

Conflict Minerals

Conflict minerals are tantalum, tin, tungsten and gold (and the ores from which they originate) from the Democratic Republic of the Congo (DRC) and adjoining countries (presently Angola, Burundi, Central African Republic, The Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia). Conflict minerals from that region could be used by armed groups to finance violence and insurrection.

According to Section 1502 of the Dodd-Frank Act, companies listed on the US stock exchanges are required to make disclosures regarding whether their products contain one of the aforementioned conflict minerals. These companies are obliged to report annually to the Securities and Exchange Commission (SEC) with the aim to increase market transparency and promote ethical purchasing decisions in order to prevent direct or indirect financing of armed groups in the DRC region.

HILSCHER Gesellschaft fuer Systemautomation mbH is a privately held corporation and is not subject to the Dodd-Frank Wall Street Reform Act. However, we are a worldwide operating company for industrial communication solutions with subsidiaries all over the world. Many of our customers are companies listed on US stock exchanges. So we are committed to support them in fulfilling their legal requirements answering their requests about conflict minerals. Additionally, HILSCHER is aware of the importance of ethical business practices and fully supports efforts to establish responsible procurement practices. Therefore, the requirements under the Dodd-Frank Act impact our global supply chain.

We do not purchase tin, tungsten, tantalum and gold directly; nor do any of our direct suppliers; that we are aware of, however they are used in many of the components we buy.

We expect our suppliers to support our efforts to ensure transparency within our supply chain by identifying smelters in their supply chain using the standardized "CFSI Conflict Minerals Reporting Template". Smelters and other upstream suppliers are those who can most effectively and most directly mitigate the risks on using conflict minerals.

HILSCHER requires our suppliers to take reasonable steps that the minerals used in their products delivered to HILSCHER are conflict free according Dodd-Frank Act.

Our objective is to have a conflict-free supply chain. Therefore we will work with our suppliers on a case by case basis to achieve that goal by taking appropriate actions to remedy the situation in a timely manner, including reassessment of supplier relationships to seek remedies for non-compliance.

<http://www.hilscher.com/company/conflict-minerals/>

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