

# Dodd-Frank Section 1502: Supply-Chain Survey 2015



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# Today's Presenter



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Principal Investigator

Development International

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# Dr. Chris N. Bayer: Contributions to Conflict Minerals Space



- White paper of 2011



- 2014 issuer survey



- 2015 issuer evaluation



- 2015 supply-chain survey  
data collected April 17 to June 16, 2015

*all posted @ [www.developmentinternational.org](http://www.developmentinternational.org)*



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- V. Company Policy

# Dodd-Frank Section 1502: Supply-Chain Survey 2015



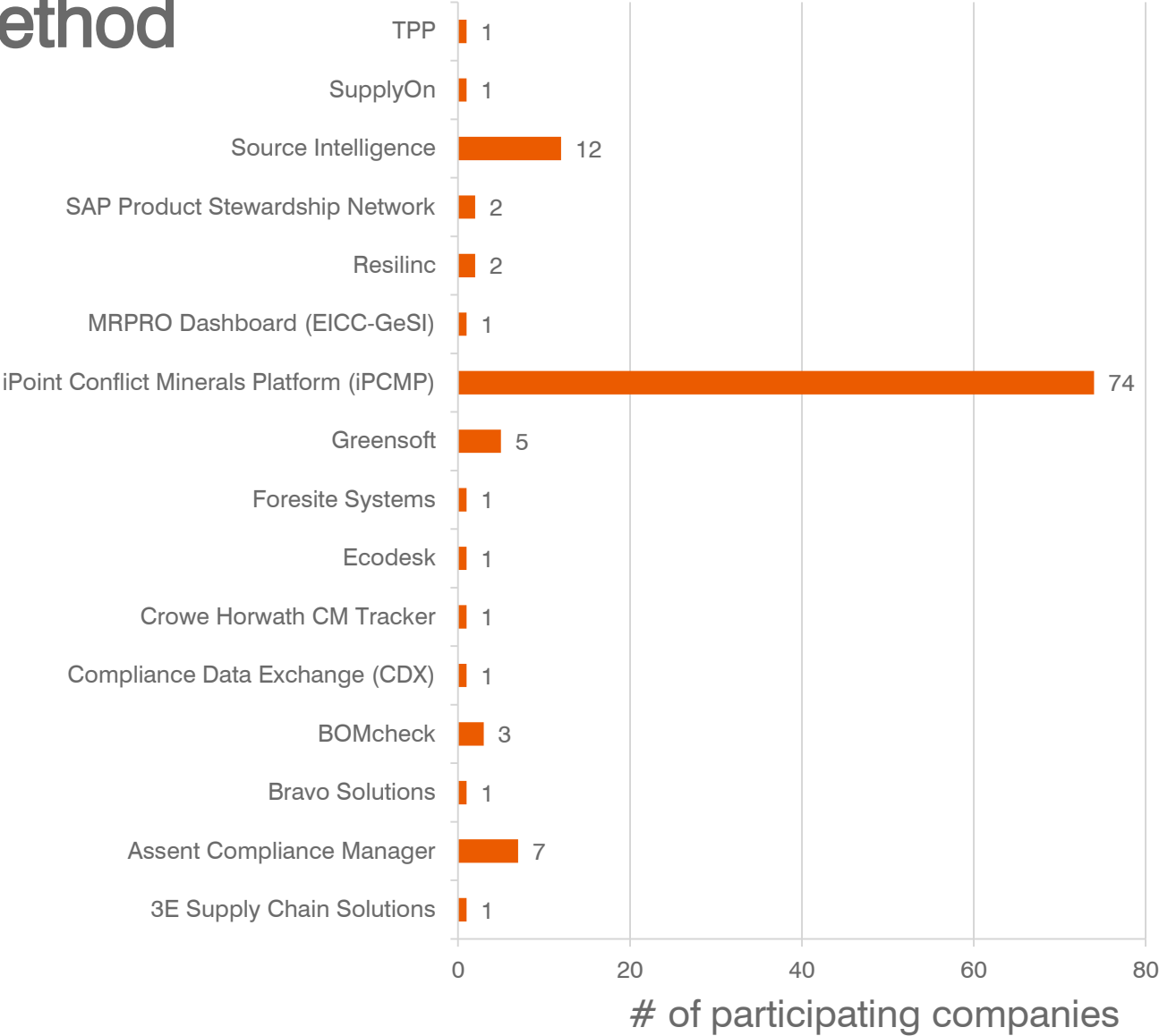
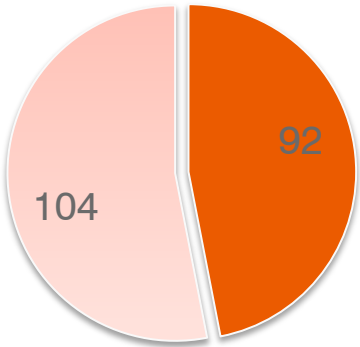
entity	organization	focal person	comment
<b>Issuers</b>	Motorola Solutions	Mike Loch	
<b>IT software/service providers</b>	Assent Compliance - Saas	Jonathan Hughes, Krystal Cameron	
	Metric Stream	Swapnil Srivastav	
	Source Intelligence	Alexandria Bennett	
	iPoint-systems	Katie Böhme	
<b>Congo groups</b>	Congolese Chamber of Mines	John Kanyoni	
<b>Accounting/Auditing /Consulting</b>	Crowe Horwath	Chris McClure	
	Deloitte	Kristen Sullivan	
	KPMG	Chuck Riepenhoff	
	Douglas Hileman Consulting	Doug Hileman	
	Elm Consulting	Lawrence Heim	
<b>Legal</b>	SRZ	Michael Littenberg	
<b>Civil Society</b>	University of Zurich	Christoph Vogel	
	Erasmus University Rotterdam	Ben Radley	
	Independent advisor	Brad Brooks-Rubin	not participating in official GIA capacity
<b>NRTL</b>	Intertek	Joe Langton	
<b>Industry Groups</b>	IPC	Fern Abrams	
	ITRI	Kay Nimmo	
	EICC	Michael Rohwer	
<b>PPA</b>	RESOLVE	Jennifer Peyser	
<b>Government</b>	US State Department	Eileen Kane	serving solely in an advisory capacity



# Snowball method

Does your company use a commercial conflict mineral data platform?

- Yes
- No





# Caveat

- n of 238
  - a mere fraction of affected companies
  - NOT representative (but indicative)!
  - measures of central tendency potentially skewed and with a large margin of error

