

Guide on the Conflict Minerals Reporting Template (CMRT)

1. Version

Please always use the last version of the CMRT downloaded from the CFSI website <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>.

2. Company Information

- General information
 - Please fill out all required fields marked with an (*).
 - Declaration Scope or Class
 - Please indicate the scope covered by your CMRT choosing from one of the 3 options:
 - A. Company – Indicates the CMRT covers all products manufactured and delivered to all of your customers during the reporting year. This is the recommended option as this enables you to share the CMRT with several customers.
 - B. Product (or list of products) – Indicates the CMRT covers only a single or set of products. The products covered by the CMRT should be listed in the “Product List” tab.
 - C. User defined [Specify in ‘description of scope’] – Indicates the CMRT covers a scope other than scope A or B. If you decide to report under scope C please describe and specify the scope in the field “Description of scope”
 - Effective date
 - The effective date should indicate a date in 2015 (reflecting your 2015 supply chain investigation)
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3. Declaration scope questions

- *Q1. Is the conflict metal intentionally added to your product?*
 - Question 1 requests you to indicate which 3TG metals (Tin, Tungsten, Tantalum, and Gold) are present in the products under the scope of the CMRT (added by either your organization or any another organization upstream the supply chain).
 - Please note: If any of 3TGs metals are present in your products, smelter list tab needs to be updated with relevant smelters’ names for each metal used
- *Q2. Is the conflict metal necessary to the production of your company's products and contained in the finished product that your company manufactures or contracts to manufacture?*
 - Question 2 requests you to indicate whether it is necessary for your products’ characteristic, appearance or quality to add 3TG metals
 - If both question 1 and 2 of a particular metal state “No” questions 3 to 7 should be left blank for that metal.
 - If both question 1 and 2 state “No” for all metals, questions 3 to 7 as well as

questions A to J should be left blank.

- *Q3. Does any of the conflict metal originate from the covered countries?*
 - Question 3 requests you to indicate whether any of the metals (under the scope of your CMRT) originates from one or more of the “Covered Countries”. Please note this question requires you to indicate the origin of the metal, and not the location of the smelter producing the metals.
 - The “Covered Countries” are: Democratic Republic of Congo, Congo, Central African Republic, Angola, Zambia, Tanzania, Rwanda, Burundi, Uganda, South Sudan
 - In case you answered “Yes” to one or more of the metals, you should indicate the name of the smelters sourcing from covered countries in the comment field per metal.
 - *Q4. Does 100 percent of the conflict metal (necessary to the functionality or production of your products) originate from recycled or scrap sources?*
 - Indicate per metal whether 100% of the metal (used in the products under the scope of the CMRT) originates from recycled or scrapped sources.
 - *Q5. Have you received conflict metals data/information for each metal from all relevant suppliers of 3TG?*
 - Question 5 requests you to indicate the percentage of suppliers (out of the total scope that you send the information request to) that has provided your organization with information on the origin of 3TG metals, also including suppliers who confirmed no 3TG metals involved.
 - Here you should try to show progress in the percentage of your suppliers providing information on the origin of the 3TG metals compared to previous years.
 - *Q6. For each conflict metal, have you identified all of the smelters your company and its suppliers use to supply the products included within the declaration scope indicated above?*
 - Question 6 requires you to indicate per metal whether you identified all smelters within the scope of your CMRT. Please note that this question can only be answered with “Yes” if you answered “Yes, 100%” at question 5.
 - *Q7. Has all applicable smelter information received by your company been reported in this declaration?*
 - Question 7 requires you to indicate whether you disclosed all information you received from your suppliers. Should you have excluded any information received from your suppliers please indicate this in the comment field including the reason to do so.
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4. Company level questions

- *A. Do you have a policy in place that addresses conflict minerals sourcing?*
 - This question asks whether your company created and implemented the policy that addresses the topic of conflict-free sourcing. This is a minimum requirement required by Means Engineering, Inc.
- *B. Is your conflict minerals sourcing policy publicly available on your website? (Note – If yes, the user shall specify the URL in the comment field.)*

