

Napatech Responsible Minerals Sourcing Policy

Copenhagen, 2020-09-15

Napatech recognizes that it may be associated with risks of significant adverse impacts to extract, trade, handle, and export minerals from conflict-affected and high-risk areas. Our social responsibility commits Napatech to respect human rights by adhering to the Responsible Business Alliance (RBA) code of conduct and only source minerals from responsible sources.

Furthermore, since the U.S. Securities and Exchange Commission adopted the Conflict Minerals provision of the Dodd-Frank Wall Street Reform Act of Section 1502 on August 22, 2012, Napatech has established procedures ensuring sources of Conflict Minerals in Napatech products do not contribute to armed groups in the Democratic Republic of the Congo (DRC) and the adjoining countries. In addition, Napatech has become concerned with the risks related to poor working conditions and child labor in Cobalt mining in the DRC. Therefore, Napatech has extended its Conflict Minerals supply chain validation procedures to also include the sourcing of Cobalt.

Consistent with the OECD Due Diligence Guidance,¹ we are working with our suppliers to collect Conflict Minerals sourcing information using the reporting templates maintained by the Responsible Mineral Initiative (RMI), such as the Conflict Minerals Reporting Template (CMRT) and the Cobalt Reporting Template (CRT), which traces the minerals back through the supply chain. If we become aware of suppliers that use minerals which are not sourced as conflict free, we will take appropriate actions to remedy the situation in a timely manner.

Napatech's objective is to maintain a conflict free mineral supply chain for all its products. We do that by requesting CMRTs and CRTs from our suppliers twice a year and through our membership of the RMI, where we continuously monitor and leverage on updated sourcing status of smelters or refiners (SORs).

Despite our efforts to establish and maintain socially responsible sourcing that supports the humanitarian goal of ending the violent conflict in the DRC and adjoining countries, we cannot do it alone. We need the engagement of suppliers to jointly promote the responsible sourcing of Conflict Minerals and Cobalt. Therefore, Napatech expects its suppliers to:

- Define a policy for responsible sourcing of minerals in line with the OECD Due Diligence Guidance.¹
- Adhere to the Responsible Business Alliance (RBA) code of conduct.
- Only source minerals from SORs, that have been validated as conflict free through accredited audits by RMAP, LBMA, RJC, or TI-CMC.
- Provide updated CMRTs and CRTs to Napatech when requested twice a year.
- Forward expectations and requirements to upstream suppliers.

Sincerely,



Lars Christiansen, Regulatory Compliance Manager, Napatech A/S

¹ Organisation for Economic Co-Operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.