Conflict Mineral Statement

Proposal October 13, 2011

In July 2010, President Obama signed into law H.R. 4173, the Wall Street Reform and Consumer Protection Act. The new law imposes requirements relating to "Conflict Minerals".

The term "conflict minerals" is used to describe certain minerals such as gold, wolframite, casserite, columbite-tantalite and their derivative metals, which include tin, tungsten, tantalum and any other compounds designated by the Secretary of State that are sourced from mines under the control of violent forces in the Democratic Republic of Congo (DRC) or the surrounding countries (Angola, Burundi, Congo, Central African Republic, Republic of Tanzania, Rwanda. Sudan, Uganda, and Zambia.)

Section 1502 of the new legislation requires all publicly traded manufacturing companies to report annually to the Securities and Exchange Commission (SEC) whether they use "conflict minerals" that are "necessary to the functionality or production" of a product that they either manufacture, or contract to be manufactured, that originate from the DRC or an adjoining country. The intention is to, without invoking a boycott on all minerals from the region, eliminate the purchase of minerals from conflict mines, thus cutting the funding to armed groups (Congolese military units, Congolese rebels, Rwandan rebels, local militias) that commit violent human rights violations.

The Automotive Industry fully supports this direction and is investigating ways to ensure that the parts and assemblies in our vehicles and products, regardless of where they are assembled or sold, do not contain Conflict Minerals, which have contributed to the armed conflict in Central Africa.

Tantalum, tin, tungsten, gold and their compounds are used in numerous automotive components with various applications. Cooperation from the supply chain will be necessary to determine whether products and assemblies contain Conflict Minerals. Clear understanding and accurate reporting can only be achieved through both engagement and transparency of the supply chain.

In order to support accurate reporting, suppliers should

- determine which parts/assemblies incorporate one or more of the identified minerals or their derivatives
- map the supply chains associated with those same parts/assemblies
- engage with suppliers to identify the smelters used in the supply chain to process the raw materials (or validate the origin of materials as recycled/scrap.)

As we proceed with our investigation, additional information will be provided. Thank you for your support of this important initiative.

For more information, please contact AIAG.