# UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

# FORM SD Specialized Disclosure Report

# KAMAN CORPORATION

(Exact name of registrant as specified in its charter)

Commission File No. 001-35419

Connecticut (State or other jurisdiction of incorporation or organization) 06-0613548 (I.R.S. Employer Identification No.)

1332 Blue Hills Avenue Bloomfield, Connecticut 06002 (Address of principal executive offices)

Robert D. Starr Executive Vice President and Chief Financial Officer 860-243-7838

(Name and telephone number, including area code, of the person to contact in connection with this report)

Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

☑ Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2016.

Kaman Corporation is submitting this Specialized Disclosure Report on Form SD for the calendar year ended December 31, 2016 as required by Rule 13p-1 under the Securities Exchange Act of 1934 (the "Rule"). Terms used and not defined in this report have the meanings ascribed thereto in Form SD as adopted by the Securities and Exchange Commission ("SEC") pursuant to the Rule.

As used herein, the terms "we," "us," "our," "the Company," or "Kaman," unless the context otherwise requires, mean Kaman Corporation and its subsidiaries. References to internet websites in this Form SD are provided only as required by the Rule or for convenience; information available through these websites is not incorporated by reference into this Form SD.

#### SECTION 1 - CONFLICT MINERALS DISCLOSURE

Item 1.01 Conflict Minerals Disclosure and Report

#### Description of Conflict Minerals Disclosure

This section of our report is intended to provide the reader with an overview of the Rule and its disclosure requirements solely for informational purposes and is not intended to provide a comprehensive discussion of the Rule's requirements. The reader should refer directly to the Rule for any questions and additional information regarding its legal requirements.

The Rule was adopted by the SEC to implement reporting and disclosure requirements related to conflict minerals as directed by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Section 1502"). The Rule imposes reporting and disclosure obligations on SEC registrants in the event that Conflict Minerals were necessary to the functionality or production of products manufactured or contracted to be manufactured during the year for which the report is filed. The Rule requires registrants to post their Form SD and Conflict Minerals Report ("CMR"), as applicable, on their website.

Conflict Minerals are defined as columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, which are limited to tin, tantalum, tungsten, and gold (collectively "3TG"). The Rule excludes Conflict Minerals that, prior to January 31, 2013, were located outside the supply chain (i.e., if, before January 31, 2013, the minerals were either (i) fully smelted or refined, as applicable, or (ii) located outside the Covered Countries, as such term is defined below). The Rule applies to registrants regardless of the geographic origin of the Conflict Minerals and without regard to whether purchase of the Conflict Minerals funded armed conflict.

#### Form SD

If a registrant determines that Conflict Minerals contained in the products it manufactures or contracts to manufacture during the calendar year for which the report is filed were necessary to the functionality or production of such products ("Necessary Conflict Minerals"), the registrant must conduct a "reasonable country of origin inquiry" (the "Reasonable Country of Origin Inquiry" or "RCOI") that is reasonably designed to determine whether any of those Necessary Conflict Minerals originated in the Democratic Republic of the Congo or an adjoining country (the "Covered Countries"), or came from recycled or scrap sources, and file a Specialized Disclosure Report on Form SD describing the RCOI completed and the results of that RCOI.

If, based on its RCOI findings, a registrant knows or has reason to believe that any of its Necessary Conflict Minerals may have originated in any of the Covered Countries and that they may not be from recycled or scrap sources, then the registrant must exercise due diligence on the source and chain of custody of the Necessary Conflict Minerals. If, as a result of the due diligence undertaken, the registrant determines that its Necessary Conflict Minerals did not originate in the Covered Countries or did come from recycled or scrap sources, a CMR is not required, but the registrant must disclose its determination and briefly describe, in the body of its Form SD under a separate heading entitled "Conflict Minerals Disclosure," the RCOI, the results of the inquiry, and the due diligence efforts that it undertook in making its determination. Otherwise, the registrant must file a CMR as an exhibit to its Form SD.

