

## Conflict Minerals Statement Oerlikon Surface Solutions Division

Oerlikon Surface Solutions (“Oerlikon”) and its international subsidiaries provide advanced surface solutions including among wear resistant coatings and surface preparation for a comprehensive range of industrial tooling and components. Oerlikon is highly aware of the potential for human rights abuses. Oerlikon supports and respects the protection of internationally proclaimed human rights and is committed to the responsible sourcing of minerals through our global supply chain. In 2012, the U.S. Securities and Exchange Commission (“SEC”) issued rules implementing the “conflict minerals” disclosure requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”).

Oerlikon does not directly source any of these minerals from mines in the conflict-affected or high-risk areas, in fact the supply chain of these materials consists of many tiers. The supply chain includes many stages including mines, smelters, traders, exporters, refiners, alloy producers and component manufacturers. Thus, Oerlikon supports the approach of validating smelters and refiners, as they play a key role in the supply chain from the mining site to the final product.

We currently focus our compliance efforts in the following areas:

- Conducting a reasonable country of origin inquiry with our global supply base as part of our conflict minerals due diligence process.
- Utilizing the Organization for Economic Co-operation and Development’s (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-risk Areas and, where appropriate, their five-step framework for risk-based due diligence in the mineral supply chain.
  - As part of this process, we collect and evaluate various supplier responses to the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT).
  - We request suppliers to identify products in their supply chain that contain conflict minerals and validate the country of origin of these minerals.
  - Including a contractual clause related to conflict minerals in new or renewed U.S. and non-U.S. supplier contracts as part of our standard Terms and Conditions.
  - Requiring, in accordance with our Supplier Standards of Business Conduct, our suppliers to comply with any applicable laws and regulations regarding conflict minerals and assist us in meeting our obligations under law and regulations.

For the development of effective countermeasures against existing social issues in the supply chain, we believe cooperation amongst industries using conflict raw materials is important. Amongst other initiatives, Oerlikon joined the Responsible Minerals Initiative (RMI) to support an industry-wide approach for mineral reporting and supplier education activities. Based on these efforts, Oerlikon is currently not aware that the conflict minerals we are sourcing originated in the covered countries.

Periodic updates to Oerlikon’s supply chain guidance can be found on our [Supplier Portal](#). Inquiries relating to Conflict Minerals can be directed to [conflictminerals-surface-solutions@oerlikon.com](mailto:conflictminerals-surface-solutions@oerlikon.com).

Yours sincerely



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