

1. Definitions & Abbreviations

- **3TG:** Tin, Tantalum, Tungsten and Gold
- **Adjoining countries:** Countries that share an internationally recognized border with the DRC, being: Angola, Burundi, Central African Republic, the Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda & Zambia.
- **CM:** Conflict Minerals
- **CMRT:** Conflict Minerals Reporting Template
- **Conflict Minerals:** Currently include the metals tantalum, tin, tungsten and gold (commonly referred to as 3TG), which are derivatives of the minerals cassiterite, columbite-tantalite and wolframite, respectively.
- **Corporate Social Responsibility Specialist:** Guarantees the execution of the policy.
- **Covered countries:** The DRC & Adjoining countries
- **Downstream Company:** The minerals supply chain from smelters and refiners to retailers. Downstream companies include metal traders and exchanges, component manufacturers, product manufacturers, Original Equipment Manufacturers and retailers.
- **DRC:** Democratic Republic of Congo
- **DRC Conflict-free:** A product is considered to be “DRC conflict-free” if the product does not contain minerals (or their derivatives) that directly or indirectly finance or benefit armed groups in the DRC or an adjoining country.
- **Due diligence:** “On-going, proactive and reactive process through which companies can ensure that they respect human rights and do not contribute to conflict” (OECD).
- **EICC:** Electronic Industry Citizenship Coalition (www.eicc.info)
- **Filing Companies:** Companies who file reports with the SEC under sections 13(a) or 15(d) of the Exchange Act.
- **GeSI:** Global e-Sustainability Initiative (www.gesi.org)
- **IMDS:** International Material Data System
- **MDS:** Material Data Sheet
- **OECD:** Organization for Economic cooperation and Development
- **RCOI:** Reasonable Country of Origin Inquiry

- **Reporting Companies:** Companies who have commercial or contractual reporting obligations to customers with regard to conflict minerals data as outlined in the final rule.
- **SEC:** U.S. Securities and Exchange Commission (www.sec.gov)
- **Smelters or Refiners:** A company that procures and processes mineral ore, slag and/or materials from recycled or scrap sources into refined metal or metal containing intermediate products. The output can be pure (99,5% or greater) metals, powders, ingots, bars, grains, oxides or salts. The terms “Smelter” and “Refiner” are used interchangeably throughout various publications.

2. Objective & Scope

ACPS Automotive aims to respect human rights, to avoid contributing to any conflict through our sourcing practices and to contribute to sustainable development by sourcing responsibly from conflict-affected and high-risk areas. Within this context ACPS Automotive’s Conflict Minerals activities are in line with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Section 1502), the *OECD Due Diligence Guidelines* and proactively with the upcoming EU Regulation for EU importers, being effective from 2021.

Therefore, ACPS Automotive intends to enhance the transparency within the supply chain, with the objective to help customers make more informed decisions, by providing them with information about the presence of *conflict minerals* in the products that we supply to them. Our focus will be on guaranteeing to our customers that all direct¹ (OEM & OES) materials delivered to them were sourced *DRC Conflict-free* (as stated in the Dodd-Frank Wall Street Reform and Consumer Protection Act, packaging, prototypes and tooling will be excluded from the scope).

To be able to meet our customers’ requirements, we requisite all our direct (OEM & OES) suppliers to comply with the Dodd-Frank regulation (by sourcing *DRC Conflict-free*) and to provide all necessary declarations to increase insight into the supply chain. ACPS Automotive expects its suppliers to meet this requirement by sourcing socially responsible, which means that ACPS Automotive will not only source from suppliers outside the *DRC* or *adjoining countries*, but also source from suppliers originating from *the covered countries*, after they have confirmed that they have non-conflict sources. ACPS Automotive also expects that their direct suppliers have procedures and policies in place to ensure that the supplied components and parts are *DRC Conflict-free*.

¹ Direct materials could also be parts/products that are delivered with main products.

Suppliers that are non-compliant to these requirements will not be approved for ACPS Automotive's suppliers panel and/or will be reviewed for future business, so compliance to these requirements will be taken into consideration when selecting and retaining suppliers.

