

The WITTE Automotive Group as an internationally operating automotive supplier procures the materials and components relevant for its production on a world-wide basis. With public and political awareness increasingly sensitized towards the problems of uncontrolled, illegal extraction of and trade with minerals from conflict areas, legislation is setting ever stricter rules for companies' due diligence with regard to serious infringements within their supply chains. With the present document WITTE Automotive assumes its responsibility as a downstream member of automotive supply chains.

The initiative towards responsible minerals sourcing dates back to the year 2015 when WITTE Automotive forwarded the first Supplier Code of Conduct to its first tier series suppliers - asking for their signature and their commitment to pass the requirements laid out on to their own suppliers. This document comprised a section on 'conflict minerals' committing the suppliers to comply with any obligations arising from the sourcing of these. It was triggered by WITTE's US customers' demand to respond to the legal requirements set by the Dodd-Frank Act in their home country. At the time, the level of awareness towards the sourcing of critical minerals was still rather low in Europe.

This changed radically with the adoption of Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. In fact, it marked a turning point as more and more countries of the European Union are now incorporating the regulation into their national laws. With the corresponding German Implementing Act coming into force on 1st January 2021 WITTE Automotive and its suppliers face drastically changed legal obligations.

The regulation's strong emphasis on the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas' makes it WITTE's principal objective to integrate the resulting requirements into its processes. In particular, WITTE strives to make these requirements a contractual obligation for its suppliers and commit its suppliers to pass them on to their sub-suppliers in the supply chain. Compliance with the requirements will be monitored by self-assessment questionnaires, supplier audits and the use of standardized reporting templates.

Risks identified by the OECD Due Diligence Guidance include:

- Serious abuses associated with the extraction, transport or trade of minerals such as
 - any forms of torture, cruel, inhuman and degrading treatment;
 - any forms of forced or compulsory labour;
 - the worst forms of child labour as identified by the ILO Convention No.182;
 - other gross human rights violations and abuses such as widespread sexual violence;
 - war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
- Direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals, including any support to non-state armed groups or their affiliates who
 - illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
 - 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
 - illegally tax or extort intermediaries, export companies or international traders.
- Direct or indirect support to public or private security forces who
 - illegally control mine sites, transportation routes and upstream actors in the supply chain;

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- illegally tax or extort money or minerals at points 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.
- Bribery and fraudulent misrepresentation of the origin of minerals, taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.
- 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.

Based on the OECD Due Diligence Guidance WITTE Automotive expects its suppliers to avoid all minerals from conflict-prone smelters or refiners. Wherever possible, minerals should only be obtained from sources that are audited and assured by a third party such as the 'Responsible Minerals Initiative' (RMI) or the 'Initiative for Responsible Mining Assurance' (IRMA). Information regarding the smelters and refiners used by suppliers or sub-suppliers for minerals, e.g. 3TG (tin, tantalum, tungsten, gold), cobalt or mica, must be disclosed to WITTE Automotive upon request.

Suppliers shall only use minerals from smelters or refiners whose due diligence practices have been validated by an independent third party audit programme. For this purpose, WITTE Automotive uses and recommends the use of the standardized reporting templates of the 'Responsible Minerals Initiative' (RMI). Should RMI data reveal that suppliers use minerals from conflict-prone smelters or refiners WITTE Automotive will contact the suppliers in order to determine possibilities to use conflict-free smelters or refiners.

The suppliers shall meet their due diligence obligations along the supply chain including the implementation of appropriate measures that ensure that the minerals used by suppliers do not contribute to or are in connection with the risks listed in Annex II of the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas'.

January 2021,

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