

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

FORM SD

Specialized Disclosure Report

Kennametal Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania

1-5318

25-0900168

(State or Other Jurisdiction of Incorporation)

(Commission File Number)

(IRS Employer Identification No.)

600 Grant Street

Suite 5100

Pittsburgh, Pennsylvania

15219-2706

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (412) 248-8000

(Former Name or Former Address, if Changed Since Last Report)

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

☒ Rule 13p-1 under the Securities Exchange Act (17 CFR 230.13p-1) for the reporting period from January 1 to December 31, 2016.

Section 1 – Conflict Minerals Disclosure

Item 1.01 Conflict Minerals Disclosure and Report (“Kennametal” or the “Company”),

Conflict Minerals Disclosure

This Form SD of Kennametal Inc. (“Kennametal”) or (the “Company”) is filed pursuant to Rule 13p-1 promulgated under the Securities Exchange Act of 1934, as amended, for the reporting period January 1, 2016 to December 31, 2016 (the “Reporting Period”).

Rule 13p-1 requires disclosure of certain information when a company manufactures or contracts to manufacture products containing “conflict minerals” that are necessary to the functionality or production of such products. These “conflict minerals” are gold, columbite-tantalite (coltan), cassiterite and wolframite, including their derivatives, which are limited to tantalum, tin and tungsten (the “Conflict Minerals”). The “Covered Countries” for purposes of Rule 13p-1 are the Democratic Republic of Congo, the Republic of the Congo, the Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola.

Kennametal is a global enterprise that delivers productivity solutions to customers seeking peak performance in demanding environments by providing innovative wear-resistant products, application engineering and services backed by advanced material science serving customers across diverse sectors of industrial production, transportation, earthworks, energy, infrastructure and aerospace. The Company’s solutions are built around industry-essential technology platforms including precision-engineered metalworking tools and components, surface technologies and earth cutting tools that are mission-critical to customer operations battling extreme conditions associated with wear fatigue, corrosion and high temperatures. End users of the Company’s products include manufacturers, metalworking suppliers, machinery operators and processors engaged in a diverse array of industries, including the manufacture of transportation vehicles and systems; machine tool, light machinery and heavy machinery industries; airframe and aerospace components and systems, defense; as well as producers and suppliers in equipment-intensive operations such as coal mining, road construction, quarrying, oil and gas exploration, refining, production and supply. The Company’s product offering includes a wide selection of standard and customized technologies for metalworking, such as sophisticated metal cutting tools, tooling systems and services, as well as advanced, high-performance materials, such as cemented tungsten carbide products, super alloys, coatings and investment castings to address customer demands. These products are offered through a variety of channels to meet customer-specified needs.

The Company manufactures, or contracts to manufacture, certain products that contain tungsten, tantalum, tin or gold and has determined that these minerals are necessary to the functionality or production of these products (the “Covered Products”). The Company groups the Covered Products in the following product categories:

- Metalworking Tools
- Mining
- Construction
- Engineered Components
- Powdered Materials and Equipment

Based upon the Company’s determination that Rule 13p-1 applies to the Covered Products, the Company engaged in a good-faith Reasonable Country of Origin Inquiry (“RCOI”) designed to determine whether any of the tungsten, tantalum, tin or gold included in its products originated in the Covered Countries, or whether any such tungsten, tantalum, tin or gold may be from recycled or scrap sources.

The Company has adopted a Conflict Minerals Statement stating that it does not condone the use of Conflict Minerals that fuel human rights violations or are otherwise associated with funding armed groups in the Covered Countries. This Conflict Minerals Statement is publicly available on the Company’s website, www.kennametal.com under “Related Links” on the “Ethics and Compliance” page, which is under the “About Us” tab

To begin its RCOI, the Company identified its suppliers contributing to its “Raw Materials Conflict Spend” during the Reporting Period, defined as the total annual amount spent by the Company on raw materials of tungsten, tantalum, tin or gold, or parts thereof. The Company also identified its suppliers who provide parts and components manufactured by third parties that contain tungsten, tantalum, tin or gold and which are necessary to the functionality or production of the Covered Products “Component Suppliers”.