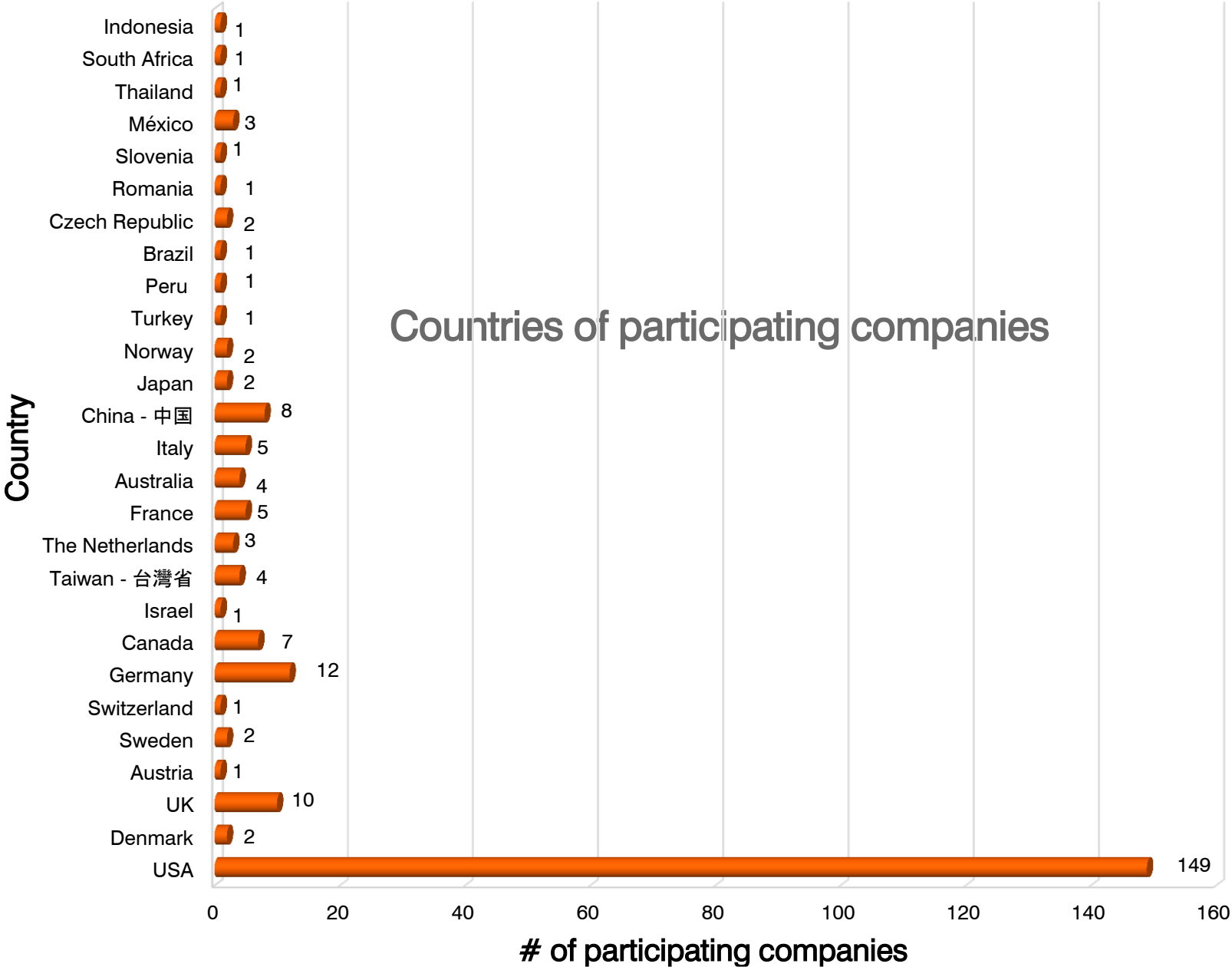




# I. Profile of Participating Companies

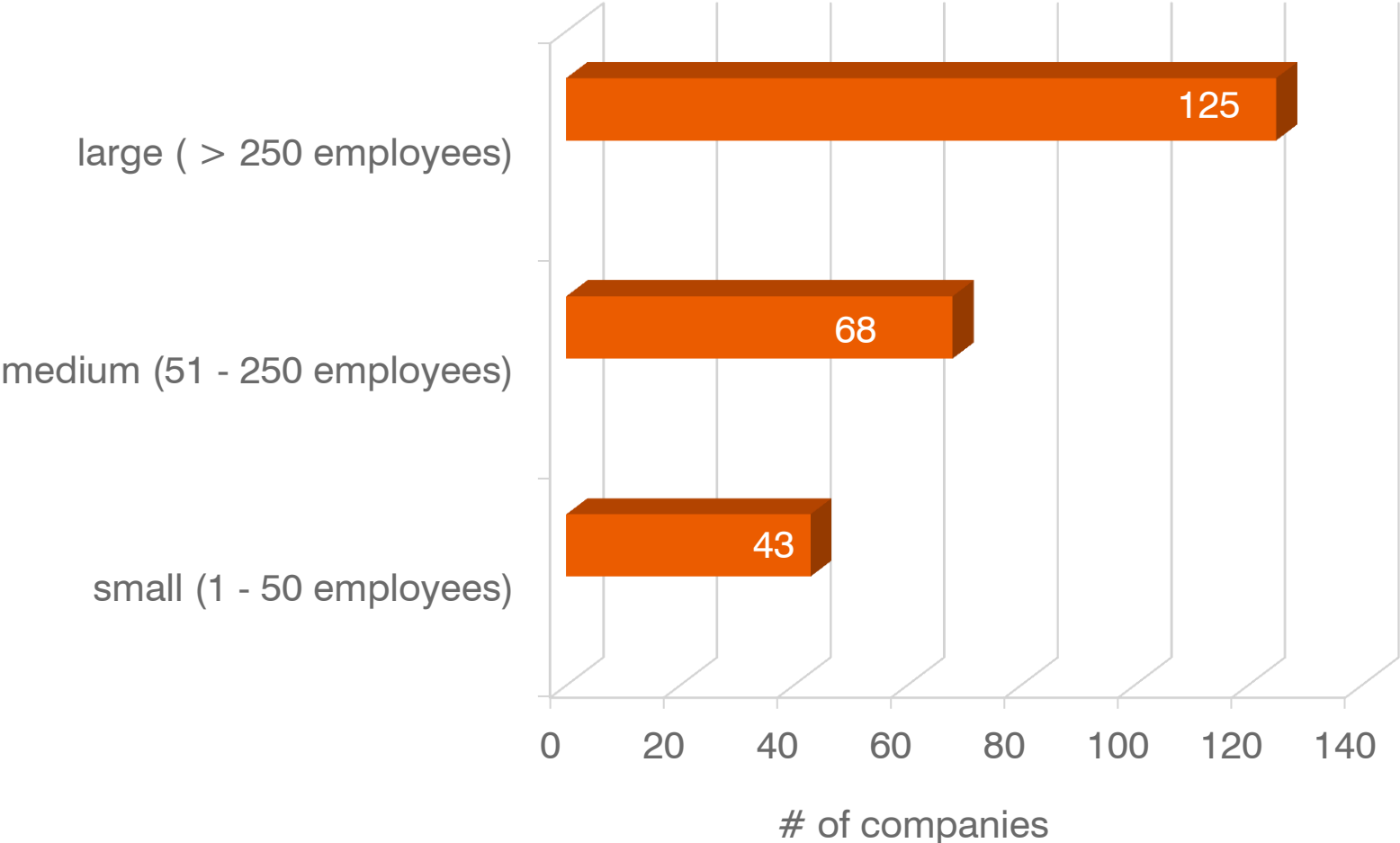


# Dodd-Frank Section 1502: Supply-Chain Survey 2015



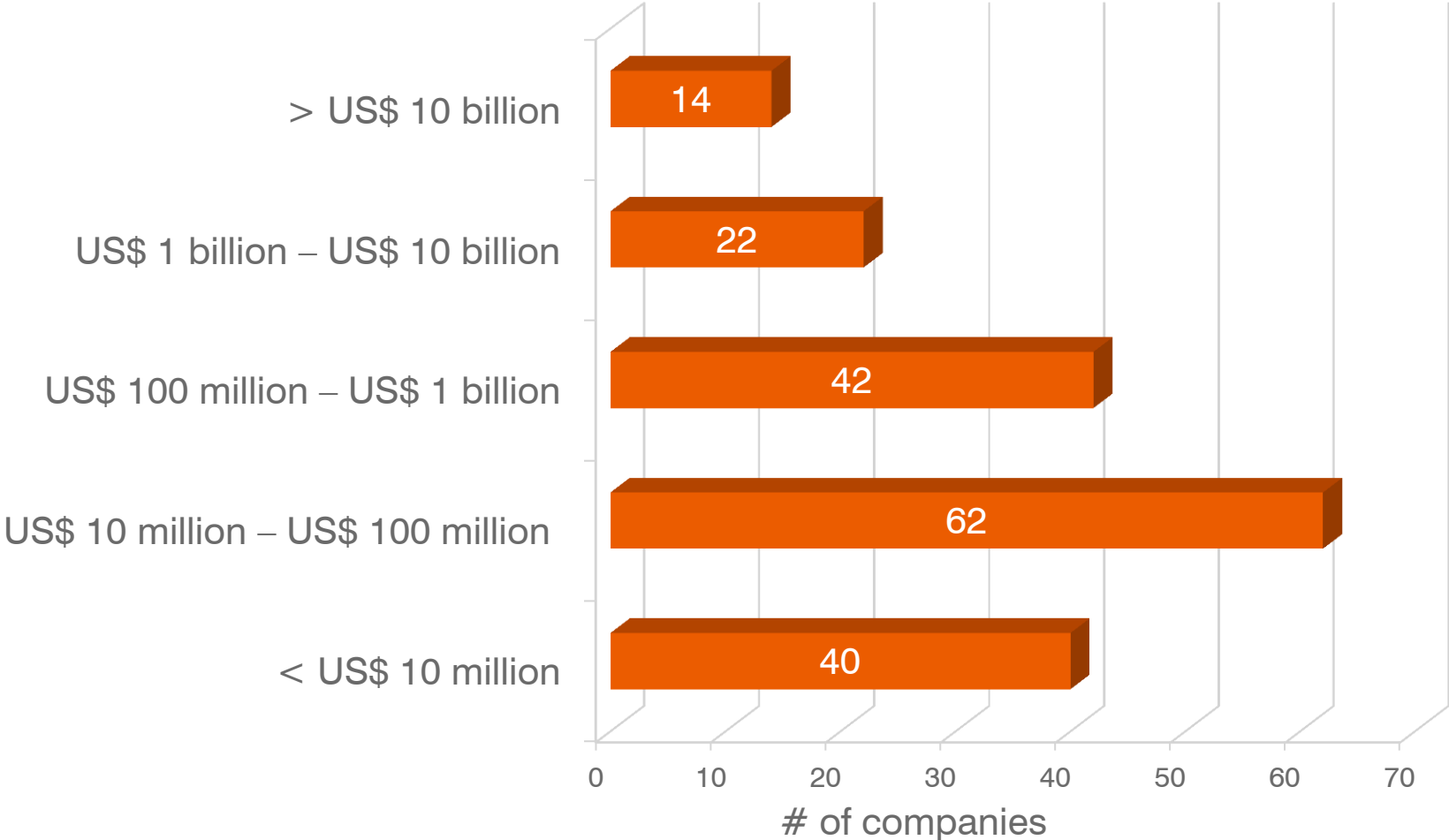


# of employees



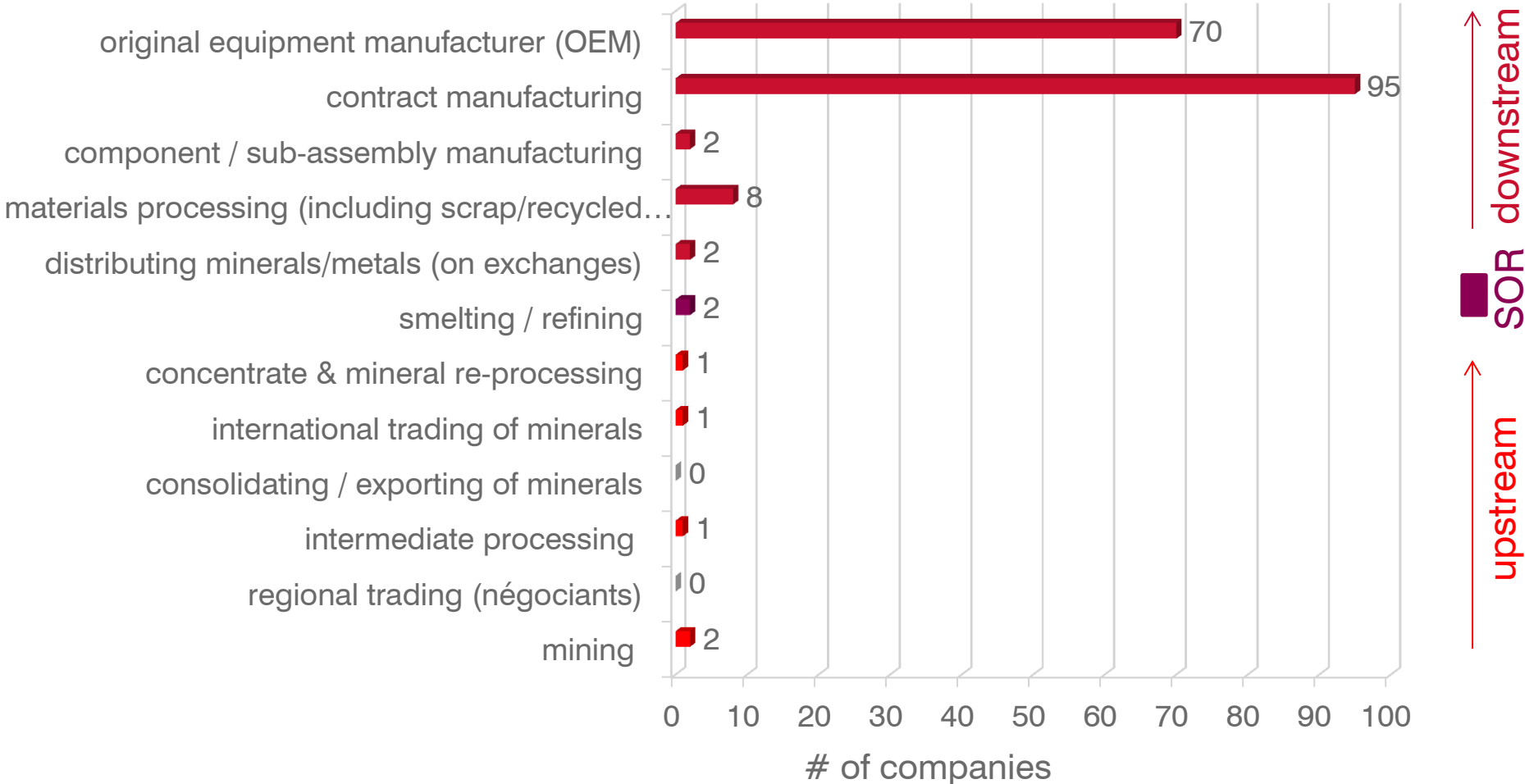


### Annual company revenue (in 2014)



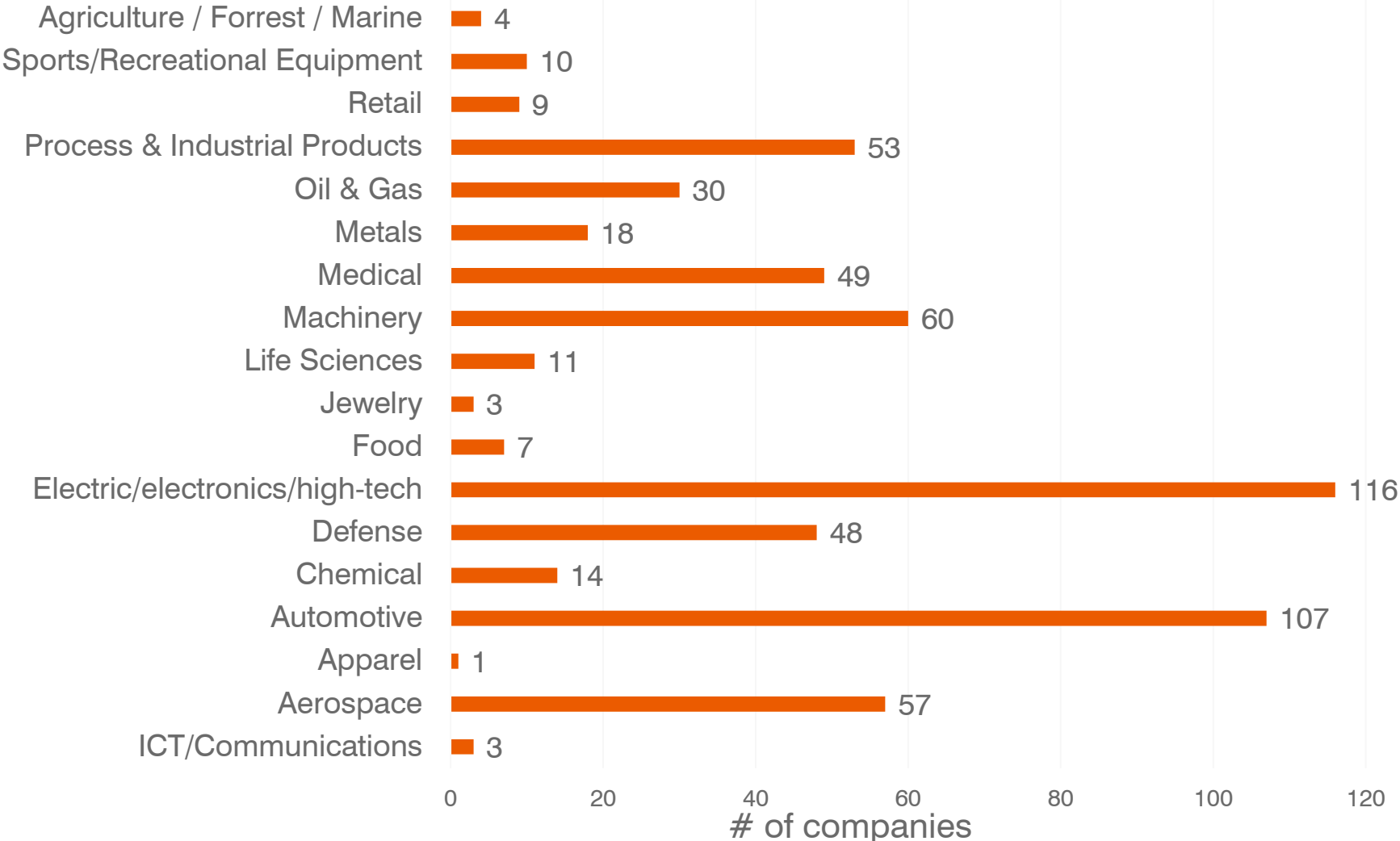


### Primary commercial activity along 3TG chain (generating the most commercial value)



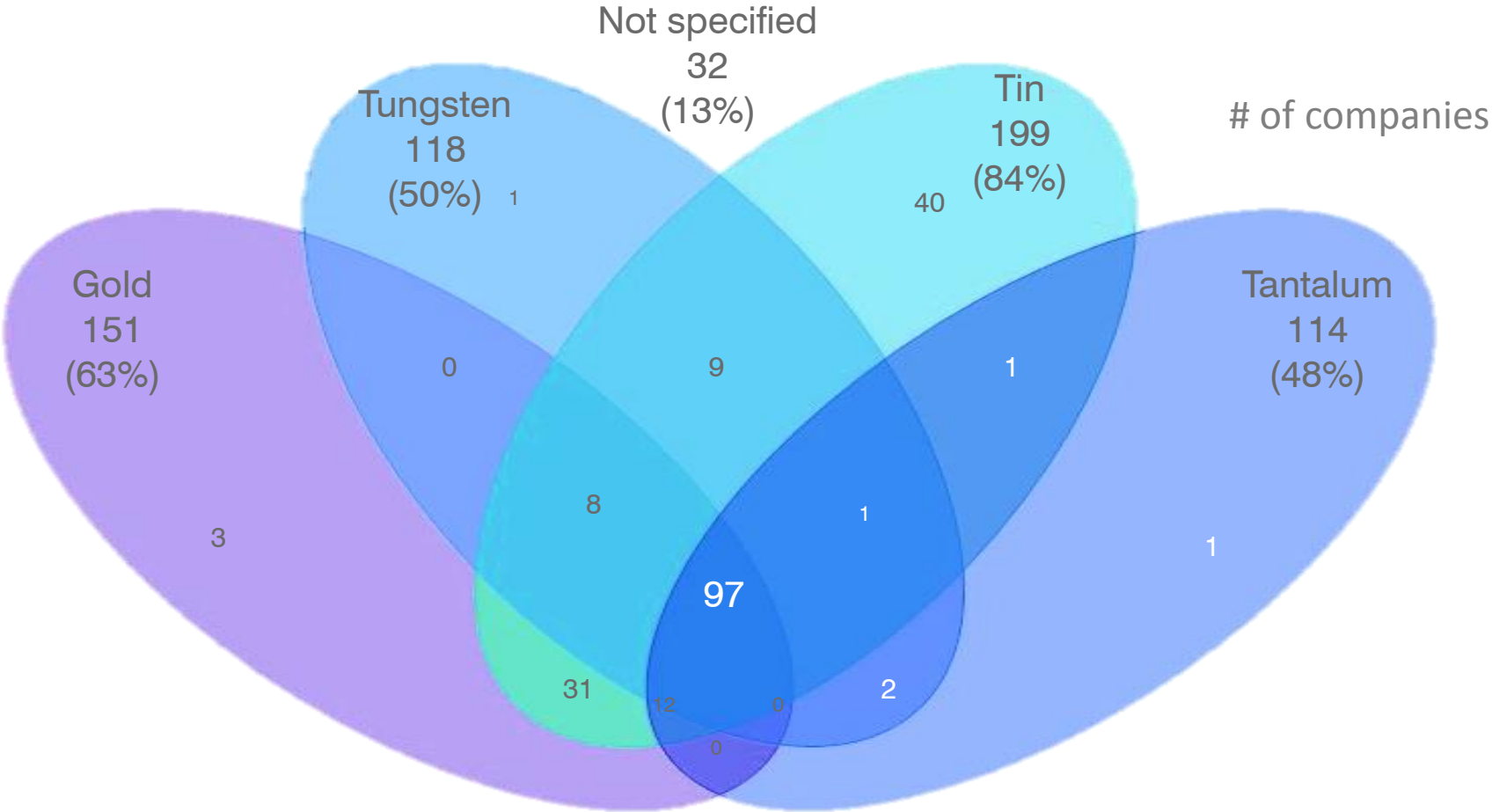


