

Statement on Conflict Minerals

In July 2010, the US-American Dodd-Frank Act (SEC) came into force. It is primarily intended to reform American financial regulations but in section 1502, it also places companies which are listed on the American stock markets under the obligation to disclose the use and origin of “conflict minerals” in the form of the yearly “Conflict Minerals Report”.

As a medium-sized German company, ISL GmbH & Co. KG is not directly subject to these requirements but as a supplier of affected companies we are asked to provide the corresponding information.

According to the Act, the raw materials tin, tantalum (coltan), tungsten, gold and their ores are defined as conflict minerals. The regulation on conflict minerals of the American Stock Exchange Commission SEC particularly aims to promote humanitarian goals intended to end the brutal armed conflict in the Democratic Republic of Congo and its neighbouring countries and thus to avoid human rights violations which are financed by armed conflicts.

Companies as well as their products are affected if the above-mentioned raw materials are required for their production or functionality. These companies must provide proof that their raw materials either do not come from the regions in question or comply with the comprehensive reporting obligations. Conflict raw materials are usually used in the diverse electrical industry (production of mobile phones, pacemakers, printed circuit boards, light bulbs). It can, however, not be ruled out that certain materials (pigments and dyes), for example in the furniture industry, also contain conflict minerals.

As a globally active company and formulator of colour products, we want to meet our responsibility and disclose whether conflict minerals are contained in our products. To our knowledge, we do not use conflict minerals in our own recipes and packaging. Corresponding confirmations from suppliers are available from ISL GmbH & Co. KG and are provided on customer request.

On the European level and therefore also in Germany, there is no regulation equivalent to section 1502 of the Dodd-Frank Act yet. Since May 2015, in the course of the ratification of the Dodd-Frank Act, the European Parliament has been looking at the proposal by the European Commission for a mandatory certification system for “trustworthy” importers of conflict minerals, which is largely based on the OECD Due Diligence Guidance for Responsible Supply Chains and is therefore intended to support the development of legitimate trade routes. (Press release – Foreign trade/international trade – 20-05-2015).

ISL-Chemie GmbH & Co. KG is following the decision process closely.

The above information corresponds to our current state of knowledge and the legislation status at the time of issue.

Yours sincerely

ISL-Chemie GmbH & Co. KG

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