We also encourage our suppliers to extend the same obligations to their suppliers, because we are a *downstream* company, we are layers removed from the *Smelters* and *Refiners* in our supply chain. For that reason, ACPS Automotive relies on its suppliers to provide information regarding the usage of 3TG in the products that were supplied to them.

Within this context ACPS Automotive makes use of the *Conflict Minerals Reporting Template (CMRT)* designed by the *EICC GeSI*, which forms a standard within the automotive industry. ACPS Automotive will only accept this format from suppliers and in case no 3TG was intentionally added or necessary for the production, an additional declaration ("No 3TG Declaration") will be requested to validate the responses provided in the CMRT.

This Conflict Minerals Reporting Template (CMRT) will facilitate the transfer of information through the supply chain with a focus on the country of origin of the Conflict Minerals and the Smelters and Refiners.

2.1. Scope of Application

The Conflict Minerals policy is applicable to all direct suppliers for direct material and all ACPS Automotive employees in any process of validation or interaction with suppliers. Employees are encouraged to report, to the *CSR Specialist* non-compliance if they have reason to believe that an in-scope supplier is not compliant to the requirements listed above.

3. Fundamentals

3.1. The Final Rule – Dodd-Frank Wall Street Reform and Consumer Protection Act

In August 2012, the SEC issued the final rule² under section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act³, containing legislation regarding the use of *conflict minerals* with the objective of making supply chains more transparent and to reduce the flow of funds towards mines that are controlled by militant groups causing social and environmental issues in the *DRC* and *adjoining countries* (Human right abuses, theft, extortion, forced & child labor, deforestation, etc.). This legislation requires all companies that are publicly traded on an US Stock Exchange (filing

² <http://www.sec.gov/rules/final/2012/34-67716.pdf>

³ <https://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

companies) (and indirectly their suppliers to gather information (reporting companies)), to file an annual report with the SEC, regarding the chain of custody usage of conflict minerals.

The final rule is not applicable to conflict minerals derived from recycled or scrap sources. *Conflict minerals* that are sourced from recycled or scrap materials are deemed to be *DRC Conflict-free*.

3.2. OECD Due Diligence Guidelines

The OECD Due Diligence Guidelines have the same objective as the Dodd-Frank Wall Street Reform and Consumer Protection Act. The difference is that this framework of guidelines is not legally binding for any company. It enables companies to source minerals responsibly in combination with supporting peace and development within the trade for these minerals.

3.3. EU Regulation

As above frameworks are valid worldwide and drawn up in the US, the EU will also enforce proper sourcing of minerals and metals from conflict affected and high-risk areas. The EU regulation affecting EU importers of 3TG minerals and metals exceeding certain thresholds, will be effective from January 2021 and is consistent with the OECD framework.

4. Conflict Minerals Activities

ACPS Automotive envisions to source responsibly *3TG DRC Conflict-free* through their entire supply chain. Therefore all its direct OEM suppliers will be asked to send in a declaration (including yearly updates) regarding the presence of conflict minerals in the products that they (have) supply(ied) to ACPS Automotive. These declarations will be assessed by the Corporate Social Responsibility (CSR) Specialist and suppliers will receive a *CM* status (approved, declined & under revision).

The objective is to conduct a *RCOI* with all suppliers (also done through the CMRT), but prioritization will be applied among them to come to a distinction between medium and high-priority suppliers. A *RCOI* will always be executed with High-priority suppliers.

Suppliers will be classified as a high-priority supplier if:

1. They have reported in *IMDS*⁴ that their parts or components contain *3TG*; or
2. They represent the top 80% of ACPS Automotive's expenditures for direct components and parts.

⁴ ACPS Automotive uses the *IMDS* database for direct material with compliance of the AIAG association recommendations.

All other suppliers will be classified as medium-priority suppliers. This categorization will also be taken into account when their *CMRT* will be assessed (mainly regarding the comments they add to clarify their answers).

