

Dodd-Frank-Act, Section 1502 (conflict minerals)

Background / Objective / Affected parties

- Affected parties: Companies that are obliged under Section 13(a) and Section 15(d) of the Exchange Act to report regularly to the US Securities and Exchange Commission (SEC). The regulation does not apply to companies whose shares are not publicly traded (non-reporting companies).
- Objective: Guarantees of origin and certifications are intended to identify minerals that are used to finance non-state armed groups and prevent them from drying up.
- Background: The Dodd-Frank Wall Street Reform and Consumer Protection Act is a US law that was passed in 2010 in response to the 2007 financial market crisis.

Regulatory content

- Conflict minerals are - regardless of their origin - gold, tin, tungsten, tantalum (and tantalum ores, also known as coltan).
- As a first step, affected companies must check whether conflict minerals are necessary for the functionality of the product or for the manufacture of the product.
- If these conflict minerals are not necessary, the company is not required to complete a Form SD (specialized disclosure) for the SEC.
- If the minerals listed above are necessary for the functionality or the manufacturing process of the product, the company must investigate whether these minerals originate from one of the protected countries. So far, this is the Democratic Republic of Congo and its neighboring countries Angola, Burundi, Central African Republic, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia (Covered Countries or CRD-Countries).
- If the company's own research shows that conflict minerals do not originate from CRD countries or from recycled materials or that there is no reason to assume this, the company is nevertheless obliged to complete a "Form SD". This must briefly describe the company's own investigation and its findings and be published on the company's website. The Form SD must be completed by May 31 at the latest for the previous calendar year.
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- If, based on the company's own research, it is determined that the conflict minerals originate from a CRD country or the company has reason to believe that they originate from a CRD country, the company must conduct due diligence on the origin and supply chain of the conflict minerals. On the basis of this due diligence, the company is obliged to prepare the formal "Conflict Minerals Report" and attach it to the Form SD. The report must explain the due diligence and the extent to which the conflict minerals are used in the product. Finally, the report must be published on the company's website.

ECOMAL Statement

- ECOMAL is not required to report to the US Securities and Exchange Commission (SEC).
- ECOMAL also does not manufacture any products, but only trades in electronic components from well-known manufacturers.
- By means of the ECOMAL Code of Ethics, manufacturers are obliged by ECOMAL to comply with the international rules prohibiting trade in conflict minerals in order to contribute to greater compliance with these rules.

The ECOMAL Group manufacturers' declarations on conflict minerals and the ECOMAL Group Code of Ethics can be accessed via the following link:

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