

Company Responses to CBS News re: allegations of children mining cobalt in Congo

HUAYOU COBALT

CBS interviewed sellers at an open market who said "all the Chinese traders there sell to CDM." CDM denied that, and a spokesman said the following:

"Since Huayou Cobalt had made the commitment in the first Intel. workshop on due diligence and building responsible cobalt supply chains hosted by CCCMC & OECD in Beijing in April 2016, we are implementing the first due diligence of responsible supply chain management system in cobalt industry. We have deep investigations in cobalt supply chain, especially in upstream in DRC. We noticed that the traditional ASM cobalt supply chain near Kolwezi, DRC is really hard to control the risk like child labor. We have suspended buying ASM cobalt in the traditional way, which was through intermediaries and traded in free markets since Q2 2017. Instead, we developed good ASM practices and did train and demonstrate to all intermediaries.

"In general, we have a very good control about human right abuses like child labor in our cobalt supply chain."

Do you accept child labor in your supply chain?

"No, we don't accept child labor and other serious human rights abuses in our supply chain. Kindly see our supply chain due diligence policy published in our website."

<http://en.huayou.com/downloadRepository/fe9f0cfc-df12-4b6e-8431-d5ee23c39844.pdf>

"Also, please also see the supplier's code of conduct:"

<http://en.huayou.com/downloadRepository/e6cefb0e-c623-4a9a-a29e-3ed3e6a89c96.pdf>

Supplier Standard for Responsible Sourcing of Cobalt:

<http://en.huayou.com/downloadRepository/49407ec9-ca3a-43ee-8b88-2cec3bea0850.pdf>

We understand Apple Inc. has requested you segregate ASM cobalt from the rest of the supply to Apple Inc. Can you provide support that segregation is taking place?

"This is an business confidential information [sic] and I am afraid that I can't comment too much on that. We have done what Apple requested us to do and have been assessed."