### Industries / business sectors





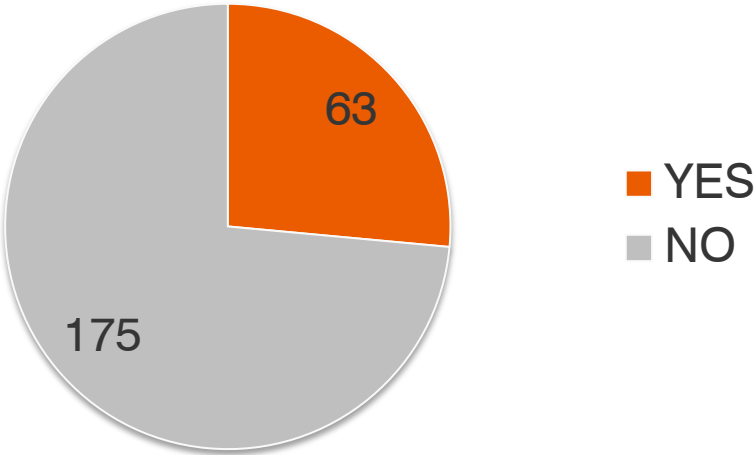
### 3TG produced/processed (or found in products)





### Did your company file a CMD with the SEC in 2014?

YES	63
NO	175
total: 238	





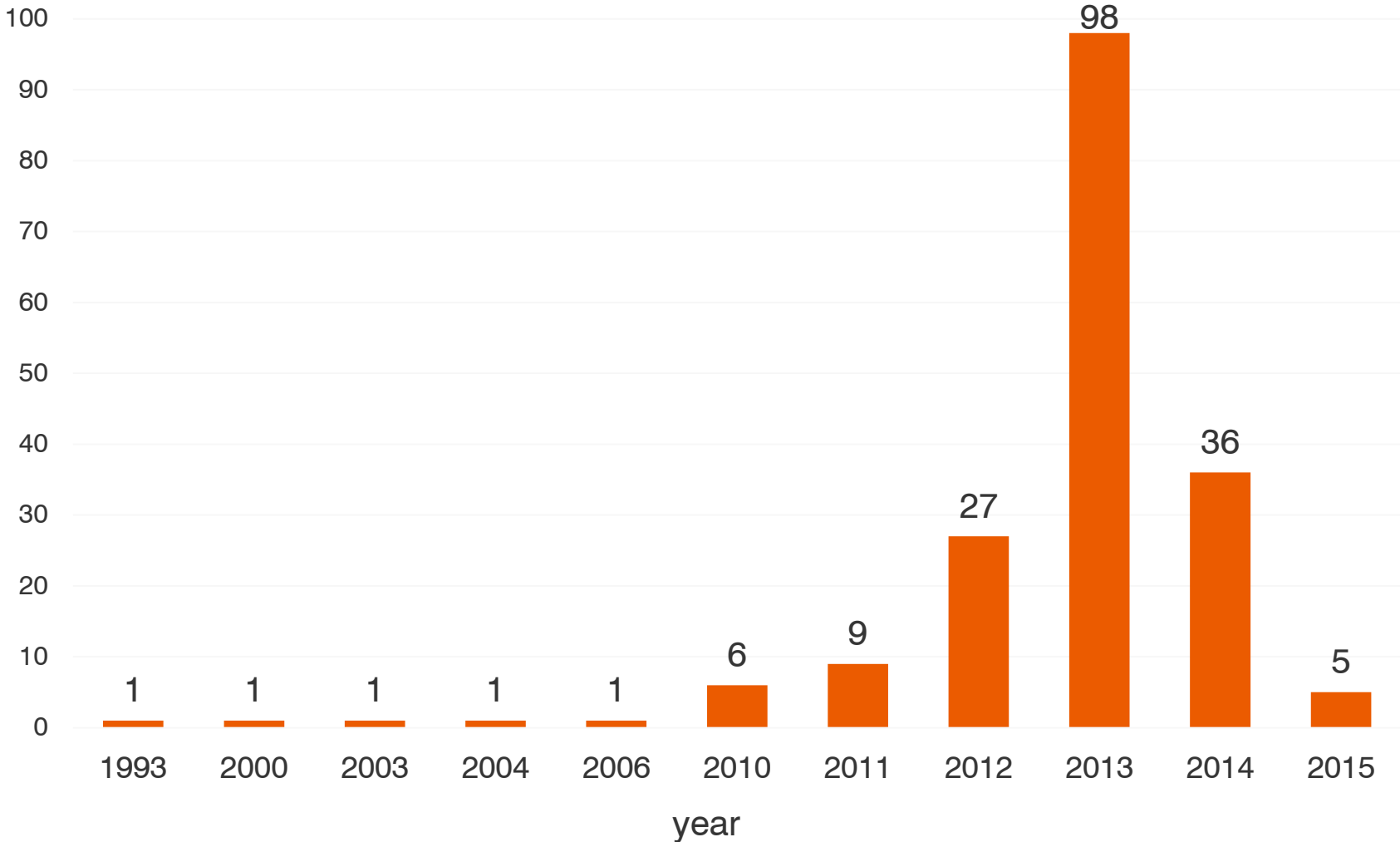
## II. Internal Resources Utilized





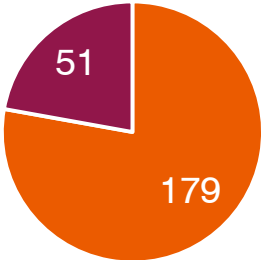
# Year company started conducting its Reasonable Country of Origin Inquiry (RCOI)