The Company generally buys the tungsten, tantalum, tin and gold included in the Covered Products in one of two ways. First, the Company purchases a large portion of its tungsten, tantalum, tin or gold as raw materials directly from mines, smelters or refiners. The Company then incorporates these raw materials into its Covered Products at its own manufacturing facilities. The remaining purchases are from the Component Suppliers. After it purchases these parts and components, the Company includes or embeds these parts and components in the Covered Products.

As described below, the Company has taken extensive steps to determine the source of the tungsten, tantalum, tin or gold (as raw materials or as a part of a previously manufactured part or component) used in the Covered Products during the Reporting Period. Based on these two distinct ways in which the Company sources tungsten, tantalum, tin or gold, the Company bifurcated its RCOI approach. However, the method of performing the RCOI was consistent in that the Company developed and distributed educational material and training to its first tier suppliers of tungsten, tantalum, tin and gold; it initiated a survey campaign to collect conflict minerals data from such first tier suppliers utilizing the cross-industry Conflict Minerals Reporting Template (“CMRT”), which was developed by the Electronics Industry Citizenship Coalition (“EICC”), and the Company used the iPoint Conflict Minerals Platform to assist in the data collection, data validation and data storage.

Most of the Company’s raw materials suppliers of tungsten, tantalum, tin and gold are the smelters themselves. Several of the Company’s raw materials suppliers are on the DRC Conflict Free Smelter List. For other smelters that are not specifically on that list, the Company utilized the CMRT responses and performed inquiry and some supplier site visits. In some cases, the Company was provided names and locations of the mines from which the raw materials are purchased. Through its RCOI and due diligence measures, which are described further in its Conflict Minerals Report, the Company has been able to determine that 100% of its Raw Materials Conflict Spend during the Reporting Period did not originate from the Covered Countries.

With respect to the tungsten, tantalum, tin or gold that the Company purchases from the Component Suppliers, the Company’s RCOI primarily consisted of the representations from its first tier suppliers on the CMRT that the tungsten, tantalum, tin or gold sold to it or products that contained such Conflict Minerals either did not originate in Covered Countries, or came from recycled or scrap material. The Company did not receive any representations on the CMRT or otherwise indicating that tungsten, tantalum, tin or gold purchased during the Reporting Period originated in the Covered Countries which funded armed conflict or human rights violations in the Covered Countries.

Through its RCOI, the Company has been able to determine conclusively that 100% of its raw materials suppliers of tungsten, tantalum, tin and gold (making up 100% of Raw Materials Conflict Spend) did not provide such Conflict Minerals originating in any Covered Country.

With regard to Component Suppliers, the Company determined that 61% of such Component Suppliers did not provide the Company any parts or components containing tungsten, tantalum, tin or gold originating in the Covered Countries and 11% of such Component Suppliers were unable to determine the origination of such Conflict Minerals. However, the Company was unsuccessful in obtaining responses from all Component Suppliers despite the Company’s good faith efforts. Although the Company has no reason to believe that its necessary Conflict Minerals may have originated in the Covered Countries, the Company was unable to definitively determine the origin of the Conflict Minerals, based on the lack of responses noted above. Therefore, the Company exercised due diligence on the source and chain of custody of the tungsten, tantalum, tin or gold used for its products manufactured, or contracted to manufacture, during the Reporting Period.

The Company describes these due diligence efforts in detail in the Conflicts Minerals Report that is filed as Exhibit 1.01 to this Form SD. The Company was unable to clarify, after conducting the RCOI and subsequently exercising the required due diligence, the country of origin for the tungsten, tantalum, tin or gold included in the Covered Products.

