



P R A H A

Statement of the use of Conflict materials

AŽD Praha s.r.o. – Production Plant Brno

Production Plant Brno ("VZB") according to its Policy of Integrated System of Management supports the intention of § 1502 Dodd-Frank Wall Street Reform and Consumer Protection Act („§ 1502 law"). The purpose of § 1502 law is to minimize or to stop human rights violations by avoiding the use of the so called conflict materials originating from the problematic areas of central Africa. The law defines these conflict minerals:

- ü Columbite - tantalit or colat (raw material to gain tantalum) and its derivatives,
- ü Cassiterite (raw material to gain tin) and its derivatives,
- ü Gold,
- ü Wolframite (raw material to gain tungsten) and its derivatives.

These materials are being used for direct or indirect funding of war conflicts in chosen states in the Great Lakes Region in central Africa, primarily Democratic Republic of the Congo (DRC) and some neighboring countries ("the problematic areas of central Africa").

Top Management in VZB agrees to accept such measures which will prevent the use of the conflict materials in its products.

Taken measures:

- ü To get a statement from VZB suppliers which will clearly result:
 - If supplied materials contain the conflict materials,
 - In case that supplied materials contain the conflict materials, declaration of its origin.
- ü To determine the measure to our suppliers that all the materials they deliver to VZB must not contain any of the conflict materials coming from the problematic areas of central Africa,
- ü To regularly review/verify the suppliers of the material with the intention to identify the conflict materials and its origin.
- ü To publish this Statement in order to ensure transparency in VZB in the problematic use of the conflict materials.

In case that VZB finds out that products and/or materials delivered to VZB contain the conflict materials coming from the problematic areas of central Africa, VZB will require from its supplier to take appropriate corrective actions. If there is no corrective action taken, VZB will strive the change to these suppliers of products and/or materials who do not use any of the conflict materials coming from the problematic areas of central Africa and who support socially responsible gaining of sources.

Ing. Jolana Horsáková
Director of Product plant Brno

In Brno: April 05, 2017