# of companies



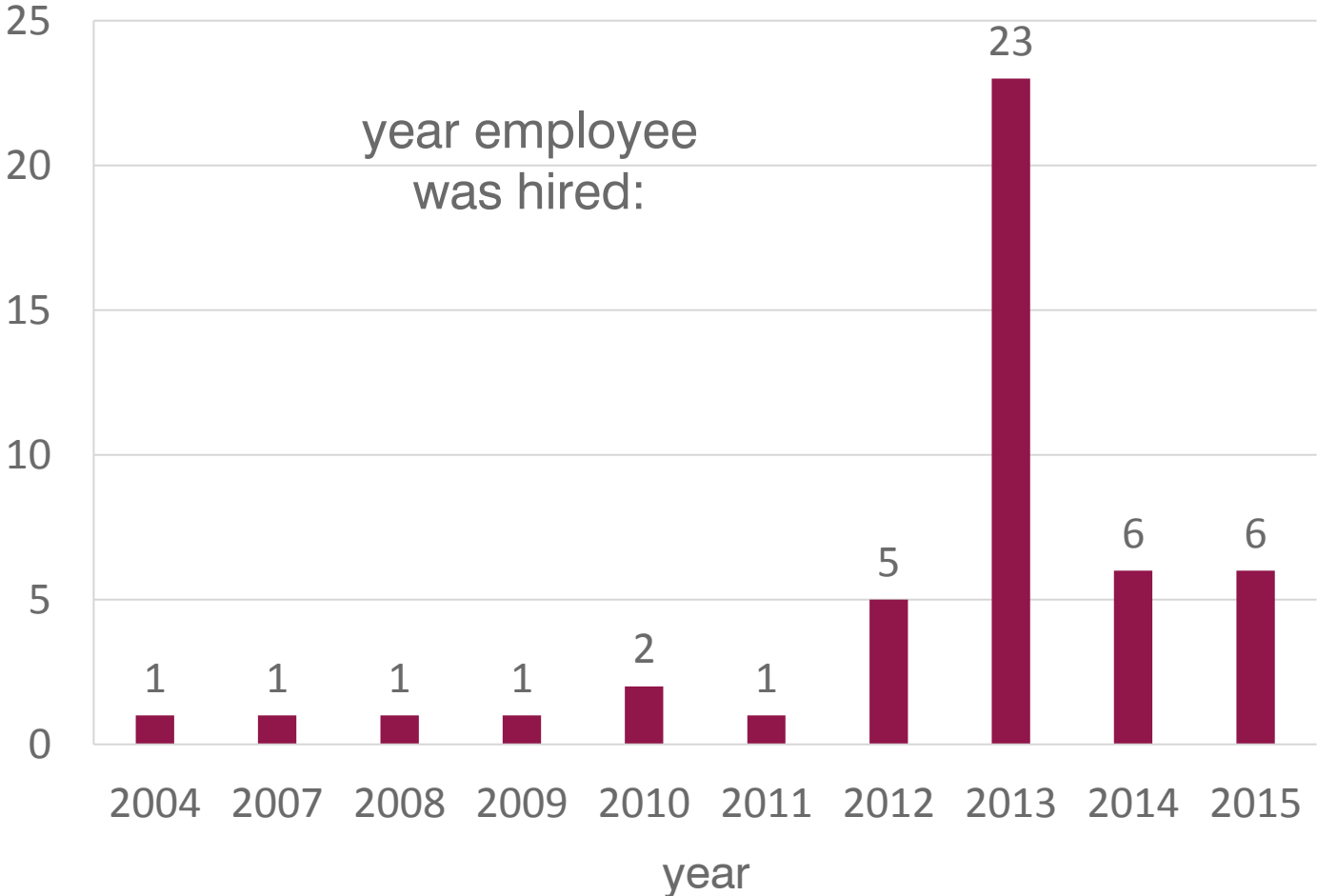


### Dedicated (full-time) employee working on company's Conflict Mineral Program (CMP)



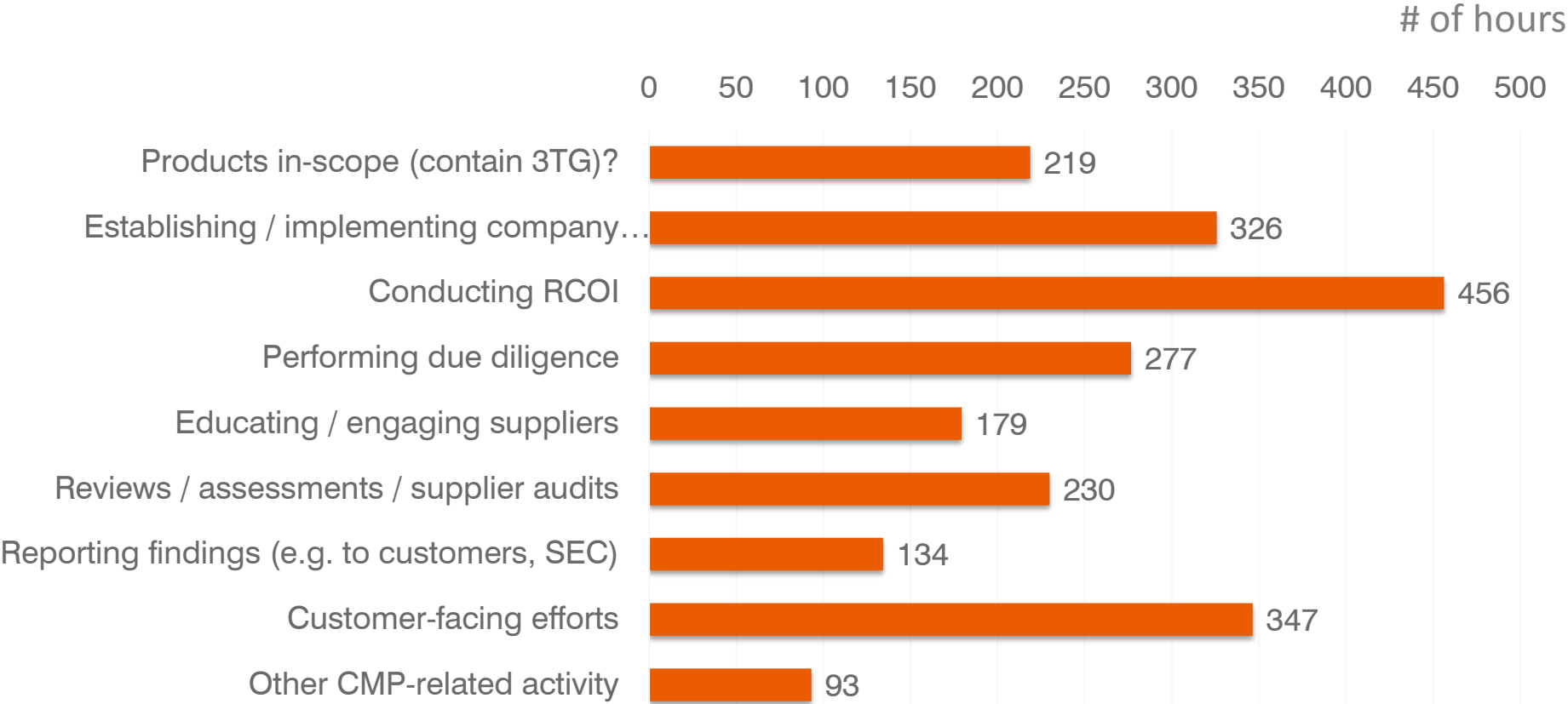
■ NO ■ YES

# of companies



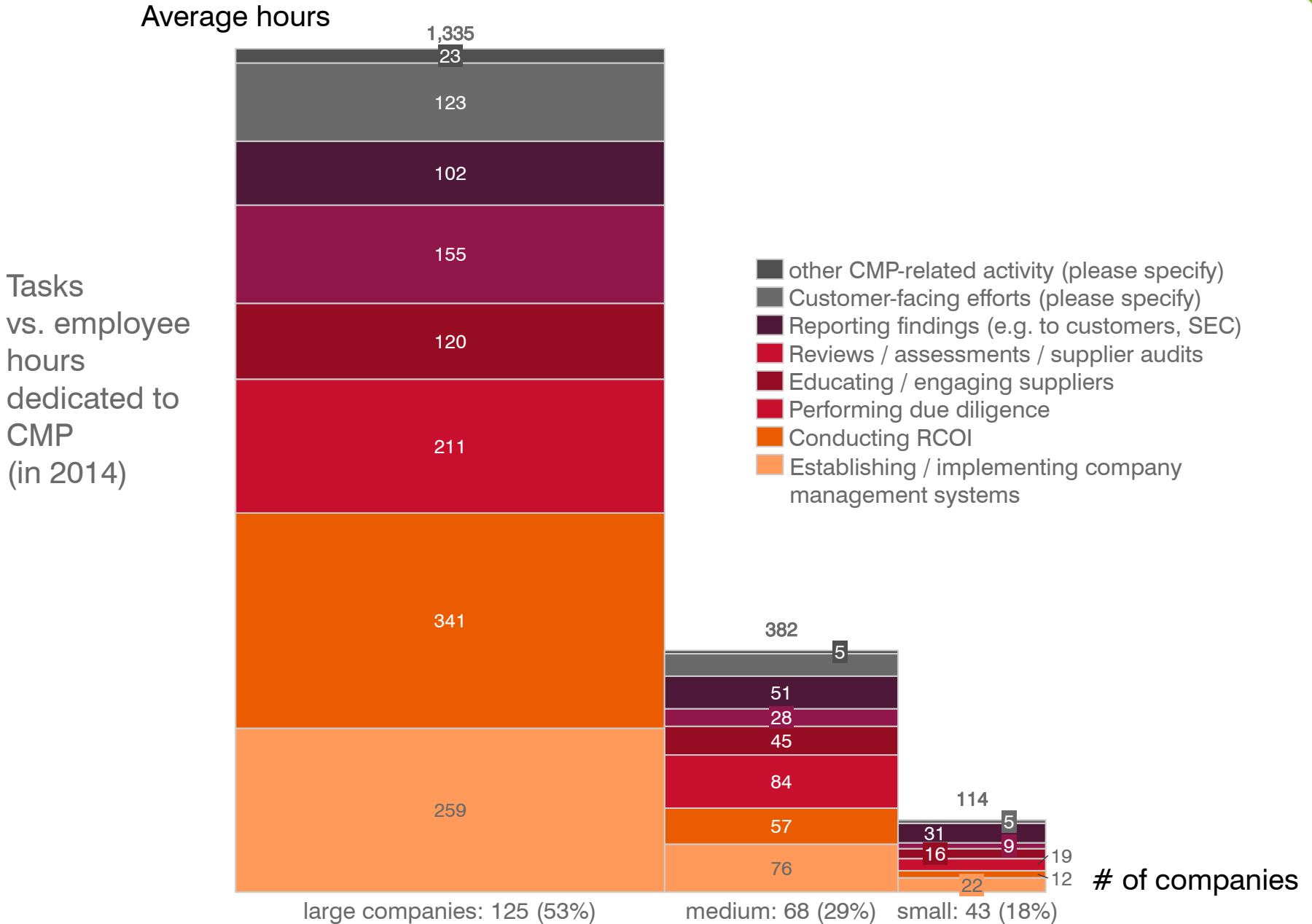


### Average # of hours of combined employee hours dedicated to CMP



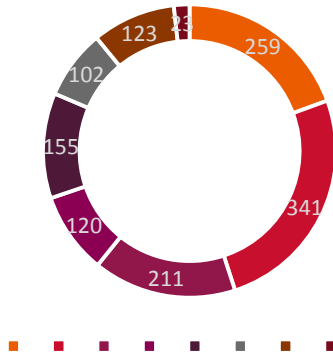
value (in US\$) of compensation (per hour) paid to employees involved in CMP: average \$57  
max \$500  
min \$6

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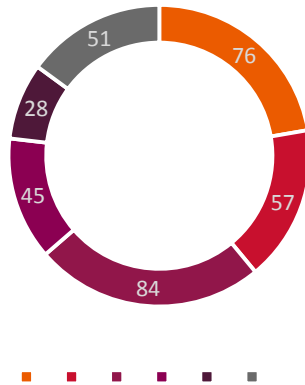
Average Hours Spent on Compliance Tasks  
Large Companies



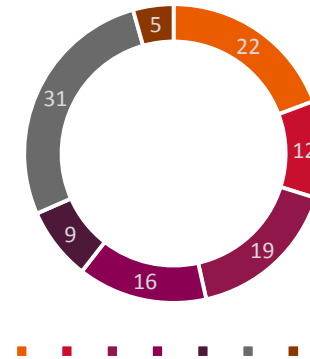
Tasks vs. employee hours dedicated to CMP  
(in 2014)

- Other CMP related activity (please specify)
- Customer-facing efforts (please specify)
- Reporting findings (e.g. to customers, SEC)
- Reviews / assessments / supplier audits
- Educating / engaging suppliers
- Performing due diligence
- Conducting RCOI
- Establishing / implementing company management systems