Item 1.02 Exhibit

As specified in Section 2, Item 2.01 of this Form SD, the Company is filing its Conflict Minerals Report as Exhibit 1.01 to this Form SD. The Conflict Minerals Report also is publicly available on the Company’s website at www.kennametal.com under “SEC Filings” on the “Investor Relations” page, which is accessible under the “About Us” tab.

Section 2 – Exhibits

Item 2.01 Exhibits

The following exhibit is filed as part of this report.

<u>Exhibit</u>	<u>Description</u>
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1.01	Conflict Minerals Report of Kennametal Inc.
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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 undersigned hereunto duly authorized.

KENNAMETAL INC.

Dated: May 31, 2017

By: /s/ Peter A. Dragich
Peter A. Dragich
Vice President, Kennametal Inc. and
President, Infrastructure Segment

Exhibit Index

Exhibit Number	Description
1.01	Conflict Minerals Report of Kennametal Inc.

KENNAMETAL INC.
Conflict Minerals Report
For the reporting period from January 1, 2016 to December 31, 2016

General

This Conflict Minerals Report (the “Report”) of Kennametal Inc. (“Kennametal” or the “Company”) has been prepared pursuant to Rule 13p-1 and Form SD (the “Rule”) promulgated under the Securities Exchange Act of 1934, as amended, for the reporting period January 1, 2016 to December 31, 2016 (the “Reporting Period”).

The Rule requires disclosure of certain information when a company manufactures or contracts to manufacture products for which the minerals specified in the Rule are necessary to the functionality or production of those products. The specified minerals are gold, columbite-tantalite (coltan), cassiterite and wolframite, including their derivatives, which are limited to tantalum, tin and tungsten (the “Conflict Minerals”). The “Covered Countries” for purposes of the Rule are: the Democratic Republic of Congo, the Republic of the Congo, the Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola.

As further described in this Report, the Company has determined that certain of its operations manufacture, or contract to manufacture, products containing tungsten, tantalum, tin or gold that are necessary to the functionality or production of such products.

Description of the Company’s Products Covered by this Report

This Report relates to products (i) for which tungsten, tantalum, tin or gold are necessary to the functionality or production of that product; (ii) that were manufactured, or contracted to be manufactured, by the Company; and (iii) for which the manufacture was completed during the Reporting Period.

These products, which are referred to in the remainder of this Report as the “Covered Products,” are in the following product categories:

- Metalworking Tools
- Mining
- Construction
- Engineered Components
- Powdered Materials and Equipment

Summary of Findings of the Due Diligence Process

Having determined that the Rule applies to the Covered Products, the Company conducted a good-faith Reasonable Country of Origin Inquiry (“RCOI”) to determine the source of any tungsten, tantalum, tin or gold contained in its Covered Products.

The RCOI and due diligence included, among other things, a survey campaign collecting conflict minerals data from first tier suppliers utilizing the cross-industry Conflict Minerals Reporting Template (“CMRT”), which was developed by the Electronics Industry Citizenship Coalition (“EICC”), and the Company used the iPoint Conflict Minerals Platform to assist in the data collection, data validation and data storage.

Through its RCOI and due diligence process, the Company has been able to determine conclusively that, during the Reporting Period, 100% of its raw materials suppliers of tungsten, tantalum, tin and gold (making up 100% of Raw Materials Conflict Spend) did not provide such Conflict Minerals originating in any Covered Country. Most of the Company's suppliers of raw tungsten, tantalum, tin and gold are the smelters themselves, and several of these suppliers are on the DRC Conflict Free Smelter List. For other smelters that are not specifically on that list, the Company used the CMRT, follow-up inquiries and some supplier site visits. In some cases, the Company was provided names and locations of the mines from which the raw materials are purchased.