This comes down to the fact that all direct OEM panel suppliers (and all new suppliers) will be asked to send in a declaration (or *CMRT*), which will be assessed by the *CM Coordinator*. In case a supplier publishes a *MDS* in *IMDS* in which components or parts contain *3TG*, this will be investigated in detail and previously sent in *CMRT*'s will be verified through this process as a measure of due diligence.

5. Measurable Goals for the Future

The following measurable goals have been set for the upcoming years regarding Conflict Minerals:

- Increase the response rate up to 100% of the in-scope suppliers regarding their annual reporting
- Improvement in the percentage of suppliers that filled out information regarding the Smelters or Refiners
- Improvement in the percentage of suppliers using compliant and active Smelters or Refiners

6. Roles & Responsibilities

To be able to guarantee that all direct (OEM & OES) materials were sourced *DRC Conflict-free*, ACPS Automotive established a cross-functional working team to track Conflict Minerals compliance. Anyone who has reason to believe that an in-scope supplier is not compliant (supplier visit, audit, information loop, etc.), should report this to the *Conflict Minerals team*. In order to avoid new risk inclusions in the company, certain additional measures are to be taken into account:

- No new supplier can be introduced without a Conflict Minerals Declaration. Additionally, a clause regarding Conflict Minerals has been introduced in the Supplier Selection Process.
- ACPS Automotive encourages all employees involved in the selection and approval of components to be in line with the Conflict Minerals Policy.
- (With support of engineering) It should be guaranteed that all accepted MDSs are assessed on the presence of Conflict Minerals, by means of the Conflict Minerals Reporting Template, according the AIAG guidelines to guarantee that components were sourced DRC Conflict-free.
- Nevertheless, ACPS Automotive expects that the sent in MDSs from suppliers are created according the official IMDS Recommendations. It would also strongly be

recommended for all parties involved in the supply chain steps of IMDS approval to apply all of the relevant filters in all of the components, as stated in the IMDS Recommendations (in particular the Conflict Minerals filter) .

Finally, for the purpose of transparency towards ACPS Automotive's customers, no standard committees should be used (ILI Metals, IMDS Committee, Stahl und Eisen Liste, etc.) ACPS Automotive also expects its suppliers to declare all substances in IMDS (in particular all relevant Conflict Minerals Substances).

- In case ACPS Automotive is informed that a supplier uses 3TG, which is not validated to be DRC Conflict-free, a Risk Management Plan will be requested as a measure of due diligence.

Any employee or supplier has access to guidance, guidelines, risk assessments (Assessment of CMRT's & Declarations) and risk communication regarding Conflict Minerals within the company by contacting: Conflict.Minerals@acsps-automotive.com.

Attachment 1: Conflict Minerals Reporting Template (by the EICC GeSI)

First page as a reference, not the full version.



cfsi
An Initiative of the EICC and GeSI

Conflict Minerals Reporting Template (CMRT)

Select Language Preference Here:
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English

Revision 4.01
June 12, 2015
[Link to Terms & Conditions](#)

The purpose of this document is to collect sourcing information on tin, tantalum, tungsten and gold used in products provided to your customers

Mandatory fields are noted with an asterisk (*). The information collected in this template should be updated annually. Any changes within the annual cycle should be provided to your customers

Company Information	
Company Name (*):	
Declaration Scope or Class (*):	
Description of Scope:	
Company Unique ID:	
Company Unique ID Authority:	
Address:	
Contact Name (*):	
Email - Contact (*):	
Phone - Contact (*):	
Authorizer (*):	
Title - Authorizer:	
Email - Authorizer (*):	
Phone - Authorizer (*):	
Effective Date (*):	

Answer the following questions 1 - 7 based on the declaration scope indicated above

1) Is the 3TG intentionally added to your product? (*)	Answer	Comments
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		

2) Is the 3TG necessary to the production of your company's products and contained in the finished product that your company manufactures or contracts to manufacture? (*)	Answer	Comments
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		

3) Do any of the smelters in your supply chain source the 3TG from the covered countries? (*)	Answer	Comments
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		