

Enics Material Compliance Statement

Introduction / Overview

As an Electronics Manufacturing Services provider Enics understands the importance of environmental and regulatory management with regard to our customers' products. Enics is committed to working with our customers and our suppliers (including manufacturers) to ensure proper compliance of the manufacturing process, disclosure of relevant information and effective management of the legislation.

Relevant legislative requirements are integrated into Enics' processes and Enics has an internal compliance team in place to review and implement relevant laws and regulations as well as specific customer requirements into Enics' operations. This means that we follow the applicable requirements, and are ready to provide on request services exceeding our regulatory obligations.

Enics has a strong commitment to environmentally and socially sustainable development, and Enics has signed up to the principles of the United Nations Global Compact. We expect our supply chain to commit to maintaining and promoting a socially and environmentally responsible supply chain. Our Code of Conduct and Supplier Commitment to Ethical Conduct of Business support these principles.

We expect our suppliers and sub-contractors to follow regulations of REACH and RoHS and to actively support in demonstrating compliance with the Conflict Minerals Rule.

REACH and RoHS

The purpose of the **REACH Regulation**¹ is to ensure a high level of protection of human health and the environment. The regulation enhances the industry's responsibility to manage the risks from chemicals and to provide safety information on the substances present in various products. To ensure safe handling, manufacturers and importers are required to gather and disclose information regarding the properties of chemical substances.

Any producer or importer of articles must provide sufficient information, available to them, to their customers if the article produced or placed on the EU market contains **Substances of Very High Concern** ("SVHC") listed in the Candidate List released by the European Chemical Agency, ECHA, in concentrations of $\geq 0.1\%$ w/w.

For Enics this means that

- we inform our customers promptly if any of the products or parts thereof contain more than 0.1% by weight of any SVHC that are listed in ECHA's Candidate List;
- we do not use substances subject to authorization. If substances listed in Annex XIV are present $\geq 0.1\%$ w/w in articles supplied by Enics, they will be reported as SVHC to the customers;
- we ensure that our products are not subject to restrictions according to Annex XVII; and
- we provide the service to produce what customer has designed so we are a Producer of (complex) Articles in the sense of REACH which means that **we actively provide our customers with appropriate information on SVHC which we receive from our suppliers**. Consequently, we expect our

¹ Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals

suppliers to monitor and comply with all requirements of REACH² and inform Enics if any changes take place.

The purpose of the **RoHS Directive**³ is to restrict the use of certain hazardous substances in electrical and electronic equipment.

We ensure that **only components and process materials defined by customers in the Bill of Materials and Approved Manufacturing List of products are used in manufacturing the products**. The customers decide during the introduction of the product whether the product will be RoHS or non-RoHS. If RoHS compliant manufacturing process is required by customers without defining the intended components and process materials, we use exclusively components and process materials which do not contain any substances exceeding the maximum concentration values tolerated in homogeneous materials as listed in the RoHS Directive⁴.

Enics also expects its suppliers to monitor RoHS Annex II and follow its restrictions and inform us of the RoHS status of components. All components ordered by Enics are required to be compliant with the requirements deriving from RoHS, unless otherwise defined by Enics in the order. Enics may perform random supplier assessments to review their compliance with the above mentioned expectations.

Conflict minerals

The Dodd-Frank Act⁵ ("Act"), also known as the Conflict Minerals Rule, issued by the United States Securities and Exchange Commission ("SEC") in 2012, imposes obligations on US listed companies which need to identify if and to what extent their products contain any of the so called 3TGs (tantalum, tin, tungsten, gold) which come from the Democratic Republic of Congo and the adjoining countries named in the Act.

Enics unreservedly supports efforts to sever the connection between the mining of minerals and the funding of armed conflict. Enics is taking appropriate actions to support the efforts of its customers to avoid illegal and unethical mineral sourcing in the products we manufacture for them and to comply with the requirements under conflict minerals legislation.

Enics does not directly purchase any conflict minerals from any source and does not knowingly procure any product containing conflict minerals from the conflict region. Conflict minerals may however exist in materials and components we purchase. As Enics is not bound by the Act's reporting obligations and does not control the material content of the components and materials, Enics can ensure that **only components and process materials defined by the customer in the Bill of Materials or Approved Manufacturing Lists are used in the manufacturing of such products**. We also ensure that according to our best knowledge, Enics defined components and process materials used in customers' products are in compliance with the Conflict Minerals Rule.

² Specifically requirements resulting from the Candidate List and Annex XVII.

³ Directive 2011/65/EU on the Restriction of the Use of certain Hazardous Substances in Electrical and Electronic Equipment (RoHS II)

⁴ Annex II.

⁵ Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

To help our customers comply with the SEC reporting regulations, we use our reasonable commercial efforts to exercise **reasonable due diligence measures** to investigate the source of the minerals at customers' request in accordance with agreed terms. This means that we have requested and will continue to **request written confirmations from our supplier network** that Enics' defined components and materials do not contain any conflict minerals as specified in the Act.

Manufacturers defined by our customers and covering at least 95% of all material purchased in the year to be reported to the SEC are requested to provide their **Conflict Minerals Reporting Template** ("CMRT") to Enics. The data from the manufacturers who have submitted their reporting template is consolidated into Enics CMRT which can be forwarded to the customer on demand.

Services related to Material Compliance

Enics provides its customers with **component assortment overview** for REACH, RoHS and Conflict Minerals.

Upon request, Enics will provide its customers with a separate **Certificate of Conformance** regarding REACH and RoHS as well as Conflict Minerals. The statements are based on information provided by Enics' suppliers and are accurate to the best of our knowledge. Enics does not warrant or guarantee product description or content and is not liable for suppliers' act or omission or misleading product information.

Enics can also fill in and update the CMRT, as may be requested by its customers.

Additional Compliance Services

Enics offers services to analyze and verify RoHS and REACH and Conflict Minerals compliance of the components and materials used for customers' products which have been placed on the market before the relevant regulations came into force.

We require information and compliance from the suppliers in order to evaluate the compliance with the aforementioned requirements as well as with customer specific restricted substances lists, pointing out non-compliant parts of the Bill of Materials and assisting in finding alternative compliant components or materials.

These services are subject to separate quotation by Enics and are offered under Enics General Conditions for Engineering Services.

Additional Information

Should you have any questions or wish to receive more information on Enics' compliance policies, kindly send your enquiries to your account manager.