With regard to Component Suppliers, as defined in Form SD, the Company determined that 61% of such Component Suppliers did not provide the Company any parts or components containing tungsten, tantalum, tin or gold originating in the Covered Countries and 11% of such Component Suppliers were unable to determine the origination of such Conflict Minerals. The Company's RCOI and due diligence process included a survey campaign utilizing the CMRT and follow-up with non-responsive suppliers multiple times. However, despite the Company's good faith efforts, these additional inquiries failed to yield a response from the non-responsive suppliers. Although the Company has no reason to believe that its necessary Conflict Minerals may have originated in the Covered Countries, the Company was unable to definitively determine the origin of the Conflict Minerals, based on the lack of responses as noted above. Therefore, the Company exercised due diligence on the source and chain of custody of the tungsten, tantalum, tin or gold used for its products manufactured, or contracted to manufacture, in the reporting period.

In exercising due diligence on the source and chain of custody of the Conflict Minerals, the Company conformed its due diligence efforts substantially in accordance with the guidance provided by the *Organisation for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Second Edition*, including the related supplements on gold, tin, tantalum and tungsten (the "OECD Guidance").

Furthermore, the Company has adopted a statement relating to Conflict Minerals, which incorporates the standards set forth in the OECD Guidance. The Company's Conflict Minerals Statement reinforces the Company's commitment to sourcing materials and components from companies that share its values related to human rights, ethical behavior and environmental responsibility. The statement also reinforces that the Company expects all of its suppliers to abide by these same values which prohibit abuse of human rights, unethical business practices and harm to the environment.

The Company's supply chain with respect to the Covered Products is complex, as in certain instances there are many third-parties in the supply chain between the ultimate manufacture of the Covered Products and the original sources of Conflict Minerals. The Company does purchase Conflict Minerals directly from mines, smelters, or refiners, which supply the Company with tungsten, tantalum, tin or gold that did not originate in the Covered Countries. For other products sourced indirectly through third-party suppliers, the Company has taken steps to identify any suppliers where purchases of Conflict Minerals may have come from Covered Countries, including through the issuance of supplier questionnaires and related follow-up efforts. As a result of these measures, as well as those described below, the Company has no reason to believe that any of the Conflict Minerals in these products have come from Covered Countries. However, based on the lack of responses from certain suppliers, the Company cannot definitively determine the country of origin for all of its Covered Products. For these reasons, the Company took additional steps to identify any suppliers in its supply chain who purchase Conflict Minerals from the Covered Countries.

The Company's Due Diligence Process

Below is an outline of the Company's due diligence process, following the OECD Guidance.

1. Establish Strong Company Management System

- The Company educated appropriate personnel on the Rule and the obligations thereunder, including, without limitation, a description of the Conflict Minerals and Covered Countries included under the Rule.
- The Company adopted a Conflict Minerals Statement, which is publicly available on the Company's website.
- Organizationally, the Company established a cross-functional team to: (1) understand the parameters of the Rule; (2) identify product categories containing Conflict Minerals and the suppliers who could potentially supply Conflict Minerals; (3) conduct a RCOI on those suppliers; and (4) perform due diligence, where appropriate, on such suppliers.
- A more robust RCOI process was put in place with the assistance of a third-party supplier, including the use of the Conflict Minerals Report Template (CMRT), further standardizing the RCOI process. The third-party supplier also provided educational webinars on Conflict Minerals requirements with the Company's suppliers.
- The Company's Code of Ethics and Business Conduct provides any employee, globally, with the ability to report any instance perceived to be unethical, which would include purchase practices from suppliers and the reputations of those suppliers.
- The Company's Principles of Supplier Conduct require that each supplier represent that it has adopted appropriate policies and procedures such that no materials delivered by it to the Company originate from the Covered Countries that would require disclosure by the Company

2. Identify and Assess Risks in the Supply Chain

- Through a review of the Company's product categories and supplier lists, the Company identified applicable suppliers providing materials or components containing Conflict Minerals, as defined by the Rule, including, without limitation, the smelters, refiners and mines in its supply chain. The Company sent CMRT forms to all such suppliers asking them to certify whether their products contained Conflict Minerals, and if so, whether they came from scrap or recycled materials, and if not, whether or not such materials or components containing Conflict Minerals originated from the Covered Countries.

