

OpenText Compliance Brief - Dodd-Frank Conflict Minerals Rule (section 1502)

Overview of Conflict Minerals Rule

The **Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1502** requires companies to publicly disclose their use of conflict minerals that originated in war-torn Democratic Republic of the Congo (DRC) or an adjoining country. Congress enacted the Rule because of concerns that the exploitation and trade of conflict minerals by militant groups is helping to finance conflict in the DRC region and is contributing to a humanitarian crisis. The US Securities and Exchange Commission (SEC) issued the final rule implementing Section 1502 in August 2012.

This rule requires certain companies to disclose their use of conflict minerals (i.e. tantalum, tin, gold, or tungsten, often referred to “3T and G”) if those minerals are “necessary to the functionality or production of a product” manufactured by those companies. These minerals are used in a wide range of products across numerous industries.

From a supply chain management perspective, the successful reporting of conflict minerals requires three key components:

1. Up-to-date contact information for each supplier across your supply chain
2. An effective and traceable means of distributing surveys to those contacts
3. The ability to keep track of every assessment completed by your suppliers

The Conflict Minerals rule could yield significant business benefits for companies that use it as an opportunity to better manage their supply chain operations.

Currently other regions including the European Union, Canada, and Australia are in proposal stages to enact similar laws in these countries. Most recently European Union legislators are in talks with national governments to try to reach an agreement on an EU version of the law.

INDUSTRY

Manufacturing

WHO IS SUBJECT

All companies submitting filings to the SEC in North America must complete forms each year to disclose if they are using conflict minerals across their supply chain.

Industries most likely to be affected include electronics and communications, aerospace, automotive, jewelry and industrial products.

THE OPENTEXT SOLUTION

CONFLICT MINERALS REPORTING

OpenText Conflict Minerals Reporting, built on OpenText Active Community, is an enterprise-level community management tool that delivers people and process solutions across a supply chain. The solution:

- Provides a cloud-based platform for distributing and tracking responses to conflict minerals-based assessments
- Offers a simple and efficient reporting environment to encourage 100% response rate from trading partners
- Ensures trading partner information is accurately maintained within a centralized environment
- Allows a company to meet an important corporate social responsibility objective and their conflict minerals report to be filed on time

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