#### **Conflict Minerals Report**

Registrants filing a CMR may, but are not required to, describe their products as "DRC conflict free," or "not found to be DRC conflict free," as those terms are defined in the Form SD adopted by the SEC. If a registrant voluntarily elects to describe any of its products as "DRC conflict free" in its CMR, it would be permitted to do so, provided it has obtained an independent private sector audit ("IPSA") as required by the Rule. Pending further guidance from the SEC, an IPSA is not required unless a registrant voluntarily elects to describe a product as "DRC conflict free" in its CMR. Based on the outcome of the due diligence undertaken, the CMR may include one or more of the following:

- A description of the measures a registrant has taken to exercise due diligence regarding the source and chain of custody of its Necessary Conflict Minerals;
- The efforts to determine the mine or location of origin of its Necessary Conflict Minerals with the greatest possible specificity;
- The facilities used to process Necessary Conflict Minerals in its products, if known;
- · The country of origin of Necessary Conflict Minerals in its products, if known; and
- A description of the steps the registrant has taken or will take, if any, since the end of the period covered in the most recent prior CMR to mitigate the risk that its Necessary Conflict Minerals benefit armed groups, including any steps to improve due diligence.

#### Overview

As discussed below, we believe that Conflict Minerals were necessary to the functionality or production of one or more products manufactured or contracted to be manufactured by Kaman during 2016. The results of our investigation regarding the origin of Necessary Conflict Minerals in our supply chain is described in the CMR attached hereto as Exhibit 1.01 and on the Company's website at www.kaman.com.

### Supply Chain

Our supply chain is multi-tiered, complex, and globally dispersed. There are multiple tiers between Kaman's operating units and the mines where Necessary Conflict Minerals originate. We rely on our suppliers that have a direct contractual relationship with Kaman ("Direct Suppliers") to provide information on the origin of the Conflict Minerals contained in components and materials supplied to us. Our Direct Suppliers, in turn, likely rely upon their suppliers, and their suppliers' suppliers, for this information.

### Conflict Minerals Policy

The Conflict Minerals Policy for Kaman Corporation is available on our website at <u>http://www.kaman.com</u> (select the "Investors" link, then the "Corporate Governance" link and then "Conflict Minerals Policy").

### **RCOI** Determination and Description

Kaman has concluded in good faith that during the 2016 calendar year it, through its segments, manufactured or contracted to manufacture products that contained Conflict Minerals; Kaman has determined that the use of these Conflict Minerals was necessary to the functionality or production of these products.

We developed a risk-based approach for identifying Direct Suppliers for which we believed there was an increased likelihood that the materials or components supplied contain Necessary Conflict Minerals that were incorporated into our products. The RCOI efforts that we undertook during this reporting period generally focused on suppliers believed to represent a high risk of providing materials or components that may contain Necessary Conflict Minerals and/or believed to represent a significant portion of annual spending for materials or components that may contain Necessary Conflict Minerals.

During 2016 and for the first three months of 2017, we conducted a supply chain survey to investigate whether Necessary Conflict Minerals in our products originated from the Covered Countries. We used a survey template designed by the Conflict-Free Sourcing Initiative ("CFSI"), known as the Conflict Minerals Reporting Template ("CMRT") and a survey tool based on the CMRT. Among other inquiries, the survey contained questions regarding whether the products the supplier manufactured or contracted to manufacture contained Necessary Conflict Minerals, the supplier's policy with respect to DRC conflict-free sourcing, the supplier's due diligence process, and information about the supplier's supply chain, such as the names of smelters that processed the supplier's Conflict Minerals, and the names and locations of the mines where its Conflict Minerals were sourced.

We reviewed and evaluated the survey responses received for reliability, based on an established set of criteria and a defined review process. Survey responses that indicated the supplier potentially sourced Necessary Conflict Minerals from the Covered Countries, as well as survey responses that we identified as potentially inconsistent, incomplete, or inaccurate were "red

flagged" based on defined criteria. The red flag review included automated logical tests based on the responses to our survey questions. Each supplier survey response that failed one or more red flag review tests was manually reviewed to determine whether additional follow up was necessary to assess risk. When warranted based on established criteria, suppliers were sent notification letters requesting follow-up action. Non-responsive suppliers received follow-up letters reminding them to submit their survey responses within the stated time period. Additionally, a phone campaign was conducted to reach out to non-responsive suppliers.

In total, Kaman sent 701 conflict minerals surveys to Direct Suppliers for the 2016 calendar year reporting process. We relied on these Direct Suppliers to provide us with information about the source of Necessary Conflict Minerals that may be in the materials or components that they supplied during the reporting period. Of the 701 conflict minerals surveys sent, we received 429 responses, representing a response rate of 61%.

#### Item 1.02 Exhibit

The description of the Conflict Minerals Report set forth under Item 1.01 above is hereby incorporated by reference in its entirety in response to this Item 1.02.

## **SECTION 2 - EXHIBITS**

Item 2.01 Exhibits

Exhibit 1.01 Conflict Minerals Report as required by Items 1.01 and 1.02 of this Form.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the duly authorized undersigned on this 26th day of May, 2017.