Average Hours Spent on Compliance Tasks  
Medium Companies

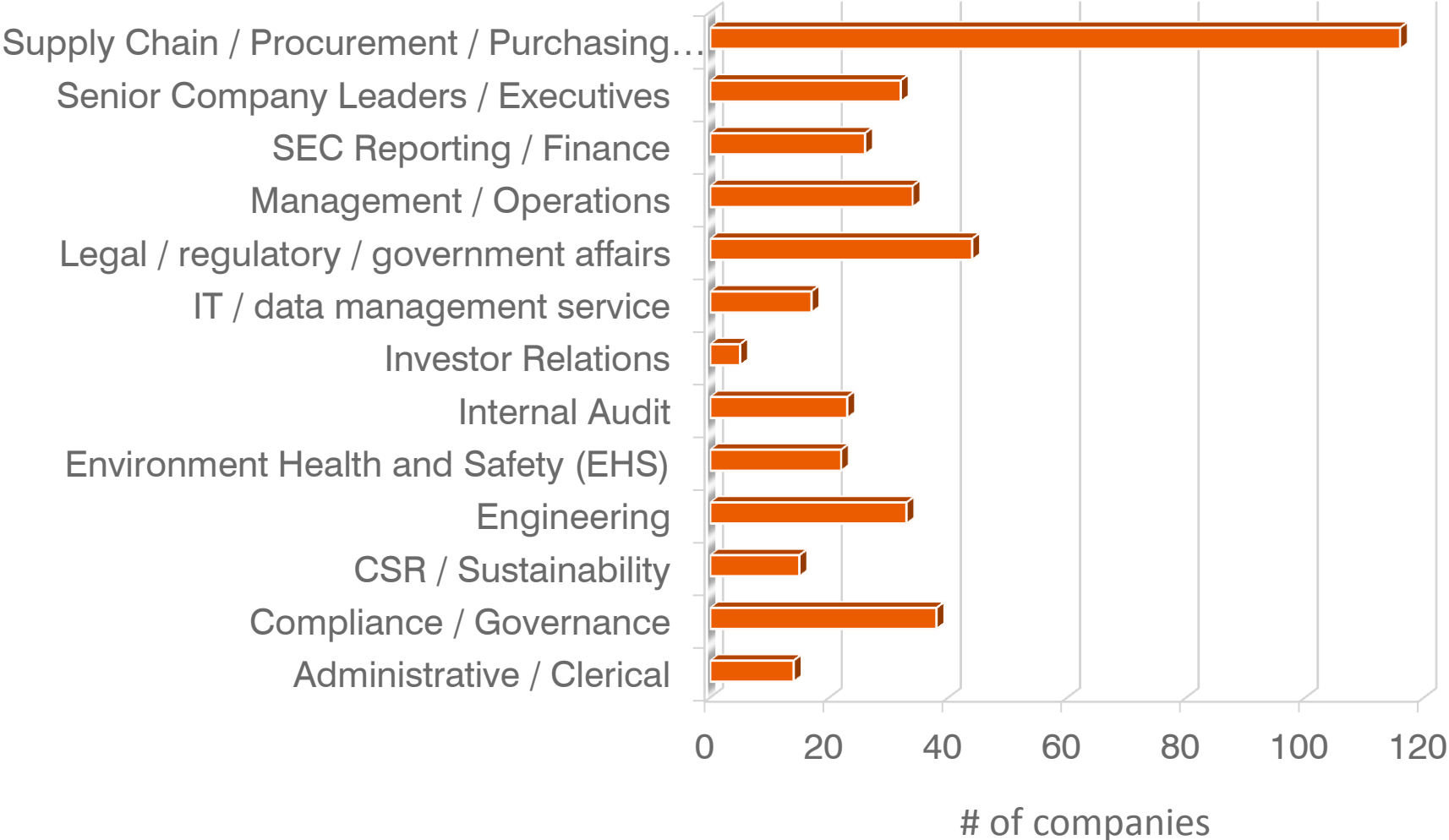


Average Hours Spent on Compliance Tasks  
Small Companies





### CMP-involved units / offices





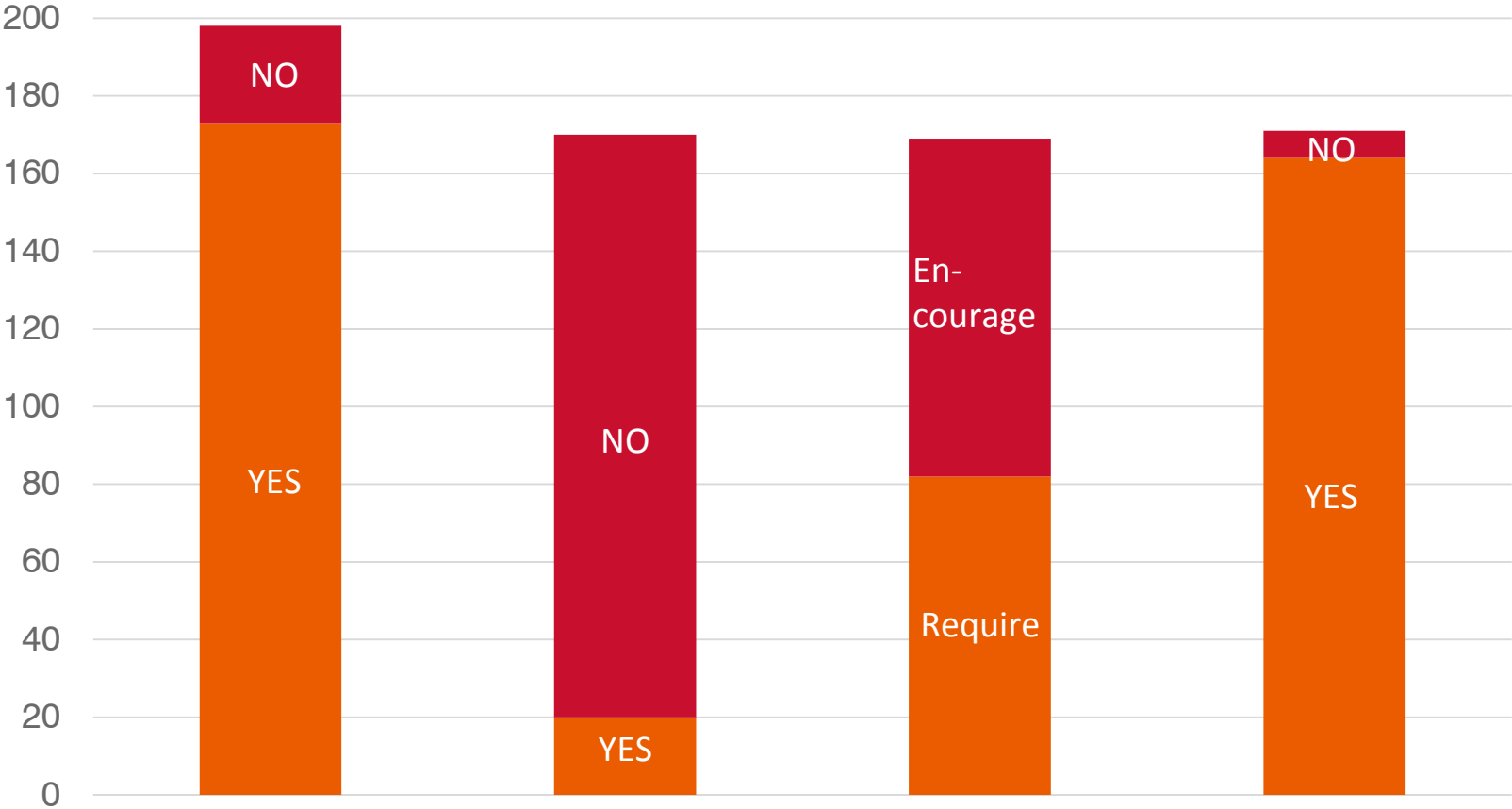
## III. IT & Data / Knowledge Management

# Dodd-Frank Section 1502: Supply-Chain Survey 2015



# of companies

## CMRT



uses CMRT

uses modified CMRT

CMRT policy: supplier use

uses CMRT to communicate 3TG-related data with customers

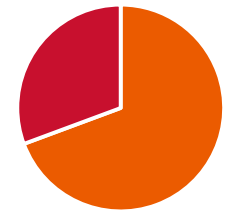




## Enterprise Resource Planning (ERP)

- Do you have an Enterprise Resource Planning (ERP) System?

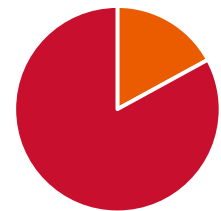
YES	NO
138	61



■ YES ■ NO

- If yes, have you integrated your Conflict Mineral data with your ERP System?

YES	NO
23	112

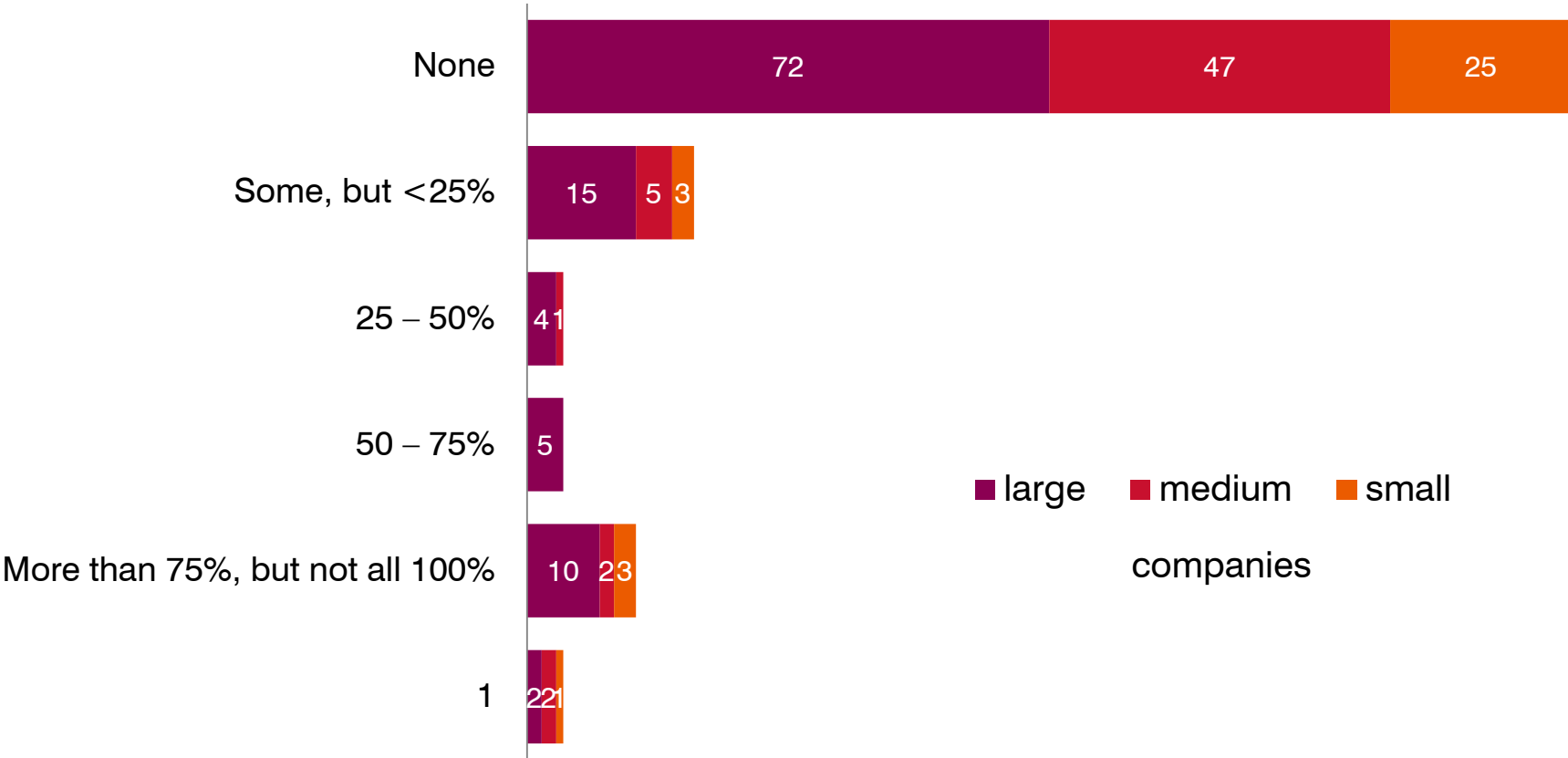


■ YES ■ NO



# How much of your overall data management services have you outsourced to the IT vendor?

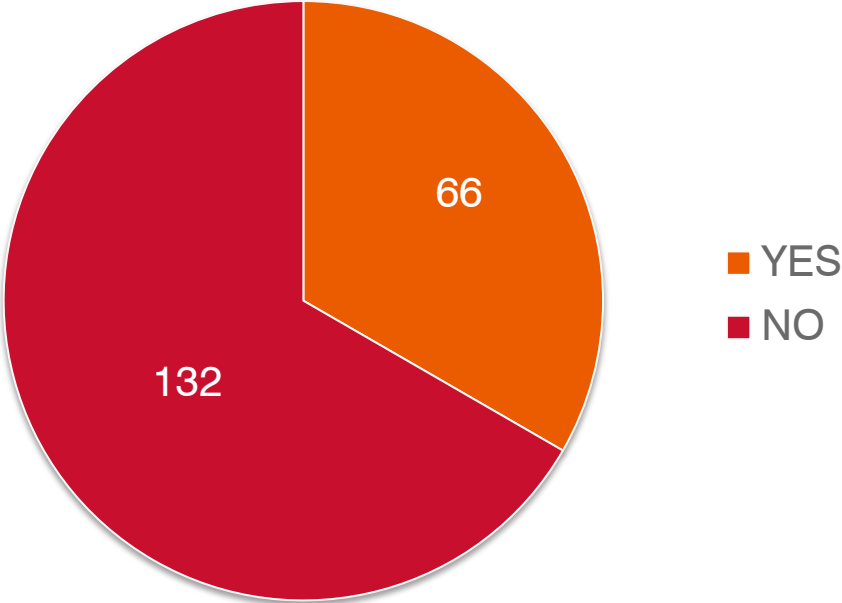
# of companies







Has your company consolidated Conflict Mineral supplier compliance surveys with those for REACH, RoHS, etc.?

