

Responsible Sourcing Policy Oerlikon Surface Solutions Division

Recognizing that risks of significant adverse impacts which may be associated with sourcing minerals from conflict-affected and high-risk areas, and recognizing that we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict, and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

1. We will not source from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
 - i) any forms of torture, cruel, inhuman and degrading treatment;
 - ii) any forms of forced or compulsory labor, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
 - iii) the worst forms of child labor;
 - iv) other gross human rights violations and abuses such as widespread sexual violence;
 - v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
2. We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling, or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling, or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:
 - i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
 - ii) illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
 - iii) illegally tax or extort intermediaries, export companies or international traders.
3. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 1 or providing direct or indirect support to non-state armed groups as defined in paragraph 3.
4. We agree to eliminate, in accordance with paragraph 10, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
5. We recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

6. Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. We will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.
7. We will support efforts, or take steps, to engage with central or local authorities, international organizations, and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
8. We will support efforts, or take steps, to engage with local authorities, international organizations, and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.
9. In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 5, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. Where we identify a reasonable risk of activities inconsistent with paragraphs 8 and 9, we will respond in the same vein.
10. We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.
11. We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.
12. We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).
13. In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organizations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

Oerlikon Surface Solutions ("Oerlikon") is committed to doing business with integrity and we comply with applicable laws wherever we do business. As part of this commitment, our goal is to responsibly source conflict minerals and not to support conflict or human rights abuses in the DRC region or any other high-risk areas of the world as determined by applicable laws and regulations. This position is consistent with the OECD Guidance and our Code of Conduct.

We demand from our supplier's compliance with existing legal requirements concerning the sourcing minerals from conflict-affected and high-risk areas such as the Dodd-Frank Act and respective EU-regulation. We expect our suppliers to establish and implement policies and due diligence measures that assure they supply us with conflict-free 3TG products and components in compliance with the RBA Code of Conduct and our Conflict Mineral policy, and our Supplier Code of Conduct.

As Oerlikon is committed the OECD 5-Step Framework for Supply Chains we expect the same from our Suppliers. Oerlikon is committed to and expects Oerlikon suppliers to:

- have a policy in place to conduct responsible sourcing of conflict minerals within their own supply chain that conforms to the OECD Guidance;
- establish a due diligence framework and management system that conforms to the OECD Guidance; put in place procedures for the traceability of conflict minerals and working with their suppliers as applicable; adapt a risk management strategy with respect to identified risks in their own supply chain that is consistent with this policy;
- participate and cooperate in any inquiries or due diligence efforts we may perform, including:
 - (i) reporting to Oerlikon if any 3TG is sourced for parts that are used in their products;
 - (ii) promptly and accurately completing the Responsible Minerals Initiative's Conflict Minerals Reporting Template; and
 - (iii) giving Oerlikon copies of their policies and supporting information relating to conflict minerals as requested; provide written certifications and other information concerning the origin of conflict minerals included in products, components and parts supplied to Oerlikon and the supplier's compliance with this policy generally;
- suspend or discontinue engagement with up-stream suppliers who do not comply with our policy before a reasonable deadline; where possible, source conflict minerals from smelters and refiners validated as being conflict free; and
- extend these expectations to their own up-stream suppliers.

Oerlikon believes in establishing and maintaining long-term relationships with suppliers whenever possible. If we determine that a supplier may be violating this policy, we may require that supplier to commit to and implement a corrective action plan within a reasonable timeframe. Continued failure to adhere to Oerlikon's policies and refusal to address issues of concern may lead to termination of our business relationship with the supplier.

Suppliers are encouraged to contact conflictminerals-surface-solutions@oerlikon.com to seek guidance on this Policy.