

SOLUTION BRIEF

Resilinc SupplyIntel™ for Conflict Minerals Compliance



At-a-Glance

Business Drivers: Securities and Exchange Commission adopted a provision mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies to publicly disclose their use of conflict minerals that originated in the Democratic Republic of the Congo (DRC) or an adjoining country.

Key Requirements: Executives of global companies are subject to the Conflict Minerals provision of the Dodd-Frank Act must ensure reporting compliance through the collection, tracking and reporting on the use of tin, tantalum, tungsten and gold sources at the product and part level across multiple tiers of their supply chains.

Business Benefits: Conflict minerals survey integrated into a unique multi-tier mapping capability. The ability to connect and generate product level compliance scorecards on-demand. Seamless connection to Resilinc mitigation workflow features to track action owners mitigation strategies and progress.

Conflict Minerals Provision of Dodd-Frank Act Poses New Multi-tier Tracking and Reporting Challenges to Global Supply Chain Participants

On August 22, 2012, the Securities and Exchange Commission adopted a provision mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies to publicly disclose their use of conflict minerals that originated in the Democratic Republic of the Congo (DRC) or an adjoining country. Congress enacted the Conflict

Minerals provision because the exploitation and trade of conflict minerals by armed groups is helping to finance conflict in the DRC region and is contributing to an emergency humanitarian crisis. Commonly referred to as 3TG for tin, tantalum, tungsten and gold, this provision directed the SEC to require companies to disclose their use of conflict minerals if those minerals

are “necessary to the functionality or production of a product” manufactured by those companies.

The Conflict Minerals Provision’s Impact

Many large global companies will be affected by the Conflict Minerals provision because these minerals are used in a wide range

of industries, including automotive and aerospace, medical and dental equipment, and electronics and communications. Many smaller U.S. companies also will be affected if they are part of the supply chains of the global companies subject to the Conflict Minerals provision's reporting requirements.

As a result, executives of global companies that are subject to the Conflict Minerals provision of the Dodd-Frank Act must ensure reporting compliance through the collection, tracking and reporting on the use of tin, tantalum, tungsten and gold sources at the product and part level across multiple tiers of their supply chains.

Due Diligence Is Key to Compliance

Under the Conflict Minerals provision, a company that uses any of the designated minerals is required to conduct a reasonable

"country of origin" inquiry that must be performed in good faith and be reasonably designed to determine whether any of its minerals originated in the covered countries or are from scrap or recycled sources. Companies that are required to file a Conflict Minerals Report also must exercise due diligence on the source and chain of custody of their conflict minerals, and their due diligence measures must conform to a nationally or internationally recognized due diligence framework, such as the due diligence guidance approved by the Organization for Economic Co-operation and Development (OECD).

If a company cannot reasonably conclude after its inquiry that its gold is from recycled or scrap sources, then it is required to undertake due diligence in accordance with the OECD Due Diligence Guidance, and get an audit of its Conflict Minerals Report. Currently, gold is the only conflict mineral with a nationally

or internationally recognized due diligence framework for determining whether it is recycled or scrap, which is part of the OECD Due Diligence Guidance.

For the other three minerals, if a company cannot reasonably conclude after its inquiry that its minerals are from recycled or scrap sources, it is required to describe the due diligence measures it exercised in determining that its conflict minerals are from recycled or scrap sources in its Conflict Minerals Report. However, it is not required to obtain an independent private sector audit regarding such conflict minerals.

Resilinc SupplyIntel™ Enables Tracking & Reporting Compliance

Resilinc SupplyIntel™ enables companies to address the due diligence challenges posed by the Conflict Materials provision of

The screenshot displays the Resilinc SupplyIntel platform interface. At the top, a navigation bar includes links for Home, Dashboard, Countries, Company, Categories, Partners, Parts, Mitigation, Conflict Minerals (which is highlighted in blue), Event War Room, What If, Advanced Search, Documents, and a plus sign for more options. A search bar is located at the top right.

The main content area features two pie charts under the 'Summary' section. The left chart, titled 'Partner Conflict Minerals Summary', shows 50 of 2058 Partners surveyed, with a large yellow slice labeled 'Uncertain / Unknown' and a small red slice labeled 'Impacted'. The right chart, titled 'Customer Part Conflict Minerals Summary', shows 10360 of 23265 Parts surveyed, with a large yellow slice labeled 'Uncertain / Unknown', a red slice labeled 'Impacted', and a blue slice labeled 'Unimpacted'.

Below the charts is a 'Survey Summary' table with columns for Partner, Survey Id, Metals Necessary?, DRC Region Origin?, Metals from Recycler or Scrap Supplier?, Reporting Template from All Partners?, All Smelters Identified?, Smelters' Compliance Validated?, Conflict-free Sourcing Policy?, Policy on Website?, Direct Suppliers Required Conflict-free?, Direct Suppliers Required Conflict-free Smelters?, Due Diligence Measures Implemented?, and Status. The table shows data for FOYSON RESOURCES with survey ID CM-0007.

Partner: APAC PLASTICS LTD

Summary **Vulnerability** **Parts** **Products** **Sites** **Events** **Emergency Contacts** **BCP Survey** **C-TPAT Survey** **Mitigation** **Conflict Minerals**

Partner Information

Partner Name: APAC PLASTICS LTD

Partner Summary

Summary Parameters	Value
Sub-Tier Partners	0
Sub-Tier Sites	0
Revenue At Risk	315,195
Single Sourced Parts	21
Total Parts	39
Parts with LTB less than 2 yrs	4
Parts with Dual Sites	0
1	

Parts Mapping Progress

0 25 39

Single Sourced Parts Mapping Progress

0 14 21

Partner has at least one Site:

Partner has at least one Emergency Contact (Partner or Site level):

Dodd-Frank. Resilinc's solution helps ensure regulatory compliance through the collection, tracking and reporting on the use of gold, tungsten, tantalum and tin sources at the product and part level across multiple tiers of the supply chain.

The Resilinc SupplyIntel Conflict Minerals survey is based on the EICC-GeSI standard. Suppliers can login to a secure, web-based solution and fill out the standard survey. Resilinc's unique architecture enables suppliers to share their information with customers who they approve on the Resilinc platform without having to duplicate data entry. This effectively

facilitates compliance without creating undue resource burden on suppliers.

In addition to the solution, Resilinc has a proven supplier engagement and onboarding model which has proven to be low resource impacting to our customers. Resilinc's approach delivers the supplier network efficiencies required for cost-effectively meeting the comprehensive compliance requirements.

Customers can get complete reports on supplier completion, progress throughout the survey process, as

well as final compliance scorecard for the overall business, by supplier as well as for individual products, product families, or even by customer.

Seamless integration with Resilinc's risk mitigation workflow module enables commodity managers or other users to follow a step-by-step wizard to choosing effective mitigation strategies where applicable. The reporting compliance software services, moreover, enable data collection and reporting with lowest resource impact on customers and suppliers.

To learn more about the software services available today for Conflict Minerals provision reporting compliance, and other supply chain risk management applications, please contact: info@resilinc.com.