

# Conflict Minerals



## H.R. 4173 “Dodd-Frank Wall Street Reform and Consumer Protection Act” (Section 1502) and Regulation (EU) 2017/821 dated May 17, 2017

Our company is watching the U.S. efforts to ban and monitor the exploitation of and trade in minerals originating from the Democratic Republic of Congo and neighboring countries extremely closely. The same applies for the Dodd-Frank implementation provisions enacted in August 2012.

As a German company, we do not fall directly within the scope of this law, **which does not stipulate that supplier declarations must take a particular form.** Nevertheless, we pay particular attention to German, European and international developments regarding ethical, social and environmental standards.

Therefore, we assume that according to the information currently available to us, the material of the products supplied by us does not contain any conflict minerals such as tin, tungsten, tantalum or gold from the Democratic Republic of Congo or neighboring countries within the meaning of a reporting obligation as specified in the Dodd-Frank Act. As soon as we have information to the contrary, we will notify you immediately.

Notwithstanding the above, it is questionable whether US companies are currently even obligated to make Dodd-Frank reports to the SEC Securities and Exchange Commission. **As on April 14, 2014, a US Court of Appeal had serious doubts about the constitutionalism of the Dodd-Frank Act.** A company that was forced by the US Securities and Exchange Commission, SEC, to publicly declare that its products are “not DRC conflict-free” had filed suit against the SEC and then won its case in front of a U.S. Court of Appeals. If U.S. companies themselves are not currently obligated to report, there is also no reason to demand reports from suppliers.

However, even if you assumed that the Dodd-Frank Act, was valid, i.e., because the above judgment would be repealed again by the U.S. Supreme Court, our products do not fall under the Dodd-Frank reporting obligations by virtue of the following: Any traces of Conflict Minerals that may appear in our products are there purely by chance. They were **not added intentionally to fulfill a particular function in our products.**

Rather, the presence of any such minerals often stems from unavoidable background concentrations that can largely be traced back to the high metal recycling rates.

**The Dodd-Frank Act has expressly excluded such products from the reporting obligations.** According to **Sec. 1502. Conflict minerals b) (2) (B) Dodd-Frank Act:**

***Conflict minerals are necessary for the functionality or production of a product*** (*Conflict Minerals sind für die Funktionalität oder die Produktion eines Produktes erforderlich*). As this is not the case for our products, we are not subject to the reporting obligations laid down in the Dodd-Frank Act. Thus, you should also notify your customers of this fact to prevent unnecessary expenditure for compliance declarations that are not required by U.S. law.

With regard to to **Regulation (EU) 2017/821 of May 17, 2017**, only companies that already import the afore-mentioned elements as ore or metal into the EU and exceed the annual thresholds are affected – this does not apply to any of the companies in our Group.