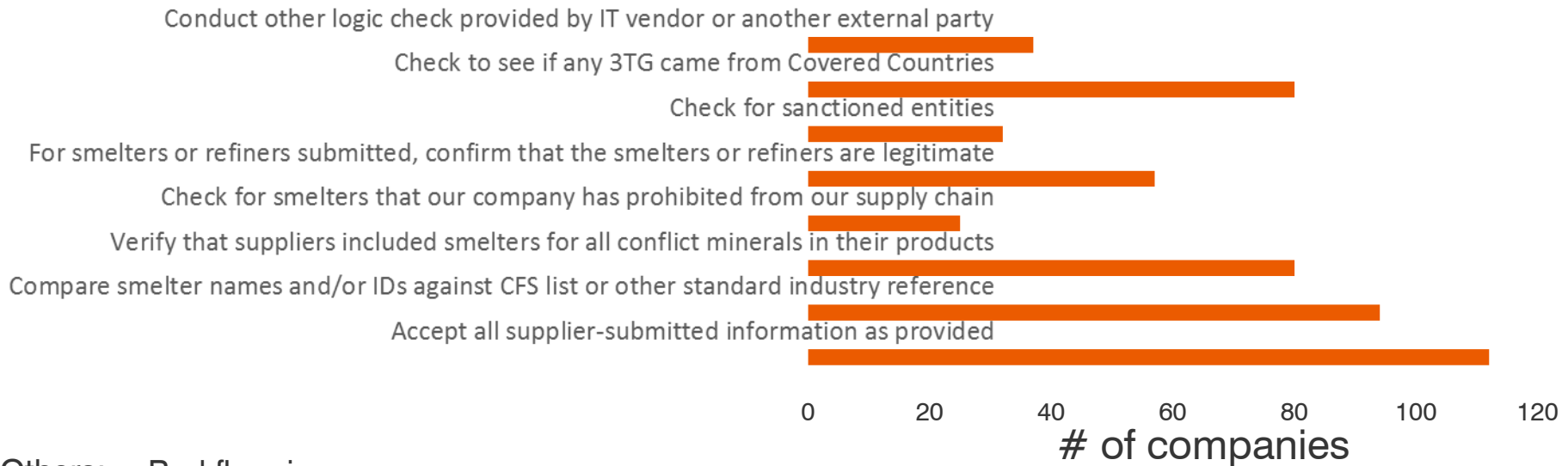




## IV. Audit / Attestation / Certification



## How do you verify / check the accuracy and completeness of CM-related data/information provided?

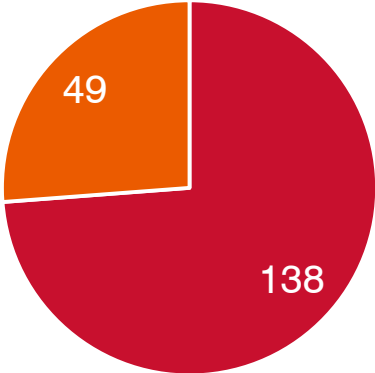


### Others: • Red flagging:

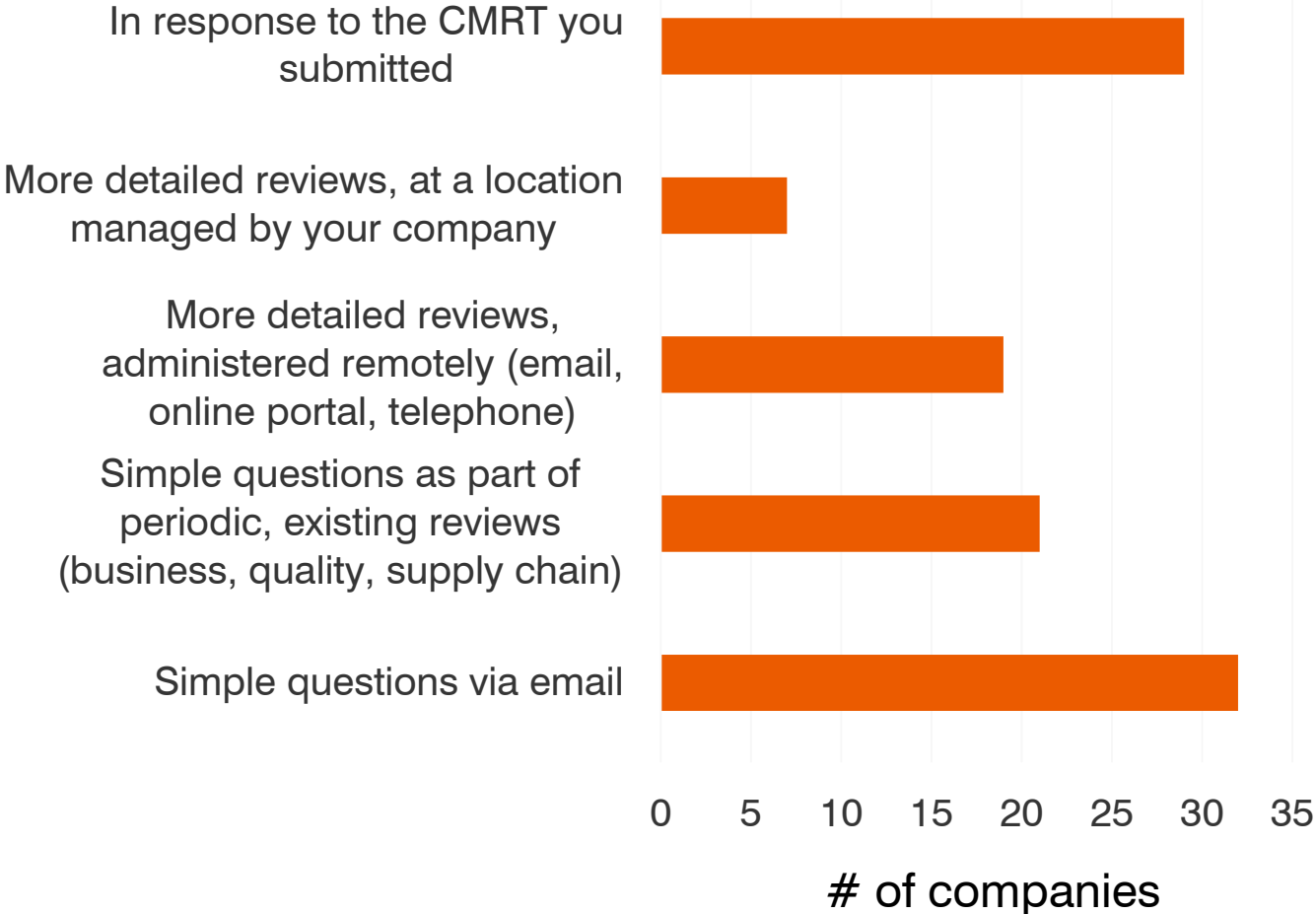
- Internally developed 'red flag' and risk analysis based on OECD guidelines, which trigger manual review and supplier, follow up/verification of information
- We worked with our 3rd party vendor to create red flag data checks on all information provided by suppliers. Red flags were designed to identify missing data, or data points that show in consistency in data being reported.
- Review high risk suppliers RCOI
- Matching smelters to metals known to be in our products



### Subject to reviews or audits

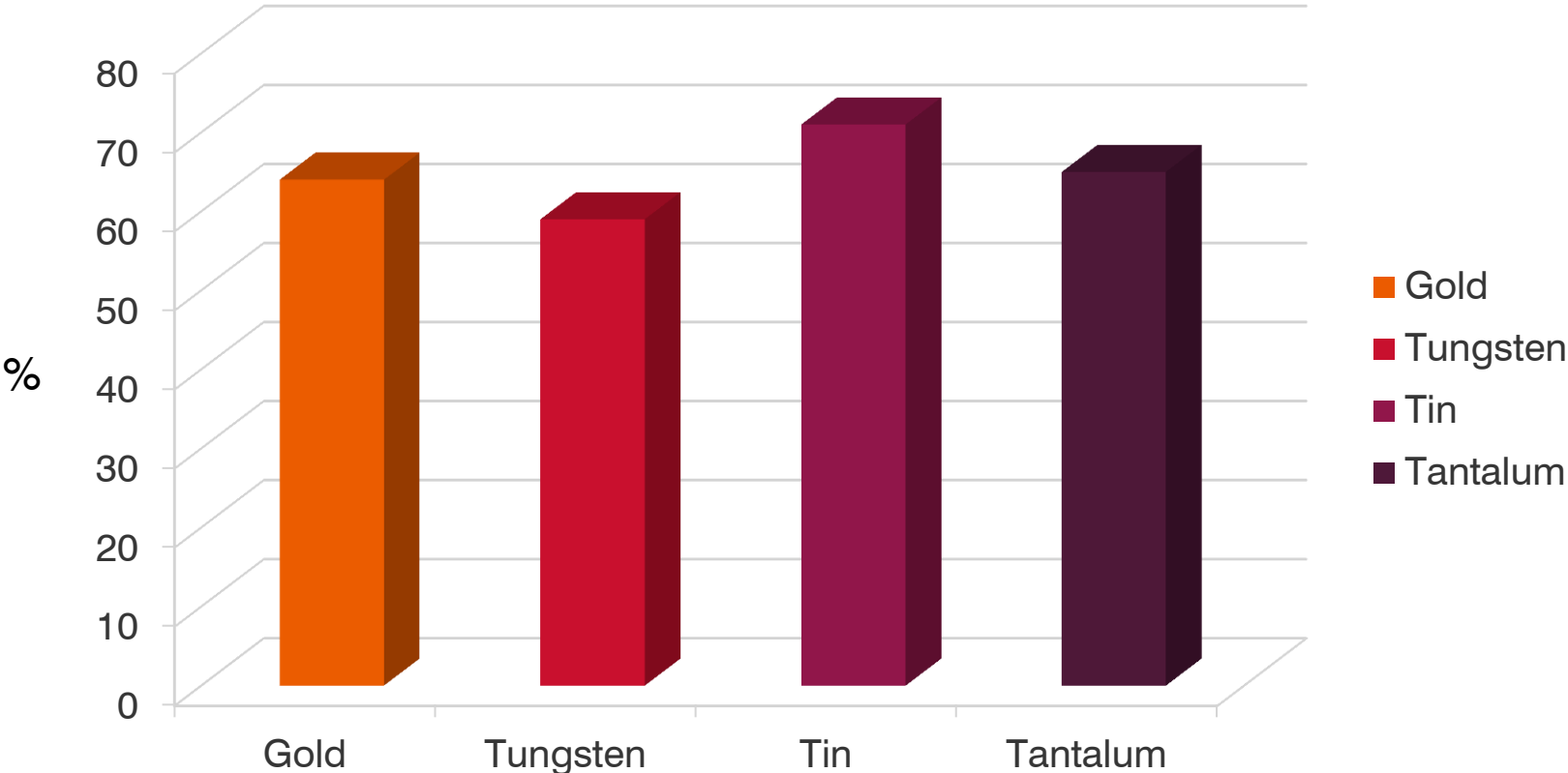


■ NO ■ YES





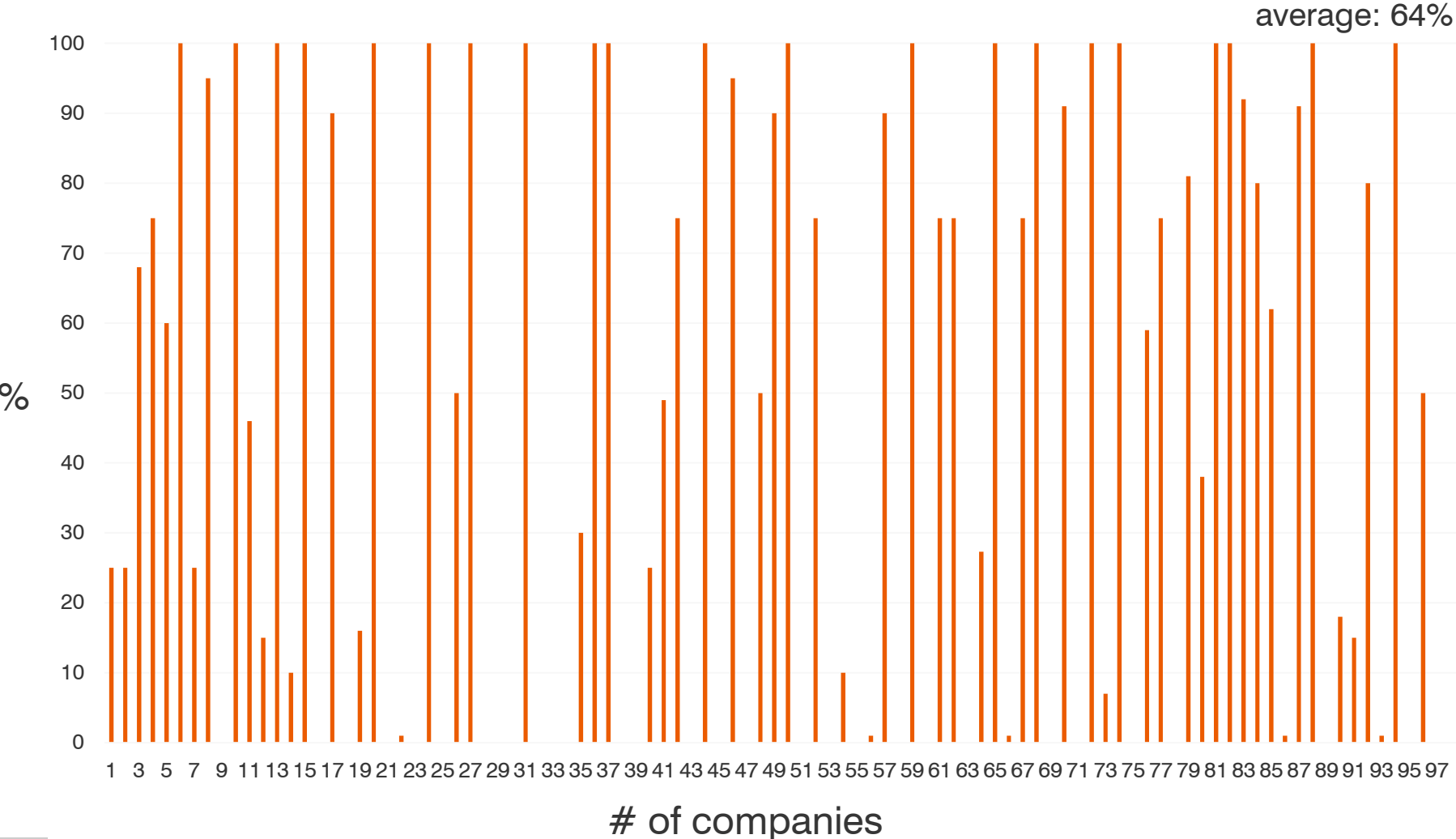
### Average % of conflict-free SORs in company's supply chain(s)





