

# FAULHABER Responsible sourcing policy of minerals

## Background

This policy applies to the minerals tantalum, tin, tungsten and gold (referred to as 3TG). Mining, trading, handling and exporting these minerals and related ores from conflict-affected and high-risk areas (CAHRAs) or covered countries (Democratic Republic of Congo and adjoining countries) can e.g. negatively impact human health, can relate to human rights abuses and can be used for financing armed conflicts.

The *U.S. Dodd-Frank Wall Street Reform and Customer Protection Act, Section 1502* and SEC regulations require disclosure of the use of 3TG and transparency within the supply chain in order to end armed conflicts and heed international law. The focus is put on the covered countries.

On January 1, 2021, the EU regulation on 3TGs (*Regulation (EU) 2017/821*) came into force. Directly affected EU importers of minerals and metals over certain thresholds have to comply with the respective supply chain due diligence obligations. The EU regulation refers to CAHRAs, which are updated regularly and can include regions worldwide.

In line with the above-mentioned requirements, FAULHABER is aware of its responsibility and is contributing at various levels to sustainably protect human rights. FAULHABER is committed to ensuring the health, safety and protection of the people who extract and mine 3TGs. It is our responsibility to demand high social, environmental and human rights standards from our suppliers, too. Even though FAULHABER is not directly affected by the *Dodd-Frank Act, Section 1502* nor by the *EU Regulation 2017/821*, and has no direct mining, smelting, or trading activities of such minerals in CAHRAs, neither in covered countries, Faulhaber is engaging in its supply chain in order to source required 3TGs responsibly.

## Our contribution

FAULHABER acknowledges this policy and is committed to raise awareness for responsible sourcing of these minerals. FAULHABER is constantly working on further increasing transparency in the supply chain and ensuring responsible mining, smelting, or trading activities of the 3TG that we use in our products. We are thus committed to:

- Identify in good time which FAULHABER products are affected by the conflict minerals legislation and orientate our compliance measures accordingly;
- Encourage our suppliers to source 3TGs responsibly, as well as to improve their respective processes, engage in and commit to the responsible sourcing of minerals;
- Source 3TGs exclusively from suppliers using compliant 3TG sources (in accordance with the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative or other recognized third-party audit / validation programs), no defacto embargo of CAHRAs and covered countries is aspired.

Information about the 3TGs used by FAULHABER is disclosed annually in the form of a Conflict Minerals Reporting Template (CMRT), which is prepared based on feedback from relevant suppliers and made available on the FAULHABER website.

### Actions taken

FAULHABER has defined the following measures to fulfil our responsibility and ensure transparency in the supply chain:

- Program for the fulfilment of due diligence in accordance with the OECD Due Diligence *Guidance for Responsible Mineral Supply Chains, which is supported by FAULHABER Management*;
- Communication with our suppliers for timely receipt of their feedback on the use of 3TG;
- Advising our suppliers regarding their disclosure obligations;
- Supplier requirements regarding 3TGs are specified in the FAULHABER Supplier Handbook, compliance will be a relevant criterion in the future in terms of FAULHABER's purchasing decisions;
- Risk assessment and evaluation of existing suppliers;
- Continuous improvement and corrective action management;
- Monitoring of US and European conflict minerals legislation.

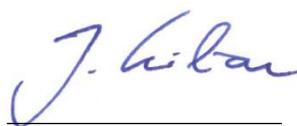
Signed by

Handwritten signature of Karl Faulhaber in blue ink.

Karl Faulhaber  
Managing Director

Handwritten signature of Jochen Hasenmaier in blue ink.

i.V. Jochen Hasenmaier  
Purchasing

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Quality & Compliance Outreach

Schönaich, December 2022