

# KNORR-BREMSE CONFLICT MINERALS POLICY



**KNORR-BREMSE**

## Purpose

Knorr-Bremse Conflict Minerals policy aims to comply with the U.S. Securities and Exchange Commission's (SEC) annual disclosure requirements for companies that use minerals or mineral derivatives defined as "conflict minerals" under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the SEC's rule (Rule 13p-1 under the Securities Exchange Act) implementing that section and emerging laws concerning conflict minerals reporting.

„Conflict Minerals“ are defined as tin, tantalum, tungsten, and gold (so called 3TGs) or their derivatives; these have been linked with the funding of killings, violence, rape, and other human rights abuses in the Democratic Republic of Congo (DRC) and other adjoining countries (Sudan, Central African Republic, Uganda, Angola, Tanzania, Rwanda, Burundi, and Zambia).

While Knorr-Bremse Group (incl. all factories and producing subsidiaries worldwide, for the full list [click here](#)) is not a public company listed on a United States stock exchange, along with NGO's, governments and many other companies worldwide, we are concerned about human rights violations occurring anywhere in the world, Knorr-Bremse Group supports its clients' and other stakeholder's efforts to conduct annual Reasonable Country of Origin Inquiry (RCOI) and due diligence filings.

## Commitment

Knorr-Bremse Group supports industry-wide efforts to identify, reduce, and hopefully eliminate the use of conflict minerals originating in the DRC and adjoining countries that finance or benefit groups committing human rights violations. In furtherance of this goal, Knorr-Bremse Group leverages the Responsible Minerals Initiative's (RMI) Conflict Minerals Reporting Template (CMRT) to gather and exchange supply chain information. In March of each year our Knorr-Bremse group level CMRT discloses the complete list of smelter sources we are able to determine from our information available through Knorr-Bremse's supply chain inquiry for the previous reporting period and makes this information available to our customers upon request.

Knorr-Bremse Group also tracks emerging laws and industry practices concerning conflict minerals reporting.

Knorr-Bremse Group is committed to complying with all applicable requirements under the conflict minerals rule and has implemented a due diligence process that aligns with the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

## Expectations

Knorr-Bremse expects all its suppliers to undertake due diligence with their supply chains to ensure that 3TGs are only sourced from mines and smelters outside of conflict-affected and high-risk areas. We do not encourage implementing a de facto embargo on conflict-affected and high-risk areas in the sourcing of the respective minerals, but we actively support the development of effective due diligence processes in our industry. This follows the guidance of many internationally active human rights organizations and complies with the principles of non-discrimination regarding supplier selection and treatment.

Knorr-Bremse requests suppliers to disclose their sourcing origins by using a Conflict Mineral Reporting Template (CMRT) or equivalent certified documents when requested once a year.

Knorr-Bremse requests suppliers to notify Knorr-Bremse immediately and actively if changes are made in materials or sources after providing a CMRT or equivalent certified documentation.

Knorr-Bremse requests suppliers to comply with the Quality Guidelines in Direct Purchasing in both the Rail (QAA) and Truck (QMPP) Divisions regarding its supply chains, including the requirement to be conflict-free.

In the event that Knorr-Bremse Group determines a supplier has failed to develop and implement reasonable steps to comply with this policy, Knorr-Bremse Group reserves the right to take appropriate action, which may include discontinuing the business relationship with the supplier.

## Improvement

Knorr-Bremse's vision is to ensure that only conflict-free materials and components are used in its product portfolio. For this we constantly track our supply chain to ensure transparency, which enables us and our stakeholders to carry out further action and improvement.



Dr. Peter Laier



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