
**CONFLICT MINERALS DOCUMENT DISTRIBUTION:
PITFALLS AND TIPS**

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At this writing, we are mere days away from companies submitting their first filings to the Securities Exchange Commission (SEC) on Conflict Minerals. The submittals will include a Form SD (Special Disclosure). Many companies will also submit a Conflict Minerals Report (CMR). If a company elected to report their determination that at least one product was found to be “DRC Conflict Free,” then an Independent Private Sector Audit (IPSA) must also be submitted. Companies will submit on the SEC’s [EDGAR \(Electronic Data Gathering, Analysis and Reporting\)](#) system. These submittals become public record, and are available to anyone.

Many entities are expected to review these filings. The CMRs include descriptions of companies’ conflict minerals programs, their progress on implementing programs, accomplishments, strategy regarding declaration of DRC conflict free status, and commitments for future actions. Few companies are expected to submit IPSA reports for the 2013 reporting year. Even so, the focus of IPSAs are two narrow, defined objectives, and the IPSA reports are likely to be short. The CMRs will be the most useful for analysts, both because most companies are likely to submit them, and because they include the most relevant content.

Potential Pitfalls in Providing Conflict Minerals Reports

Companies have been receiving requests from customers, peers, non-governmental organizations (NGOs), and other stakeholders for conflict minerals information for over a year. The information requested has included EICC/ GeSI conflict minerals reporting templates, information on products, conflict minerals policies or goals. There is every reason to believe that CMRs will be added to the list. It is common practice to provide documents and records from a company’s internal files. **This is where things could go wrong!**

CMRs, like all documents in an emerging compliance program, are the result of input from many parties. **Check the document properties of your company’s CMR.** You might be surprised at what you find. The author may be listed as your outside counsel, a consultant, your accounting firm, or an employee’s spouse (the machine on which that employee began working on the CMR). The organization authoring the CMR could be your own – or the consultant’s, the law firm’s, or the brand of the computer that someone used along the way.



Tips on Reporting and Communications

The author suggest practices to reduce risks in providing conflict minerals reporting information to stakeholders:

- **Refer to the public record.** The EDGAR system does not include any document properties. Only the information is available to the public is included. Refer all requests to the issuer's EDGAR filing. Keep the link handy.
- **Check those document properties.** Check the document properties of the final version in your company's file. It makes sense for the author's organization to be the issuer. The author need not be an individual. Consider designating the author as a functional role, such as "Conflict Minerals Team" or "Conflict Minerals Process Owner" or "SEC Counsel."
- **Follow company document management and retention policies.** Good practices include creating read-only version of the important documents (such as the CMR), as well as a pdf file. It is also good practice to discard drafts. Encourage CM Team members to delete drafts on their hard drives and flash drives. The best time to do this is now.
- **Reinforce (or create) standard practices for responding to requests.** Your employees will want to be helpful and responsive to stakeholders' requests. Sales staff may see a prompt response as the way to gain favor with prospective customers. A quick – but incorrect response (wrong version of CMR, work papers, etc.) – can cause confusion or pose risks.