- Please provide a link to the policy in 'comments' box. If not, please share a copy of this policy (e.g. in a PDF format) via email.
- *C. Do you require your direct suppliers to be DRC conflict-free?*
 - By DRC conflict-free we mean sourcing conflict-free metals from DRC and surrounding countries. We support sourcing from the DRC region as long as it is validated to be conflict free.
 - You can answer this question 'Yes' as long as the requirement is communicated to your suppliers.
- *D. Do you require your direct suppliers to source from smelters validated by an independent private sector audit firm?*
 - This question refers to the smelters validated as conflict-free in one of the industry-wide recognized schemes (e.g. CFSI). The list of conflict-free smelters can be found under the following link: <http://www.conflictreesourcing.org/conflict-free-smelter-refiner-lists/>.
 - The difference between questions C and D is that question C refers to general understanding of conflict-free sourcing and does not specify the means to achieve becoming conflict-free. Question D refers to a specific solution, which is sourcing from smelters validated as conflict-free and show that a company has a pro-active approach to the issue.
 - We realize that '*sourcing from the CFSI (or alternative) validated smelters only*' requirement is realistic only when a sufficient number of validated smelter becomes available. The recent positive development in the CFSI (and other relevant industry schemes) with increased numbers of validated smelters suggests that this is now becoming a reachable goal.
 - **We expect our suppliers to start communicating to their next tiers the expectation to source from the CFSI validated smelters only.** If for any reason your company is not able to answer 'YES' to questions D, please confirm and provide evidence that you communicated this request to your suppliers (example of such communication).
 - We also support and encourage reaching out to the currently not yet validated smelters and asking them to join the Conflict Free Sourcing Program.
- *E. Have you implemented due diligence measures for conflict-free sourcing?*
 - Due diligence measures are defined as (in line with the OECD guidelines): Communicating and incorporating into contracts the expectations towards suppliers related to conflict minerals, supply chain risk identification and assessment, designing and implementing strategy for risks response, verifying suppliers' compliance to DRC conflict-free policy etc.
- *F. Do you collect conflict minerals due diligence information from your suppliers which is in conformance with the IPC-1755 Conflict Minerals Data Exchange standard [e.g., the CFSI Conflict Minerals Reporting Template]?*
 - The IPC-1755 Conflict Minerals Data Exchange standard mentioned in the question consists of requirements for exchanging conflict minerals data between suppliers and their customers.
 - Conflict Minerals Reporting Template (CMRT) tool meets this standard.
- *G. Do you request smelter names from your suppliers?*
 - Smelter names are necessary for the CMRT to be accepted.
- *I. Does your review process include corrective action management?*

- Please answer whether you review the conflict minerals information your suppliers send to you and compare with your company's expectations.
 - *J. Are you subject to the SEC Conflict Minerals rule?*
 - This question asks, whether you are a subject to the SEC rule. This rule applies only to suppliers which are publicly traded in US (US stock-listed).
 - PS. In case your company itself is not under the SEC rule, but it belongs to a mother company which is under this obligation, please indicate it in the comment. There is no requirement to answer question J 'Yes' in such case.
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5. Smelter List

- Smelter lists tend to contain incorrect or duplicated information mostly due to lack of proper CMRT verification.
- It is very important to identify such issues after receiving the CMRTs from your suppliers before you consolidate all data into your final CMRT and send it to the customer.
- Basic verification should be performed at each tier of the supply chain – the closer a company is to the smelter the easier it is to verify obtained information.
- Please make sure the smelter list of your CMRT meets the following requirements:
 - No duplicates
 - Please always select the smelter from the drop down menu (do not copy paste from other CMRTs), that way you make sure the smelter details (ID, country etc.) will be correct
 - In case of a CFSI non-listed smelter we require you to provide evidence to us that the entity is really a smelter (link to the website where this is specifically stated or a confirmation email from the entity that they are indeed a smelter). With this evidence we can report the entity as a new smelter to CFSI to be added to the reference list.
- Please apply the same requirements to your suppliers
- Please refer to the Smelter List Improvement Guidelines for more detailed instructions