



KOSTAL supplies products with a high technological level at a high quality. At the same time as a family-owned company we are applying high standards of ethical conduct, social and environmental responsibility to all aspects of our business, including our supply chain.

The mining of certain minerals in the Democratic Republic of Congo (DRC) and the adjoining countries partially contributes to significant human rights abuses and to the financing of violent conflicts in this region.

In 2010, U.S. Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Section 1502 of the Dodd-Frank Act and the final rules adopted by the U.S. Securities and Exchange Commission (SEC) require companies who file reports with the SEC to disclose whether the products they manufacture or contract to manufacture contain "conflict minerals" that are "necessary to the functionality or production" of those products. The Dodd-Frank Act and the SEC define "conflict minerals" as Tantalum, Tin, Tungsten (and the ores from which they originate) and Gold, regardless of where they are sourced, processed or sold.

While KOSTAL is not reporting to the SEC, we are committed to helping our customers comply with their reporting requirements and to prevent local rebel groups in the DRC and the adjoining regions being financed by illegal mining activities.

KOSTAL endeavors not to purchase any material that contains "conflict minerals" which directly or indirectly finance or benefit armed groups in the DRC or an adjoining country. We are implementing reasonable due diligence processes to understand where "conflict minerals" are being used in our products and to determine the source and the origin within our supply chain.

These actions are based on established frameworks of the Organization for Economic Cooperation and Development (OECD) and other private sector initiatives such as CFSI. Due to the range of products we provide to our customers and the high complexity of the corresponding supply chains this is a challenging and ongoing process.

We are requesting our suppliers to support these activities and to follow the same principles.

The steps we have taken are meant to ensure that products and components we receive from our suppliers do not contain conflict minerals originating from the DRC or are Conflict Free by the EICC standards. We will regularly evaluate and assess our supply chain accordingly.

Our annual Conflict Minerals Report in the EICC format is available on the global Conflict Minerals Platform (<http://www.conflict-minerals.com>).