

Pfannenberg policy on Responsible Minerals sourcing.

Introduction

Pfannenberg GmbH is a global manufacturer of thermal management, liquid cooling solutions and signalling technologies. Pfannenberg GmbH is working towards a "material compliant" supply chain.

Our approach is to promote the traceability and transparency of supply chains and move towards a conflict-free global supply chain.

Policy

We respect human rights and support the efforts of governments and organizations to end violence and abominations. We fully support the aims of following regulations:

- US: Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act
- EU: 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

Pfannenberg supports the aims of the Responsible Business Alliance's Responsible Minerals Initiative (RMI) to identify, reduce and eventually eliminate the use of conflict minerals that finance or benefit conflict or human rights violations, and the Responsible Minerals Assurance Process (RMAP) to validate responsible sources. "Conflict minerals" include tantalum, tin, tungsten, and gold, which are used in many electronic components.

Pfannenberg GmbH is committed to sourcing from suppliers that also share our values around human rights, ethics, and environmental responsibility.

Suppliers that will not adhere to our material compliance management strategy and will not provide the proofs of conformities will be considered as "risk source of supply" and may be eliminated from future business opportunities with Pfannenberg.

Pfannenberg GmbH does not purchase minerals directly from smelters, refiners, or mines. Therefore, as a downstream consumer of conflict minerals, we expect our suppliers to provide proper verification of the country of origin and source of the conflict minerals used in the products they supply to us, using the most current Conflict Minerals Reporting Template (CMRT) developed by RMI.

Pfannenber's requirements to suppliers

- Exercise due diligence by requesting a Conflict Minerals Reporting Template ("CMRT") from their own suppliers
- Collect and report information about the origin of the 3TGs in the supply chain using the latest revision of the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT).
- Respond in a timely manner to our CMRT requests

Pfannenber due diligence campaign

Pfannenber annually conducts due diligences by:

- Requesting Conflict Minerals Reporting Template ("CMRT")
- Requesting risk mitigation plans
- Validating of the received CMRTs
- Responding to smelter risk as presented by suppliers' CMRT

Non-conformant Smelters and no longer in business smelters

Some suppliers are not yet conformant with the Responsible Minerals Assurance Process (RMAP) assessment protocols. Pfannenber doesn't consider them to be high risk simply because they haven't been audited yet. We encourage our suppliers to work with fully audited smelters.

We are also aware, that CMRTs can include inactive smelters because of the long proceeding times in diverse supply chains. We expect most of these to disappear in the next year's CMRT.

Pfannenber Company-Level CMRT

Based on our annual campaign and collected CMRTs, Pfannenber creates its aggregated CMRT, which free of charge upon request. This company level CMRT is normally available by the end of April of each year.