KAMAN CORPORATION (Registrant)

/s/ Robert D. Starr

By: Robert D. Starr Executive Vice President and Chief Financial Officer

# **Conflict Minerals Report**

## INTRODUCTION

Kaman Corporation, headquartered in Bloomfield, Connecticut, is a diversified company that conducts business in the aerospace and distribution markets.

As required by Rule 13p-1 under the Securities Exchange Act of 1934 (the "Rule"), Kaman Corporation ("we", "us", "our" and the "Company") is submitting this Conflict Minerals Report, as an Exhibit to our Form SD, for the period from January 1, 2016, through December 31, 2016. This Conflict Minerals Report is also available on our website at <u>http://www.kaman.com</u> (select the "Investors" link, then the "Financial Information" link and then "SEC Filings").

Conflict Minerals are defined as columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, which are limited to tin, tantalum, tungsten, and gold (collectively "3TG"). The Rule requires companies that manufacture (or have manufactured) products containing conflict minerals that are necessary to the functionality or production of the product to disclose annually whether any of those minerals originated in the Democratic Republic of the Congo ("DRC") or an adjoining country. If the conflict minerals originated in any of those countries, the Rule requires companies to submit a report to the Securities and Exchange Commission ("SEC") that includes a description of the measures taken to exercise due diligence on the conflict minerals' source and chain of custody, a description of the products manufactured or contracted to be manufactured that are not DRC conflict free or undeterminable, the facilities used to process the conflict minerals, the country of origin of the conflict minerals, and the efforts to determine the mine or location of origin.

#### SUPPLY CHAIN INQUIRIES

For the purpose of preparing our 2016 report, we reviewed our supply base in order to determine the suppliers of materials/components that possibly contained 3TG. This review occurred for all suppliers in the Aerospace Segment. For suppliers in the Distribution Segment, we limited our review to those products for which we determined our value added services met the definition of "manufacture", as the term is used in the Rule. Products sold through our distribution network that Kaman has not "manufactured" or "contracted to manufacture" were excluded from further consideration because they are not covered within the scope of the Act.

Based upon the results of the review described above we conducted a survey of our direct suppliers that were determined to be potential suppliers of conflict minerals ultimately contained within our products. Our objective in conducting this survey was to understand the following:

- Do any of the parts supplied to us contain 3TG?
- Are any of those conflict minerals necessary to the functionality or production of the product?
- Do any of the metals originate from the DRC or an adjoining country?
- Is the conflict mineral from recycled or scrap sources?
- Have the smelters of those metals been identified?
- Are the smelters that have been identified certified conflict free?

Our inquiries were facilitated by an electronic survey tool and the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative ("EICC/GeSI") developed questionnaire. In order to increase the response level, we provided our suppliers with a stated deadline and followed up with both "reminder" and "late" notices. In addition, management developed a list of criteria to identify those supplier responses that management believed required further inquiry.

Management analyzed responses received against the pre-determined criteria in order to determine whether further due diligence was required. Additional due diligence included direct follow-up either by telephone contact or the exchange of emails with the suppliers. Our process was designed to identify the source of minerals and determine the chain of custody. If the supplier provided us with a smelter listing, we compared each of the smelter identification codes to the Conflict-Free Smelter Program ("CFSP") listing (<u>www.conflictfreesourcinginitiative.org</u>) to determine if the indicated smelter was considered compliant for 2016.

### PART I. DUE DILIGENCE

We have designed our processes based on the internationally recognized due diligence framework developed by the Organization for Economic Co-operation and Development ("OECD") titled "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas."

### Conflict Minerals Policy

Kaman established a policy regarding conflict minerals that is available on our website at <u>http://www.kaman.com</u> (select the "Governance" link and then the "Conflict Minerals Policy" link).

#### Internal Team

The Company maintains a Conflict Minerals Steering Committee (the "Steering Committee"), with management support from various functions throughout the business. The Steering Committee created a Project Management Office ("PMO") to oversee the execution of this project, identified personnel from the organization's supply chain to assist in the supply chain assessment and engaged a third party service provider to assist with the due diligence procedures.

The Committee provides updates to our senior management and to the Audit Committee of our Board of Directors regarding the Company's response to the requirements of the Dodd-Frank Act relative to Conflict Minerals and our due diligence efforts. Members of the team have worked with their departments on compliance matters related to those requirements. The PMO provides support and training to the segment supply chain teams. Together, the PMO and supply chain teams identified and assessed the risks within each of the businesses' supply chains.

