

# Law or No Law

How a Conflict Mineral Reporting Program  
Affects Your Company  
and  
Customer Requirements  
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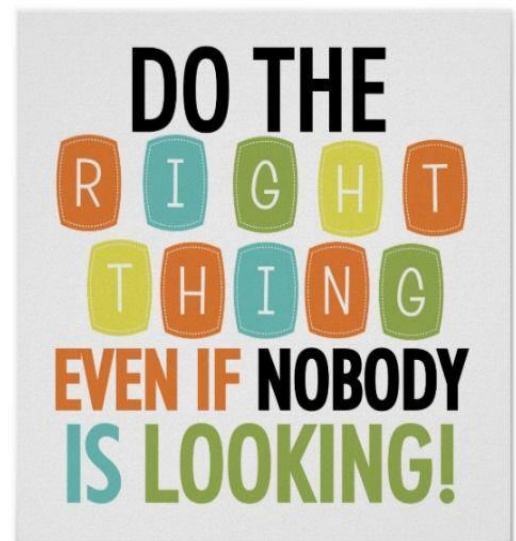
- More DF Chatter
  - SEC states they will not recommend enforcement action if a company does not file Conflict Minerals Report, but Specialized Disclosure Form (SD) still required
    - Is the SEC the only one who views the Smelter List?
    - NGO's, Customers, Stakeholders

- EU
  - What is the legislation?
    - Covers same minerals (Tin, Tungsten, Tantalum and Gold) as US Dodd-Frank
    - Require 3TG importers to report due diligence
    - Global scope, not focused solely in DRC and surrounding countries
    - Plan to have specific list of smelters/refiners located in EU
  - Does it affect US companies?
    - Possible ripple effect through supply chain
      - Large manufacturers asked to volunteer to report
    - No current plan/program – due to begin January 1, 2021

- China
  - What is the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains?
    - Developed by China Chamber of Commerce of Metals, Minerals and Chemical Importers & Exporters (CCCME) working with Organisation for Economic Co-Operation Development (OECD) and select industries/stakeholders
    - Applies to all Chinese companies which are extracting and/or using mineral resources and related products and are engaged at any point of supply chain of minerals
  - Does it affect US companies?
    - Affects (exporters → trading, smelting/refining → manufacturers) in China
    - Likely to see guidance by end of this year Insight. Expertise. Results.

- US States
  - What rules are on file?
    - Massachusetts
    - Maryland
    - California
  - How does their rule work with current DF legislation?
    - California and Maryland directly tied to DF legislation
      - If in violation with CM rule, may affect state contract bids
      - State cannot knowingly purchase from company in violation of CM Rule
    - Massachusetts report due this year
      - Report will review current procurement policies and examine best practices
      - Focus on electronics and information communication suppliers
      - Does look at implications of non-compliant SEC conflict mineral filing

- Customer requirement
  - Not a filer, but meet the requirements of customer
    - Publically traded companies complete the activity due to SEC filing regulation of DF-1502
    - Non-filing companies complete the activity due to requirements of customers who are publically traded
- *If it weren't a regulation, would I still be required to complete CMRT?*
  - Customer wants to understand supply chain/responsibly source 3TG
  - CMRT may still be best way to identify risks in supply chain





- Dodd-Frank 1502 requirement has not gone away
- Other regulations may require understanding of CM sourcing
  - EU, China, some states maintain separate legislation
- Responsible Sourcing
  - Customer requirement to meet regulation
  - It's more than just about a law
    - Mitigating Risk
    - Transparency
    - Humane/Socially Responsible