

Dodd-Frank Conflict Minerals: What Did Your Suppliers Do in 2013?

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Dodd-Frank Conflict Minerals (DFCM) (section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) applies to publicly-traded companies, beginning with calendar year 2013. The first SEC filing (Form SD) is due May 31, 2014. In preparing for “Year One,” companies have been performing activities for the first time – and may not have been thinking of how these activities will be done consistently in the years ahead. As companies prepare for Year One reporting, several questions will arise.

What did your suppliers do in 2013? In 2013, companies identified the components of their products that contained that contain tin, tantalum, tungsten or gold (3TG). Then they asked suppliers to provide information on the source of 3TG.

Companies have sent suppliers questionnaires, or encouraged them to complete standard industry questionnaires. The [EICC/GeSI reporting template](#) is a common template. Suppliers have been slow to respond, in part because of limited information in their own supply chain. Some companies have submitted a several updated versions of the questionnaires as they obtain new information.

Many suppliers are still updating questionnaires in 2014 with information that pertains to products they manufactured in 2013. Questions arise: “When does 2013 end and 2014 begin? Do we continue to search for what suppliers did in 2013, or do we base our reports on what suppliers told us in 2013?

What approach should we take?” Options include:

- Limit 2013 information to only what the filer received in 2013.
- Continue to request 2013 information from suppliers, and continue to accept information while the Conflict Minerals Report is being prepared, so long as the supplier indicates the information covers their production in 2013.
- Allow a nominal grace period for suppliers to process information currently in-house, and to post this information on commonly accessible platforms.
- Defer to an industry group or other external service provider to provide a snapshot of 2013 information.

Absent specific rules, companies must establish their own ground rules for assigning information from supply chain engagement to the appropriate calendar years. As with production, the procedures should ensure that each customer response is considered in exactly one calendar year – nothing falling between the cracks, and no double-counting. The basis should be documented, and procedures should be developed, consistently implemented, and documented.