



## Canford Policy Statement on Conflict Minerals

Canford Audio Limited is an SME headquartered in the North East of England, in Washington, Tyne & Wear, UK. The company has no presence or formal reseller agreements in the United States of America or in any of its client territories, nor specifically directs marketing activities to these territories. So, whilst sub-section 1502 of the Dodd-Frank act of 2010, which was implemented by the US Securities and Exchange Commission's Conflict Mineral Law, does not apply to Canford or the 100+ territories in which it trades, Canford is sympathetic to the aims of the regulations. Canford, in the 45+ years since it began trading, has always believed in fair and equal treatment and would never knowingly contribute to organisations which use commercial operations to fund dubious quasi-governmental or straightforwardly criminal behaviour, particularly against innocent civilians.

Canford is occasionally asked by customers whose projects may be destined for the USA or client states, or funded by USA companies, to provide information on whether products supplied by, or manufactured by Canford may contain conflict minerals. As an SME with approximately 30000 SKUs to track, Canford has not yet identified a commercially viable means of reliably sourcing such information but is prepared to make the following commitments:

Canford will make efforts to promote awareness of the issues to its supplier base. This may include a note in terms and conditions of supply that conflict minerals should not be used in items or components supplied to Canford. It is sometimes suggested that a trawl of suppliers should be carried out to determine whether they are supplying conflict minerals. Canford questions the validity of any such exercise since if a company is sufficiently unethical to knowingly source such material, it is sufficiently unethical enough to lie about it.

Where Canford becomes aware of such minerals being used by a supplier, the supplier will be given an opportunity to alter their behaviour but ultimately will be removed as a trusted supplier. Despite its status as an SME and therefore rarely having sufficient commercial weight to sanction suppliers, Canford has a reputation for long lasting commercial relationships and the loss of such a link can be commercially damaging to the supplier.

Canford is prepared to incorporate a commercially appropriate process for checking for conflict minerals within its ISO 9000 externally audited management system. However, as almost all Canford customers are not subject to the provisions of US law, the significant cost of obtaining trace information and completion of customer documentation must be borne solely by those customers who require it.



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Accordingly therefore, the following requirements apply:

1. The requirement for full Conflict Minerals reporting must be made PRIOR to placement of any order. Canford will not consider a retrospective request as traceability may be difficult or impossible after the event.
2. The net value of each order line on which full Conflict Minerals reporting is required must be at least GBP1000.

Canford does not complete customer questionnaires on this matter unless both of the above conditions are met.

It should be noted that precious metal plating on connector contacts is deemed to be untraceable by our largest connector manufacturers, due to the minutely small volumes involved.

Canford does not, nor has it ever, paid lip service to regulation. It seeks to find the most effective ways to comply with the law at all times and has never tried to find 'ways around' regulatory issues. Nonetheless if it identifies major difficulties in demonstrating honest compliance it is not afraid to make this clear. There are certainly issues in demonstrating compliance with the Conflict Minerals Act which cause Canford concern, due to the length and complexity of the supply chains involved. However, as a company who is always keen to learn, any suggestions about how these concerns may be solved in a commercially viable way will be gratefully taken on board.

If you have questions regarding Canford's policy on conflict minerals, please contact [enquiries@canford.co.uk](mailto:enquiries@canford.co.uk) in the first instance.

Signed on behalf of Canford Audio Limited

Alan Wilson,  
Chief Executive Officer  
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