- Approximately one third of the Company's spend on the Conflict Minerals necessary to the functionality or production of the Covered Products is in raw materials, where the suppliers of these raw materials can be traced back to the mine or smelter. The Company has determined that 100% of this portion of the conflict materials spend did not originate in the Covered Countries, based on the Company's RCOI and due diligence efforts. Several of the raw materials suppliers from which the Company obtains tungsten, tantalum, tin or gold, are on the DRC Conflict Free Smelter List. For others that are not, the Company performed due diligence through inquiry and supplier site visits, and in some cases were provided names and locations of the mines from which the raw materials were purchased.
- The Company used the cross-industry CMRT which was developed by the EICC, and the Company used the iPoint Conflict Minerals Platform to assist in the data collection, data validation and data storage. The Company determined conclusively that, during the Reporting Period, 100% of its raw materials suppliers of tungsten, tantalum, tin and gold (making up 100% of Raw Materials Conflict Spend) did not provide such Conflict Minerals originating in any Covered Country. The Company further determined that 61% of such Component Suppliers did not provide the Company any parts or components containing tungsten, tantalum, tin or gold originating in the Covered Countries.
- The Company also has included in its contract templates, for both raw materials and other suppliers of tungsten, tantalum, tin and gold, a supplier certification confirming that no Conflict Minerals purchased came from the Covered Countries.

3. Design and Implement a Strategy to Respond to Identified Risks

- Findings of the RCOI and due diligence efforts, including any identified risks, were gathered, documented and reviewed by the cross-functional team. These findings were further reviewed with the Company's executive management and Board of Directors.
- A Risk Management Plan continues to develop. In the event that the Company finds that a supplier engages, directly or indirectly, with armed groups in the Covered Countries, the Company would look to source required materials elsewhere, in line with its Conflict Minerals Statement.
- The Company will continue to develop its risk mitigation strategy related to Conflict Minerals, understanding that the supply chain is dynamic. Further, the Company will review its supply chain on an annual basis, as required by the Rule, to continually determine the country of origin of the Conflict Minerals necessary to the functionality of production of the Company's products.

4. Carry out Independent Third Party Audit of Supply Chain (Smelter/Refiner) Due Diligence at Identified Points in the Supply Chain, and Report on Supply Chain Due Diligence

- We have enhanced our RCOI process, with the assistance of a third-party supplier and have further standardized the process requiring all suppliers to complete the CMRT. The Company has not obtained a third-party audit of its supply chain.
- The Company will continue efforts with suppliers in these product categories to determine the origin of the Conflict Minerals supplied to it.

Based on the results of the above-described due diligence efforts, the Company was unable to determine or clarify, after conducting the RCOI and subsequently exercising the required due diligence, the country of origin for the tungsten, tantalum, tin or gold included in all of the Covered Products.

Steps Taken to Mitigate Risk

In 2017, the Company has taken, or plans to take, the following steps to mitigate the risk that necessary Conflict Minerals used in the Company's products do not benefit armed groups.

- Maintain a Conflict Minerals Statement and the Company's Code of Business Conduct and Ethics Policy, consistent with OECD recommendations.
- Maintain the Company's Principles of Supplier Conduct.
- Developed a Conflict Minerals Policy and incorporated it in the Company's Global Sourcing Policy Document
- Continue management processes for ensuring risks are adequately managed.
- Maintain internal systems to support supply chain due diligence.
- Continue to maintain or pursue terms and conditions of the Company's contracts with suppliers to stipulate that the Company's suppliers must use conflict-free minerals and alert suppliers to be prepared for further due diligence to prove that they are conflict free.
- Third-party supplier used to further standardize and assist with ROCI and due diligence process, including requiring the Company's suppliers to complete the CMRT.
- Continue education of suppliers on Conflict Minerals requirements.

Independent Audit Report

The Company is not required to obtain an independent private sector audit of the Conflict Minerals Report for the Reporting Period.