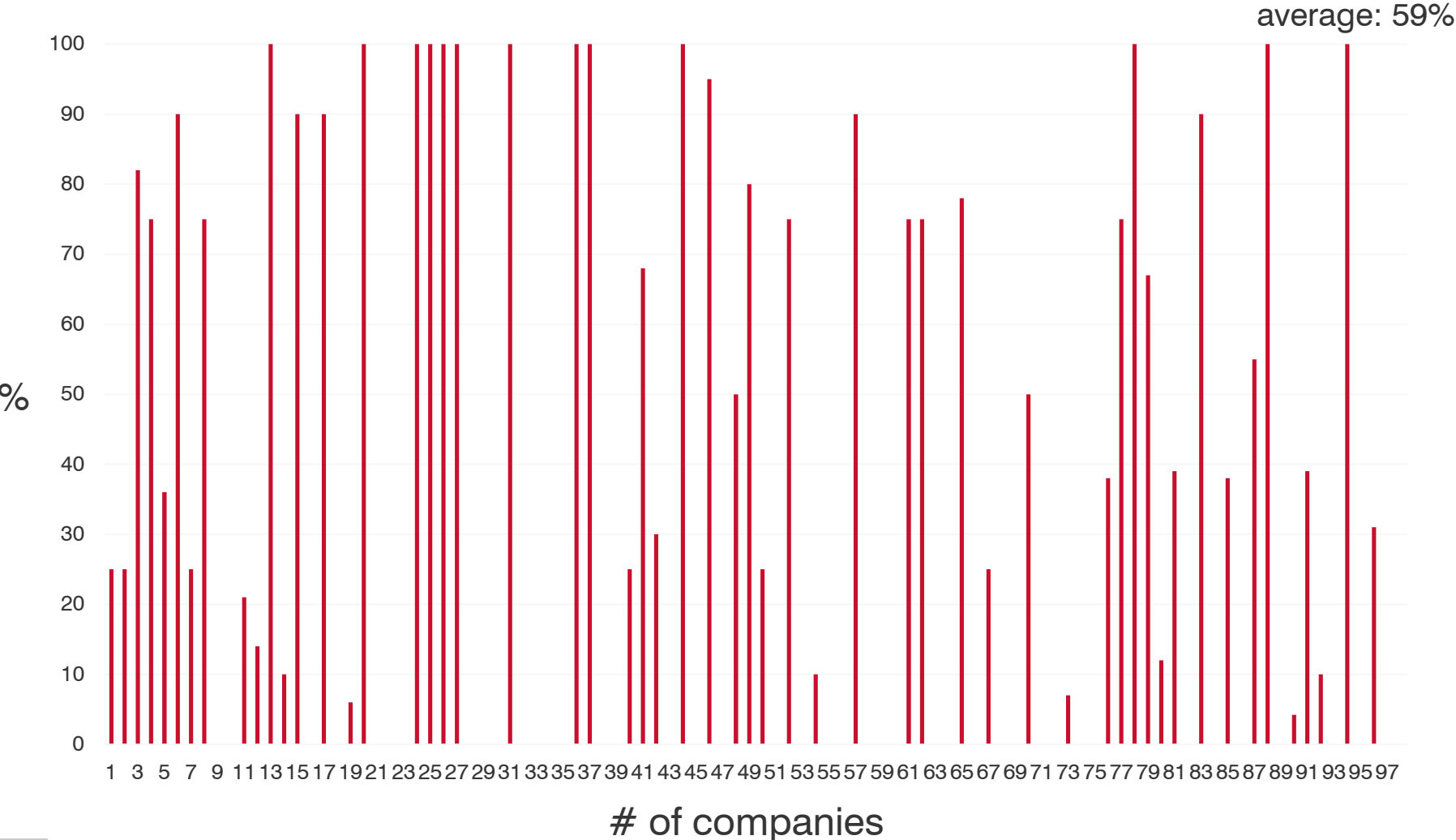


### Gold SORs in company's supply chain(s) certified as conflict-free



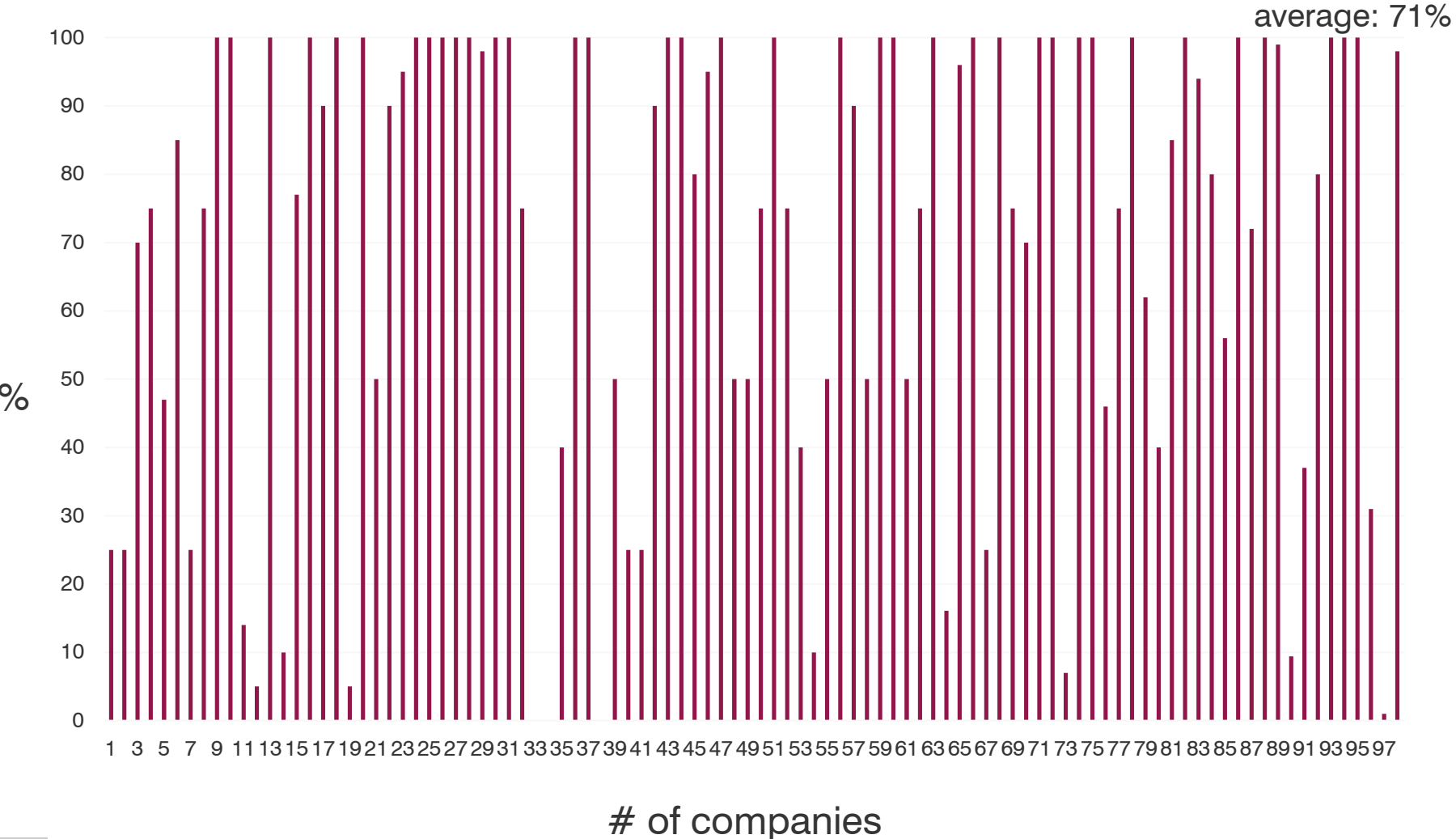


### Tungsten SORs in company's supply chain(s) certified as conflict-free



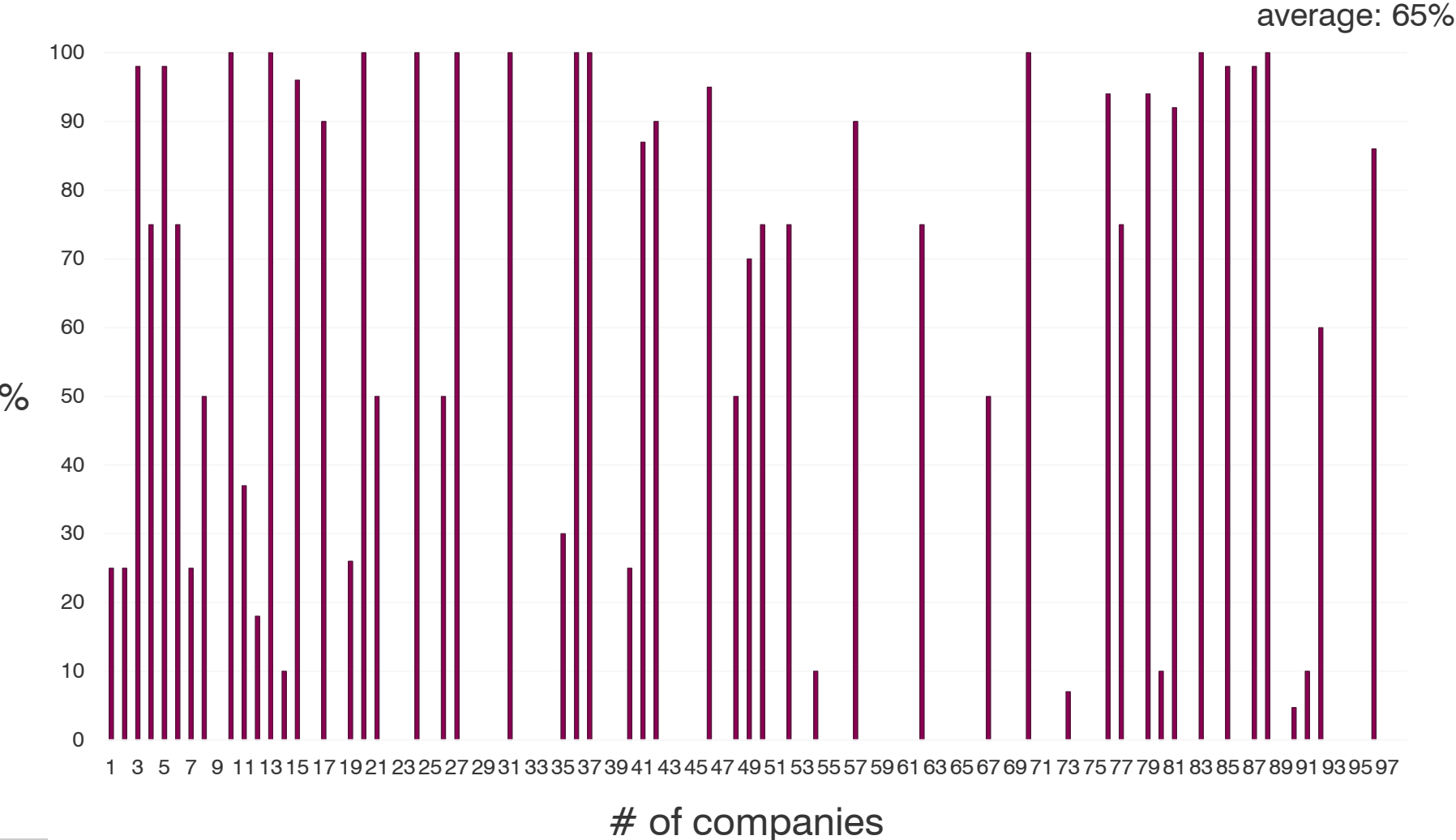


### Tin SORs in company's supply chain(s) certified as conflict-free





### Tantalum SORs in company's supply chain(s) certified as conflict-free

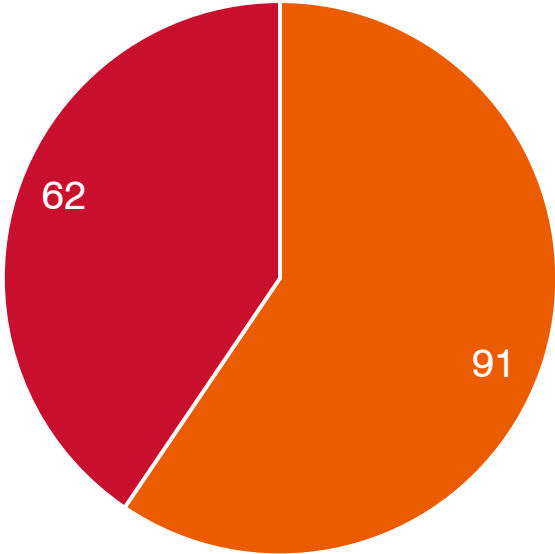




## V. Company Policy



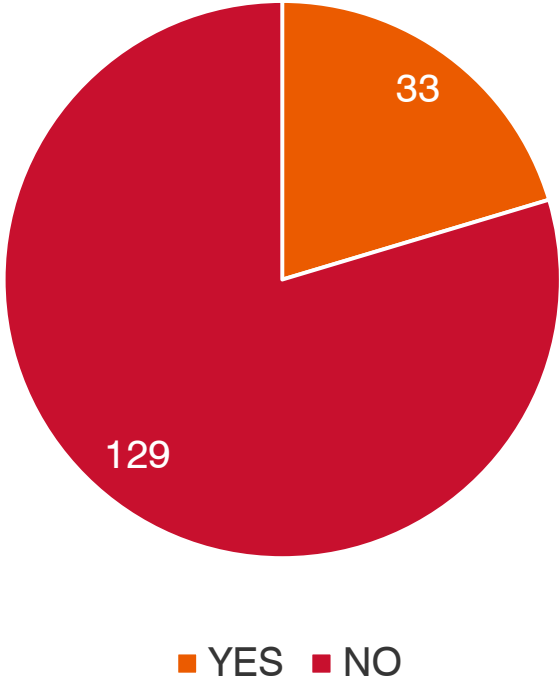
Would you discontinue to source from suppliers that don't ensure that their SOR(s) is/are verified conflict free?



