

## Conflict Minerals Due Diligence

Dec 23, 2022

Dear Valued Business Partner,

Avnet, Inc., including but not limited to the Avnet business units listed below (collectively “Avnet”), is working towards a conflict-free supply chain and fully supports the aims of US Dodd-Frank and EU Regulation (EU) 2017/821 conflict minerals legislations<sup>1</sup>. Conflict minerals include tantalum, tin, tungsten and gold, and are used in many electronic components and computer products.

Avnet Business Units	
• Alpha 3 Manufacturing*	• Avnet Silica
• Avid Qi	• CPC
• Avnet Abacus	• EBV Elektronik
• Avnet ASIC Solutions	• element14
• Avnet Design Services	• Farnell
• Avnet Embedded	• Newark
• Avnet Integrated	• USI Electronics
• Avnet Advanced Applications Group	

\* Avnet sold Alpha 3 to Inspirit Capital in September 2022.

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### Please note:

- Avnet does not directly purchase any conflict minerals from any source and endeavors not to purchase products that contain conflict minerals that directly or indirectly finance or benefit armed groups.
- Avnet expects its suppliers to only source minerals from responsible sources and we are dependent upon the information provided by our suppliers.
- As Avnet is many layers removed from upstream stakeholders, it is difficult for Avnet to effectively influence such stakeholders' purchasing behaviours, especially within a short period of time.
- Avnet's conflict minerals policy and CMRT are available at <https://www.avnet.com/wps/portal/us/about-avnet/human-rights/conflict-minerals/>

- CMRTs look retrospectively at procurement. At the time a CMRT is provided, material from certain smelters may already be part of the company's supply chain and products. Therefore, actions requesting immediate removal of a smelter of concern cannot be fulfilled.

## **Due Diligence Program**

Avnet's conflict minerals due diligence program follows the Organisation for Economic Co-operation and Development's (OECD) 'Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.' (<http://www.oecd.org/corporate/mne/mining.htm>).

The elements of its due diligence program include:

- a supplier risk assessment
- a campaign of requesting Conflict Minerals Reporting Templates (CMRTs) from our suppliers
- the validation of received supplier CMRTs
- responding to smelter risk as presented by supplier CMRTs
- constant improvement

The validated supplier CMRTs are used as the basis for our company-level CMRT.

Avnet has retained Assent ("Assent"), a third-party service provider and Responsible Minerals Initiative (RMI) member, to assist in the collection and review of supplier CMRTs and the identification of risks in the supply chain. Assent's online tools provide functionality that meets the OECD process expectations by evaluating the quality of each supplier's response and assigning a health score based on the supplier's declaration of process engagement.

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## **Avnet CMRTs**

Avnet's first interim company-level CMRT is normally made available in December of each year, and is updated at least once during the reporting year leading up to the final CMRT produced at the end of April. The updated versions are produced because Avnet continues to receive new and updated CMRTs from its suppliers during the conflict

minerals campaign season. Avnet's company-level CMRT is provided free of charge on its website as noted above, but part-level or customer-level CMRTs cannot be produced.

### **Smelters of Interest**

In alignment with the OECD Diligence Guidance, Avnet, via its partner Assent, continuously surveys its direct suppliers to verify the presence of [Smelters of Interest](#) (e.g. smelters or refiners that have shown red flag risks as per OECD Due Diligence Guidance).

The goal of the risk-based due diligence approach described above is to:

1. Educate the supply chain of current risks and concerns.
2. Support informed purchasing behaviours throughout the supply chain.
3. Encourage suppliers to perform similar due diligence activities on their end.

Avnet, via its partner Assent, also engages with smelters in an effort to convey the importance of smelters undergoing independent audits to validate their sourcing as conflict-free or responsibly sourced. This due diligence outreach conducted by Assent is performed in partnership with other companies who share the same commitments as Avnet.

### **Non-conformant Smelters**

Some smelters are not yet conformant with the Responsible Minerals Assurance Process (RMAP) assessment protocols, but Avnet does not consider them to be high risk simply because they haven't been audited yet. As a distributor Avnet has no control over these smelters or their usage. However, Avnet does participate in an industry-wide outreach program to encourage non-conformant smelters to be fully audited with the RMAP.

### **Inactive Smelters (Smelters no longer in business)**

Avnet is aware that CMRTs can include smelters that are no longer in business. As closure dates vary considerably and inventory can stay in the supply chain for an extended period of time, inactive smelters can continue to be reported on its CMRTs. Avnet expects most of these to disappear in next year's CMRT.

**Extended Minerals Reporting Template (EMRT)**

In October 2021, RMI released the first Extended Minerals Reporting Template (EMRT). The EMRT is designed to collect data regarding cobalt and mica supply chains. Avnet does not have an EMRT nor does it actively collect this data from its suppliers. However, Avnet is monitoring this new initiative and will revise its position as necessary. Avnet does recommend that customers contact the manufacturer if an EMRT is required.

Thank you for your business and partnership,

Daniel Carey

Product Compliance Senior Manager

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