strong supplier relationships with a high degree of integrity and corporate ethics. Our intention is to operate fairly and to make decisions based solely on overall value to TKH. We will not allow any inappropriate influence to compromise or sway our decisions. It is expected that this commitment is shared by our suppliers and throughout the supply chain.

## 2. Responsibility

Our Conflict Minerals Policy is overseen by the Sustainability Director, who reports to the CEO. This role ensures accountability at the highest levels for the responsible sourcing of minerals. The Conflict Minerals Policy is also validated by cross-functional checks, which involves members from other relevant departments, such as procurement, legal, internal audit and compliance.

## 3. TKH Vision and Mission

Based on the TKH mission "Create Smart Technologies for sustainable value creation" and the vision "Together with our customers, we develop next generation technologies that make the world more efficient and more sustainable", our Procurement Departments promote best practices and purchase services and goods for efficient company operation.

Due to increasing globalization we depend on reliable partners. The task of our Supplier management system is to select suitable Suppliers and monitor and improve their performance on an ongoing basis.

The substantive demands that our customers place on our performance and cooperation are the same demands that we place on our Suppliers.

## 4. Guiding principles

TKH is committing to the [Ten principles of the UN Global Compact](#)

Supply chain sustainability is the management of environmental, social and economic impacts and the encouragement of good governance practices, throughout the lifecycles of goods and services. The objective of supply chain sustainability is to create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing products and services to market. By integrating the UN Global Compact Ten Principles, in the areas of Human Rights, Labor, Environment and Anti-corruption, into supply chain relationships, TKH strives to advance corporate sustainability and promote broader sustainable development objectives.



TKH follows the [OECD Guidelines on responsible business conduct](#)

TKH conducts its business activities in accordance with the Universal Declaration of Human Rights. We have included provisions regarding the respect and protection of human rights in both our [Code of Conduct](#) and [Code of Supply](#). TKH will not tolerate any violation of human rights. We use the OECD Guidelines as a reference framework to enable us to quickly identify potential risks. These OECD Guidelines refer to the Universal Declaration of Human Rights, which states that all parties in society, including companies, have an obligation to respect and protect human rights. As part of our Code of Supply assessment, we evaluate suppliers on their human rights records and discuss potential issues related to discrimination, social security rights, and the risk of child labor within the value chain. In case of violations, and not adequately defined follow-up actions, the business relation will be reconsidered.

## 5. [Compliance](#)

TKH demands all suppliers to comply with relevant (local) laws and regulations. We also expect our suppliers to adopt a zero-tolerance policy on issues that are material to us. Our principles and requirements are set out in a Code of Supply, which covers such issues as human rights, the environment, occupational health and safety, compliance with law and regulations, and ethical behavior.

## 6. [Conflict minerals](#)

Our policy regarding conflict minerals, specifically tin, tungsten, tantalum, gold (3TG), and cobalt, is based on the guidance provided by the Responsible Minerals Initiative (RMI) (<http://www.responsiblemineralsinitiative.org>). This policy ensures that the sourcing of these minerals complies with global standards, particularly focusing on eliminating the use of minerals that contribute to conflict and human rights abuses, as outlined in the Standard for Responsible Mining and Mineral Processing 2.0. This standard provides clear guidance on the ethical sourcing of minerals. TKH is committed to not directly source minerals from Conflict-Affected and High-Risk Areas CAHRAs.

Being more at the end of a complex and global supply chain, TKH does not intentionally add or use 3TG or cobalt in its products or production processes. However, TKH acknowledges the potential risk of conflict minerals being present in part of its supply chains, particularly in the tinned copper we purchase from our copper suppliers. TKH is therefore also committed to mitigating this risk, through conducting a risk analysis on most important and relevant suppliers. The risk analysis shows that the likelihood of our products containing conflict minerals is very low, primarily limited to tinned copper from suppliers that are expected to be compliant with responsible sourcing practices.

TKH has established a due diligence process that includes the following key steps:

- **Supplier Communication:** TKH communicates through e.g. its Code of Supply and related assessments, with its most important and relevant suppliers about expectations, explicitly stating that they must be compliant with conflict minerals regulations. Suppliers are required to adhere to the RMI guidelines and ensure that the materials they provide are free from conflict minerals.
- **Supplier Questionnaires:** TKH requests suppliers with a potential risk associated to conflict minerals, as a result of the abovementioned risk analysis, to complete a Conflict Minerals Reporting Template (CMRT). This template requires suppliers to disclose their sourcing practices and whether their materials contain conflict minerals or originate from CAHRAs.
- **Supplier Audits:** for the relevant suppliers, TKH includes conflict minerals (CMs) in its

supplier audits and visits. These audits are critical for verifying the information provided by suppliers and ensuring that they comply with the RMI standards. TKH also engages with non-cooperative or non-compliant suppliers to improve their practices.

- Engagement and Termination: if a supplier fails to comply or cooperate with TKH's conflict minerals policy, TKH takes proactive steps to engage with the supplier. In cases of non-compliance, and inadequate follow-up actions, TKH may reconsider its business relationship with that supplier.
- Internal and External Audits: TKH conducts internal audits of relevant first-tier suppliers, involved in its supply chain to verify compliance with the RMI guidelines. Additionally, external audit reports and/or relevant certificates of first-tier suppliers, may be requested.
- Reporting on audits: TKH reports on its audit conclusions and major findings, if applicable, in its Annual Report, which can be found on the TKH website ([www.tkhgroup.com](http://www.tkhgroup.com)).

## 7. Overview of TKH procurement process

We expect all our suppliers and their sources act in accordance with our Code of Supply. In addition, any supplier with an annual purchase volume of more than € 1 million must sign the Code of Supply. Within a maximum of two years after signing the Code of Supply, an assessment of the supplier in question must be carried out to review the items stipulated in the Code. Through the TKH Code of Supply, our suppliers are aware that they should follow our business ethics, and strategic suppliers confirm this by signing this Code. Compliance with this code is verified during supplier audits performed by the TKH Companies. Internal Audit of TKH has included the auditing of processes related to the Code of Supply in its work program.

If a supplier fails to meet one or more of the requirements in the code, action must be taken to ensure that the supplier will become compliant in an effective and efficient way as soon as possible. If the supplier refuses to cooperate or fails to make sufficient progress toward complying with the code, TKH will reconsider its partnership with that supplier. In certain cases, local conditions may prevent the supplier from meeting particular requirements of the code. In such cases, we engage in dialogue to work towards a satisfactory solution. In such discussions, best practices are shared with the supplier in question, to help them make improvements and share ideas. The purchase manager of the TKH company has a leading role in this.

In addition, TKH is committed to implementing a comprehensive training program to ensure that all procurement personnel and relevant supply chain staff are fully equipped with the knowledge and skills necessary to uphold ethical and sustainable sourcing practices. This training program will be designed to promote ethical sourcing practices and ensure compliance with both local and international regulations.

Additional information and annual progress can be found in TKH's Annual Report.



## 8. Approval

This policy will be annually reviewed and updated where necessary.

This policy for sustainable procurement is approved by:

Derk Postma  
Member of the Management Board  
and Director Sustainability