



Statement on the „US-Dodd-Frank-Act“ and the conflict raw materials

To reform the US financial market by improving responsibility and transparency the US-Dodd-Frank-Act was signed by President Obama in July 2010. Section 1502 of the Act specifically shows on conflict raw materials from the Democratic Republic of the Congo DRC and its neighboring countries and renames explicitly coltan, gold, tungsten and tin ore. Thereafter, should companies which are listed on the US stock market and process these materials, demonstrate annually, whether in their products the conflict raw materials are used and if so, whether they originate from the DRC or neighboring countries. This is to show that there is a risk that money will be used from extraction of raw materials for armed conflict. Franz Wölfer Elektromaschinenfabrik Osnabrück GmbH also includes the material cobalt in the classification of conflict materials.

The requirement of a continuous, product-related certification from raw material to final product shows significant disadvantages regarding

- the production of vast amounts of certificates, as well as an elaborative certificate management with high cost at all stages, and
- the certificates generated during the supply chain can not be checked for their veracity because a chemical or geological origin detection can be carried out only by the melt.

A product-based continuous certification across the entire supply brings no added value in relation to a certification of the melting plants that take the raw materials to the first processing.

The Franz Wölfer Elektromaschinenfabrik Osnabrück GmbH supports the approach of the ZVEI, which includes the following points:

1. A certification of the melting plants through voluntary public-private partnership with the support of national governments and the EU.
2. Contractual obligation for suppliers to use conflict-free minerals, going back to the certified operation.

Wölfer bewegt. Wölfer moves.

This approach is by ZVEI in accordance with the following initiatives and regulations:

- OECD, 'Due Diligence'-guidelines
- EICC and GeSI, 'Conflict-Free-Smelter'-initiative
- EITI-initiative
- Existing NGO-initiatives for diligence in the supply chain
- EU Regulations 1183/2005 und 889/2005

We are currently in the process of elaboration of a „Conflict Minerals Reports“. After already present but not yet complete information of our supplier the Franz Wölfer Elektromaschinenfabrik Osnabrück GmbH has no knowledge that the mentioned raw materials originate in our products from the conflict region.

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