

Conflict Mineral Policy

Purpose, scope, and approach.

SKF supports efforts to end the violence and human rights violations involved in the mining of gold, tin, tantalum, and tungsten (3TG) Conflict Minerals, including derivatives such as cassiterite, columbite-tantalite, and wolframite, from the “Conflict Region” of Africa comprised of the eastern portion of the Democratic Republic of Congo (DRC) and surrounding countries.

The SKF Code of Conduct and Code of Conduct for Suppliers describes SKF’s requirements for the ethical behavior of suppliers and sub-contractors as well as the extended supply chain. These requirements include respect for human rights and worker rights.

Although SKF is not directly subject to Conflict Minerals regulations, SKF and our Suppliers’ responsibility under the Code of Conduct includes supporting our business partners’ compliance with various global agreements and laws including:

- Observance of the OECD (Organization for Economic Cooperation and Development) Due Diligence Guidance for Responsible Supply Chain of Minerals.
- The United States Congress Dodd Frank Act which includes Section 1502 the “Act”, requiring US Manufacturing to file reports with the US Security and Exchange Commission (SEC) disclosing whether the products they manufacture or contract to manufacture contain “Conflict Minerals” that are “necessary to the functionality or production” of those products.
- The European Parliament and the Council of the European Union enacted Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum, tungsten, their ores, and gold originating from conflict-affected and high-risk areas.

SKF monitors for related developments in regulatory requirements as well as industry voluntary initiatives. SKF will adhere to voluntary initiatives (for example Cobalt and Mica) only after a successful evaluation of the impact of SKF activity and the effort needed to comply with the initiative.

SKF policy on Conflict Minerals:

1. SKF will not knowingly procure any products containing Conflict Minerals unless they are certified Conflict free.
2. SKF will undertake reasonable due diligence to ensure compliance with these requirements and require that our suppliers and subcontractors undertake reasonable due diligence within their supply chain to ensure their compliance. Such due diligence efforts include, but are not limited to, requiring relevant suppliers to provide written evidence documenting that raw materials used in the manufacture of components and products supplied to SKF originate from outside the DRC Region or are certified as “Conflict Free” by an independent third party.
3. Whenever instances of noncompliance to this policy are detected, SKF will work with its suppliers to seek and implement remedial actions. These may include suspending or discontinuing engagement with the supplier.

To note:

This policy is not contractual and is not intended to create legal rights or duties independent of those that arise under contracts entered by SKF Companies or under laws of jurisdiction in which SKF Companies conduct business.
The SKF Group reserves the right to revise this policy at any time.