What are “Conflict Minerals”?

Dodd-Frank Wall Street Reform and Consumer Protection Act – Section 502

“Conflict minerals are minerals mined in conditions of armed conflict and human rights abuses…”

These are the four conflict minerals (3TG):

- Coltan
- Casserite
- Wolframite
- Gold

Coltan
- Tantalum

Casserite
- Tin

Wolframite
- Tungsten

Gold
Conflict Minerals – Covered Countries

The Democratic Republic of the Congo and adjoining countries

Global Production

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ta (Tantalite)</td>
<td>50%</td>
</tr>
<tr>
<td>Sn (Tin)</td>
<td>5%</td>
</tr>
<tr>
<td>W (Tungsten)</td>
<td>1.4%</td>
</tr>
<tr>
<td>Au (Gold)</td>
<td>1.2%</td>
</tr>
</tbody>
</table>
NGO look on mining

How you are hired?
- Gun-Point
- Life Threats
- Physically Forced
- You Get a Job to Protect Yourself and/or Your Family

Work Conditions
- Difficult Locations
- Unsuitable Working Tools
- Lots of Lifting During the Day
- May Lead to Early Death

Over 5.4 Million Congo Civil Conflict Deaths
Conflict Minerals – Examples of usage in the Automotive Industry

**Tin**
- Bearings
- Battery
- Electronics
- Radiator
- Fuel Tank
- Brake Pads

**Gold**
- Fuel Cells
- Switch Contacts
- On Board Electronics

**Tungsten**
- Bearing Races
- Gear Teeth
- Cages & Balls
- Integrated Circuits
- Metallic Films

**Tantalum**
- Airbag Systems
- Parking Sensors
- Traction Control
- Dashboard
- Electric Mirrors
- Window Mechanisms

Few examples in car seat:
- Electronics
- Connector
- Bearing
- Airbag Module Assy
- Seatbelt System
- Display Assy
- Motor Assy
- Seat Adjuster
- Bracket
- Buckle
- Seatframe
Conflict Minerals Reporting in Adient

Why?

- Reporting obligation (part of the financial reporting to U.S. Security and Exchange Commission) due May 31st each year as long as it is not repealed by the senate

How?

- Following the OECD Due Diligence Guidance:
  - Identify suppliers based on Material Data Sheet analysis and supplier spend data
  - Receive Conflict Minerals Reporting Template or other specificic declarations
  - Collect information from the supply chain
  - Provide smelter information based on the Conflict Free Smelter Initiative (CFSI) smelter data
  - Roll up your report and send it to Adient IPCMP ID 2060 or as an excel CMRT file via mail to ae-conflict.minerals@adient.com

What?

- Use the latest version of the CMRT for reporting
- List all smelters from your supply chain in your CMRT
- Fill in all mandatory fields in the CMRT and provide your vendor number in the field „company unique ID“ in the CMRT (line 12)
Conflict Minerals: Timeline

July 2017
Adient Conflict Minerals request sent to Tier 1 suppliers - 30 days to respond -

Aug 2017
regularly updates of your CMRT

Sep 2017
1st reminder will be sent to non-responsive suppliers

Oct - Nov 2017
non-responsive suppliers will receive escalation letters

Dec 31st 2017
last possibility to provide your FINAL CMRT

In case of rejection this will be the last possibility to provide your corrected CMRT

Jan 2018
To fulfill our requirements on conflict minerals reporting the following steps are needed:

- Register on the IPCMP platform. The Basic Licence is free of charge
- Respond to our Initial Supplier letter within 30 days providing us with your IPCMP ID and the name and contact details of your CM contact
- Collect smelter information from your suppliers. Please use either IPCMP (recommended) or the CFSI template (link to the CFSI page)
- Use available IMDS data*, the OECD guideline and the CFSI smelter information and NGO sources to verify incoming data from your supply chain
- Submit your declaration to Adient. Include your vendor number to the company unique ID field of the CMRT (line 12)
Your tasks:

- Collect the Conflict Minerals data from your supply chain during the reporting year
- Submit your declaration until deadline
- Review and update your declaration throughout the year
- Resubmit your final declaration until December 31, 2017

