



## Conflict Minerals Statement

For manufacturing various products of the voluminous range of products of Apparatebau Kirchheim-Teck GmbH tantalum, tin, gold or tungsten or their derivatives might be used amongst others. These minerals belong to the so-called “conflict minerals”, which are suspected to be extracted from mines located in conflict regions in the Democratic Republic of Congo or adjacent countries. The gained profits by mining are used by various illegal and criminal groups for financing their activities. Therefore, the U.S. Securities and Exchange Commission (SEC) adopted final rules to implement section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This law requires all publicly trading companies in the US to report if the products they manufacture or contract to manufacture contain minerals identified as “Conflict Minerals”.

Meanwhile, also the EC has decided to determine obligations ensuring due diligence in the supply chain for companies importing tin, tantalum, gold or tungsten or their derivatives into the EU from conflict and high risk regions by issuing regulation (EC) No. 2017/821 of the European Parliament.

Apparatebau Kirchheim-Teck GmbH will not knowingly provide any direct or indirect support to non-state armed groups or security forces that illegally control or tax mine sites, transport routes, trade points, or any upstream actors in the supply chain. Similarly, Apparatebau Kirchheim-Teck GmbH has a comprehensive policy that prohibits its employees from engaging in corruption and bribery. We expect the parties in our supply chain to follow the same principles.

Apparatebau Kirchheim-Teck GmbH will follow due diligence procedures relating to Conflict Minerals which are consistent with a nationally or internationally recognized due diligence framework which may include the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Apparatebau Kirchheim-Teck GmbH will also rely on industry initiatives, such as the Conflict Free Smelter Program (CFS) in our efforts to validate that the Conflict Minerals used in our products are not facilitating armed conflict in the DRC and come from conflict-free sources. Suppliers are encouraged to procure materials through conflict free sources and, when reasonably feasible, through validated smelters.

If we discover that a component supplied to us and is integrated in our products should contain “not conflict-free” minerals, we shall introduce corresponding actions to get to “conflict-free” products.

We expect our suppliers to adopt, implement and communicate to sub-suppliers their positions and policies regarding Conflict Minerals, and where possible, require their down-stream suppliers to adopt and implement similar positions and policies. Apparatebau Kirchheim-Teck GmbH’s suppliers are expected to work with sub-suppliers to trace conflict materials at least to the smelter level and encourage the use of a standard reporting process. Apparatebau Kirchheim-Teck GmbH reserves the right to request its suppliers provide further evidence of their conflict mineral supply chain, including down to the mine level, if necessary. We expect suppliers to maintain such traceability data for five years and provide this information to Apparatebau Kirchheim-Teck GmbH upon request.

Suppliers are encouraged to support industry efforts to enhance traceability of Conflict Minerals and responsible practices in their global supply chains.

Apparatebau Kirchheim-Teck GmbH's approach is to establish long-term relationships with suppliers and, when feasible, to seek sustainable solutions while working with suppliers to drive improvements. Suppliers acting contrary to Apparatebau Kirchheim-Teck GmbH 's position described herein must commit to and implement a corrective action plan within a reasonable timeline. Apparatebau Kirchheim-Teck GmbH reserves the right to require suppliers to provide support for the effectiveness of such corrective actions and to conduct supply chain assessments.



T. Posovszky

Kirchheim-Teck, February 15<sup>th</sup>, 2018