

CONFLICT MINERALS POLICY

DATED 11/2015

BALLUFF

With over 50 years of sensor experience, Balluff GmbH is a world leader and manufacturer of sensor technology. Sophisticated technology, high quality and very modern electronics application-specific customer solutions, an individual consultation and first-class service are the prominent characteristics of our company – more than 3.000 employees nationally and abroad are committed to this.

In April 2009, Senator Sam Brownback introduced the Congo Conflict Minerals Act to require electronics companies to verify and disclose their sources of minerals. But this legislation wasn't permitted. However, a similar part was added to the Dodd-Frank Wall Street Reform and Consumer Protection Act (short Dodd-Frank Act), which passed Congress and was signed into law by President Barack Obama on July 21, 2010. Due to Section 1502 of the Dodd-Frank Act, manufacturers are required to disclose if their manufactured products contain "Conflict Minerals". Conflict Minerals refer to gold, as well as tin, tantalum, and tungsten, with origin in the Democratic Republic of the Congo and its adjoining countries ("the DRC region") which use the trade of these materials to finance violent actions and war.

High leveled cooperation service and frequent communication are necessary to ensure a healthy and good long-term business relationship with our suppliers. It is Balluff's goal to achieve absolutely conflict free sourcing of all materials used in our products.

There is an international focus on Conflict Minerals because of illegal mining operations in the DRC region. Public traded companies are not allowed to do business with minerals from this region. Even if a supplier is not using minerals from a conflict region, they need to prove that the minerals do not originate from the DRC region.

Balluff is not listed on any U.S. stock exchange and therefore not under an obligation to respond to the published requirements and to issue a Conflict Minerals report. Nonetheless, we take this topic very seriously, because there is influence on the supply chain Balluff takes part in. Due to lots of our customers that are liable to the U.S. law sending requests to Balluff, the conclusion is that Balluff has to confirm that the products are conflict-free – once a year by May, 31st. We kindly ask our direct manufacturing suppliers for their Conflict Minerals usage, the state of processing facilities in the supply chain and the suppliers' preparedness for achieving the conflict free status. This means Balluff has to collect and evaluate Conflict Minerals reports from the suppliers once a year. We require the latest version of the standardized reporting template (<http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>) and will not accept any written statements. All reports from our suppliers constitute the database for creating our Balluff Conflict Minerals report. We are working on that issue very conscientious. Balluff has created a process to ascertain the use, origins and sources of Conflict Minerals.

Balluff would like to raise awareness that all members of the supply chain have the duty to collaborate on this topic. The support and collaboration of every supplier that delivers products which contain gold, tin, tantalum and tungsten is highly appreciated. We trust in the complete reporting from our suppliers close-partnered. We also would like to point out that this is an ongoing process. Our suppliers are required to review their supply chains for respective changes continuously and keep us updated self-initiated at any time.

Thank you very much for your efforts and your cooperation to provide necessary information to meet legal reporting requirements within the supply chain.

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