We will reject your submission when

- the reporting template is older than version 5.00,
- incomplete and incorrect data are identified in the declaration,
- the 3TG declaration does not correspond to available material or component information,
- We will provide you with the rejection reason via the established communication route.
Conflict Minerals overview

APPENDIX
Conflict Minerals: links list

- The officially supported reporting format by AIAG
- The template is available in 10 languages already
- The latest version can be found [here](#)
- It contains seven questions on the use of tin, tantalum, tungsten and gold and the reporting status
- Ten questions are dealing with the overall company policy on Conflict Minerals

### Conflict Minerals Reporting Template (CMRT)

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Is any 3TG intentionally added or used in the product(s) or in the production process? (*)</td>
<td></td>
</tr>
<tr>
<td>2) Does any 3TG remain in the product(s)? (*)</td>
<td></td>
</tr>
<tr>
<td>3) Do any of the smelters in your supply chain source the 3TG from the covered countries? (SEC term, see definitions tab) (*)</td>
<td></td>
</tr>
<tr>
<td>4) Does 100 percent of the 3TG (necessary to the functionality or production of your products) originate from recycled or scrap sources?  (*)</td>
<td></td>
</tr>
<tr>
<td>5) What percentage of relevant suppliers have provided a response to your supply chain survey?  (*)</td>
<td></td>
</tr>
<tr>
<td>6) Have you identified all of the smelters supplying the 3TG to your supply chain?  (*)</td>
<td></td>
</tr>
<tr>
<td>7) Has all applicable smelter information received by your company been reported in this declaration?  (*)</td>
<td></td>
</tr>
<tr>
<td>A. Have you established a conflict minerals sourcing policy? (*)</td>
<td></td>
</tr>
<tr>
<td>B. Is your conflict minerals sourcing policy publicly available on your website? (Note – If yes, the user shall specify the URL in the comment field.) (*)</td>
<td></td>
</tr>
<tr>
<td>C. Do you require your direct suppliers to be DRC conflict-free? (*)</td>
<td></td>
</tr>
<tr>
<td>D. Do you require your direct suppliers to source the 3TG from smelters whose due diligence practices have been validated by an independent third party audit program? (*)</td>
<td></td>
</tr>
<tr>
<td>E. Have you implemented due diligence measures for conflict-free sourcing? (*)</td>
<td></td>
</tr>
<tr>
<td>F. Does your company conduct Conflict Minerals survey(s) of your relevant supplier(s)? (*)</td>
<td></td>
</tr>
<tr>
<td>G. Do you review due diligence information received from your suppliers against your company's expectations? (*)</td>
<td></td>
</tr>
<tr>
<td>H. Does your review process include corrective action management? (*)</td>
<td></td>
</tr>
<tr>
<td>I. Is your company required to file an annual conflict minerals disclosure with the SEC? (*)</td>
<td></td>
</tr>
</tbody>
</table>

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**Company Information**

**Description of Scope:**

**Company Name:**

**Declaration Scope or Class:**

**Company Unique ID:**

**Company Unique ID Authority:**

**Address:**

**Contact Name:**

**Email – Contact:**

**Phone – Contact:**

**Authorizer:**

**Title - Authorizer:**

**Email - Authorizer:**

**Phone - Authorizer:**

**Effective Date:**

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**Revision 5.01**

**June 21, 2017**

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**Conflict Minerals Reporting Template (CMRT)**

The purpose of this document is to collect sourcing information on tin, tantalum, tungsten and gold used in products. The template is available in 10 languages already. The latest version can be found [here](#). It contains seven questions on the use of tin, tantalum, tungsten and gold and the reporting status. Ten questions are dealing with the overall company policy on Conflict Minerals.

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Conflict Minerals: IT-Solution IPCMP by iPoint

- Create reports
- Import reports
- Aggregate (roll-up) reports
- Perform validation Checks

- All data in one place
- Sophisticated folder structure
- Due diligence reporting

- Manage & respond to requests from your customers

- Send & manage requests to your suppliers
- Statistics of accepted reports