#### Control systems

As we do not typically have a direct relationship with 3TG smelters and refiners, we are engaged and actively cooperate with other major manufacturers in our sector. We participate in the Manufacturers Alliance for Productivity and Innovation (MAPI). Controls include, but are not limited to, our Code of Business Conduct and Ethics which outlines expected behaviors for all Kaman employees.

#### Grievance Mechanism

Our Company has multiple longstanding grievance mechanisms whereby employees can report violations of Kaman's policies and procedures.

### Maintain records

Kaman has a Records Retention Policy that dictates what materials, records and documents need to be retained and for how long.

## Identify and assess risk in the supply chain

Kaman uses multiple enterprise resource planning (ERP) systems for our businesses. We reviewed our supplier base within each of these systems to identify the direct suppliers to survey. We rely on these suppliers, whose products may contain 3TG, to provide us with information about the source of Conflict Minerals contained in the components supplied to us. Our direct suppliers are similarly reliant upon information provided by their suppliers. Many of the largest suppliers are also SEC registrants and subject to the Rule.

Suppliers that are added to our supply chain as a result of business acquisitions will be considered in our due diligence procedures in the year following their acquisition.

## Design and Implement a Strategy to Respond to Risks

Kaman has an established Enterprise Risk Management ("ERM") Plan that evaluates and quantifies various risks facing the Company. Senior leadership and the ERM Sub-Committee meet quarterly to discuss updates to this risk assessment. Any changes to the regulatory landscape (such as the Dodd-Frank Act) would be included in ERM.

### Carry out Independent Third Party Audit of Supply Chain Due Diligence at Identified Points in the Supply Chain

We do not typically have a direct relationship with 3TG smelters and refiners and do not perform or direct audits of these entities within our supply chain.

## PART II. PRODUCT DESCRIPTION

We were not able to determine the origins of all 3TG in our products (as listed below).

- Product Categories within the Aerospace Segment. Proprietary aircraft bearings and components; super precision, miniature ball bearings; complex
  metallic and composite aerostructures for commercial, military and general aviation fixed and rotary wing aircraft; safe and arming solutions for
  missile and bomb systems.
- Product Categories within the *Distribution Segment*. Bearings, mechanical and electrical power transmission, fluid power, motion control, automation, material handling components, electrical control and power distribution, and MRO supplies.

#### **Facilities**

We are a "downstream" company with many tiers in our supply chain, and are therefore dependent upon our suppliers, as well as their lower level suppliers, to determine which specific smelters are providing the source metals that eventually become incorporated into our products. Our ability as a downstream company to deliver products that are conflict-free is directly dependent on smelters adopting policies, internal controls and due diligence procedures that will provide reasonable confidence that their products are conflict-free. Due to the limited information provided to us by our suppliers in response to our survey, we are not able to identify all of the various smelting facilities that processed the 3TG contained within our products.

#### Country of Origin

Due to the limited information provided by our suppliers in response to our survey we could not determine for this reporting period which specific smelters provided the source metals that eventually became incorporated into our products. The smelters are a critical link in determining whether the minerals are from scrap or recycled sources or from mined ore. While certain smelter information was provided, we were unable to determine the country of origin for all the minerals that were incorporated into end products delivered to our customers in 2016.

## Mine or Location of Origin

Our survey of selected direct suppliers included an inquiry regarding the country of origin and smelter for any 3TG contained within the products they supplied to us, and a request for information as to the mine or other origin of the minerals in question. The responses received were not sufficient for us to determine the mine or other origin of all the minerals incorporated into end products delivered to our customers in 2016.

#### Next Steps

As part of our Conflict Minerals Policy, we continue to communicate to suppliers of our manufactured products our intent for products to be sourced from responsible suppliers who can provide reasonable assurance that the purchase of the minerals incorporated into their products did not fund conflict in the DRC or adjoining countries.

In 2016, we were able to utilize data gathered from previous reporting years to determine which direct suppliers it was necessary for us to contact when conducting our reasonable country of origin inquiries. In 2017, we will continue to gather data from the tiers of our supply chain in our continued effort to identify the smelters therein. We anticipate that additional smelters will complete the Conflict-Free Sourcing ("CFS") certification process thereby providing an increased source of supply of conflict-free minerals.

We will continue to evaluate our supply chain to determine which materials and components used in the manufacture of our products contain conflict minerals, if any.