■ YES ■ NO

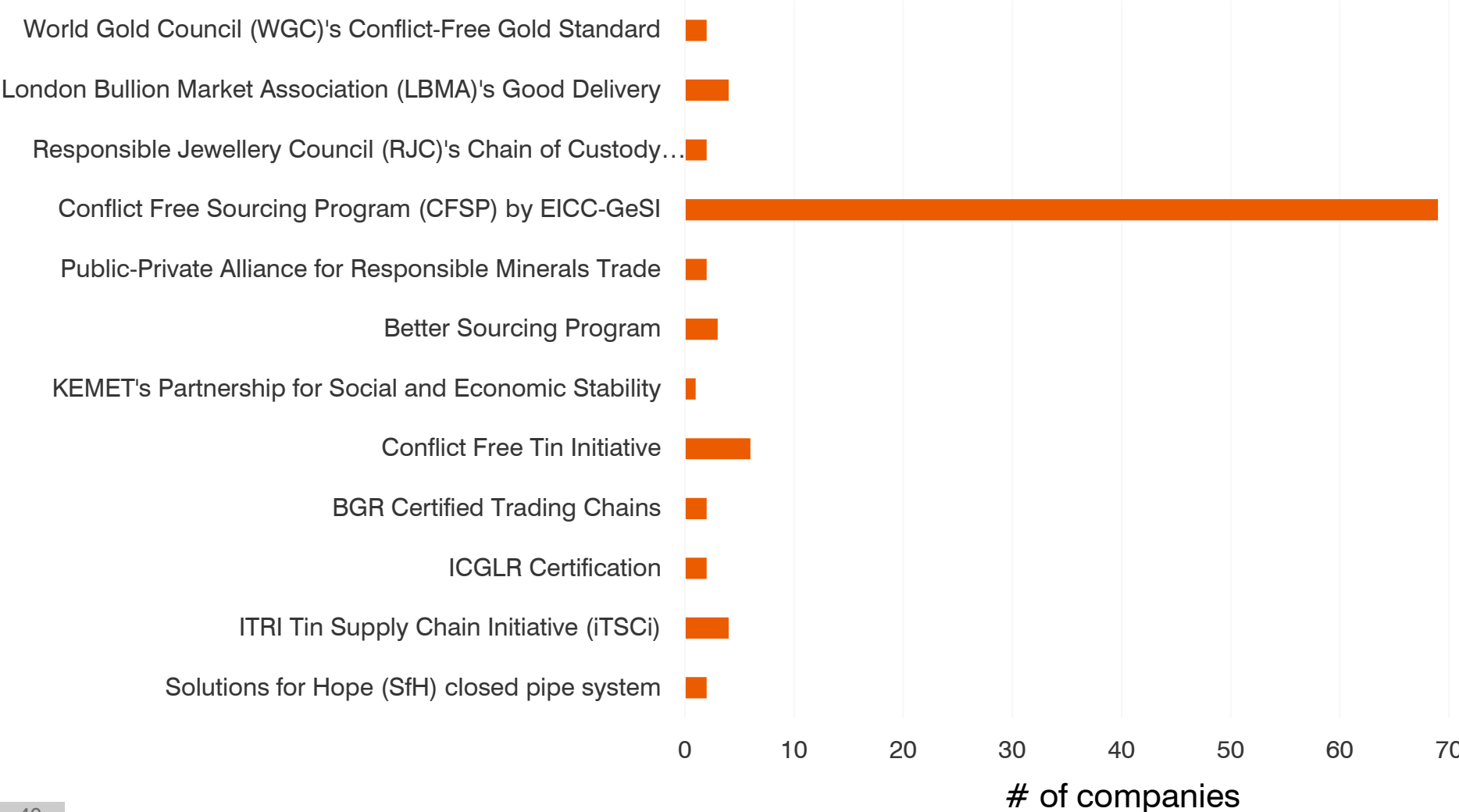


Does your company pass on the added cost of compliance to your customers?





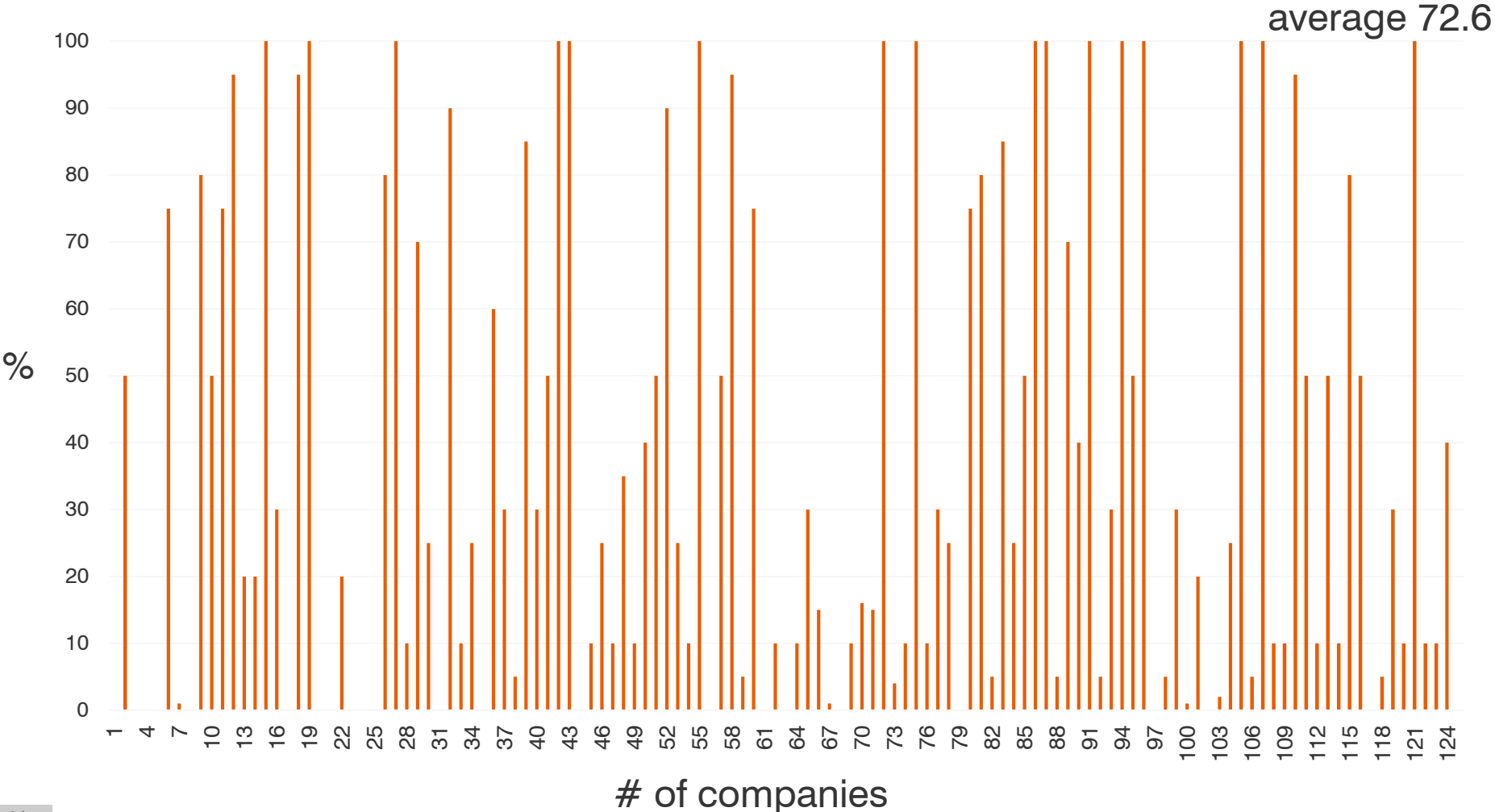
## Support, through purchasing requirements or membership, to:





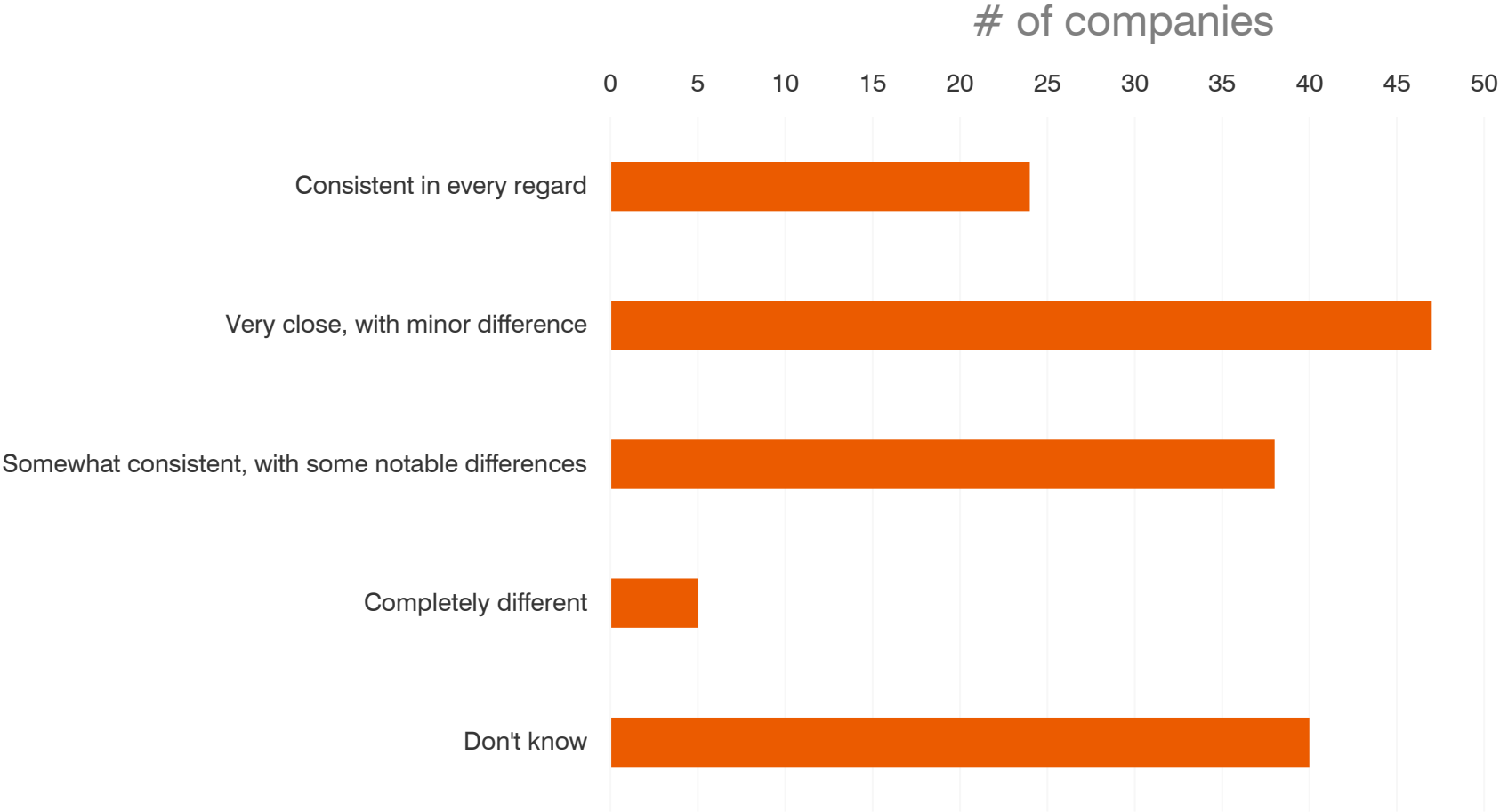


# What % of your customers now require your company to source from “conflict-free” smelters?





# Company's 3TG-related due diligence vis-à-vis the OECD due / diligence guidelines





# CA-TISCA (SB 657) evaluation

- 497 companies evaluated for Dodd-Frank we also evaluated for compliance with the California Transparency in Supply Chains Act of 2010 (1,504 CA-TISCA disclosures in total)
- visit our website [www.developmentinternational.org](http://www.developmentinternational.org) to download the free report and to order your company's in-depth score report



November 2, 2015

Designed by: Chris N. Bayer, PhD

Executed by: Michael Ball, J.D.  
Chris N. Bayer, PhD  
Michael McCoy, J.D.  
Stefan Reed, J.D.  
Jasper Trautsch, PhD  
Jiahua (Java) Xu, cand. rer. oec.

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Development International  
opportunity through insight 

Customized CA-TISCA report with detailed company data for  
3M CO

## Intro

This customized CA-TISCA report is based on the methodology as laid out in our Corporate Compliance with the California Transparency in Supply Chains Act of 2010 report of November 2, 2015. For details concerning our methodological and an explanation of the criteria we applied, kindly refer to said report.

## Basic Information

Disclosing Group: 3M CO  
Homepage: [www.3m.com/3M/en\\_US/compliance](http://www.3m.com/3M/en_US/compliance)  
Statement: [media.3m.com/trs/media/7384170/supply-chain-sustainability-report.pdf](http://media.3m.com/trs/media/7384170/supply-chain-sustainability-report.pdf)

## Overview

	Compliance Score: 4	Alternative Score*: 1
1.A. Link	 1	 0.5
2.A. Verification	 0.5	 0.5
2.B. Verification	 0.5	 0.5
3.A. Audit	 0	 0
3.B. Audit	 0	 0
4.A. Certification	 1	 0
5.A. Internal Accountability	 0	 0
6.A. Training	 1	 0

 no  working on it  yes

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