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Conflict Minerals Reporting: Regulatory Compliance Simplified with OpenText™ Active Community

Improve information governance and manage risk in your supply chain

Today's manufacturing industry has to contend with many different corporate social responsibility and compliance-related issues. Mandated by law in the United States by the Dodd-Frank Act, conflict minerals reporting is an area of specific concern that has come to the forefront recently. Other regions around the world are formulating their own responses to this issue as it gains attention and momentum.

All companies submitting filings to the SEC in North America must now complete forms every year to confirm that they are not using conflict minerals across their supply chains. Any company that files Forms 10-K, 20-F or 40-F with the SEC each year is affected by this law.

Manufacturers of a variety of products across many industries are affected, with high tech, automotive, industrial, and consumer products being the most significantly impacted. As a result, organizations within these industries have worked to provide guidance on how to remove conflict minerals from the global supply chain and meet reporting requirements.

Additionally, the Organization for Economic Co-Operation and Development (OECD) has developed a five-step framework to identify and remove conflict minerals. This approach has been endorsed by European Union (EU) governments; however, conflict minerals reporting in EU member countries is currently optional. The Conflict Free Sourcing Initiative (CFSI) has created a conflict minerals reporting template that complies with SEC due diligence requirements for downstream companies.

HIGHLIGHTS

To meet the regulatory compliance requirements of conflict minerals reporting, you need information from your suppliers. OpenText Active Community is an enterprise-level community management tool that delivers people and process solutions across a supply chain. Active Community increases collaboration within your supply chain to improve the rate of compliance, and it:

- *Provides an effective cloud-based platform for distributing and tracking responses to conflict minerals based assessments*
- *Offers a simple and efficient reporting environment to encourage 100% participation from trading partners*
- *Ensures trading partner information is accurately maintained within a centralized environment*
- *Allows a company to meet an important corporate social responsibility objective and allow a conflict minerals report to be filed on time*

WHAT ARE CLASSIFIED AS CONFLICT MINERALS?

Four types of minerals have been classified as conflict minerals: tantalum, tin, tungsten, and gold, otherwise known as the 3TG Minerals.

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What Do You Need in Order to Comply?

From a supply chain management point of view, the successful reporting of conflict minerals requires three key components:

- Up-to-date contact information for each supplier across your supply chain
- An effective and traceable means of distributing surveys to those contacts
- The ability to keep track of every assessment completed by your suppliers

Success also means finding an efficient way to conduct the reporting process with minimal effort and without disrupting the day-to-day operation of the trading partners you are asking to provide the information.

Identify the People You Need to Reach

To gather the information required for reporting, you need to know the right people to contact and how to reach them. For many companies, simply maintaining up-to-date information on their suppliers is a significant challenge.

OpenText™ Active Community solves this problem by providing an easy way for your suppliers to keep their own information up to date. The platform is similar in concept to some of the more popular social networks, but it is 100% focused on the needs of the business and the supply chain. Suppliers each get their own profile page that they can access to maintain their information.

Make Communication Easier

Although your suppliers may be based all over the world, exchanging information with them can be done easily, quickly, and securely online through a collaborative community management platform.

Active Community allows you to reach out to your trading partners anywhere across your supply chain. It provides the ability to distribute the CFSI reporting tool as an email attachment or through a built-in survey module, which includes a web form version of the CFSI reporting template. Also, you can easily define your own assessments and push them out across your supply chain using the Active Community email and communication tools. This powerful community management platform can be used for many different compliance-related assessment initiatives.

Manage Their Responses

Manufacturers may need to obtain information from a number of suppliers in order to complete the reports required annually by law. Knowing who has responded and who has not is an important part of this compliance process. Equally important is knowing what those responses are so that appropriate action can be taken.

Active Community keeps track of completed assessments or responses and automatically sends reminders to your suppliers to complete their assessments on time. Audit tools are included to help you measure your suppliers' compliance.

Align People and Processes to Reduce Your Risk

OpenText helps you systematically reduce your company's business and legal risks that result from non-compliance of your business partners with various regulatory, sustainability and corporate social responsibility programs.

Active Community uses centralized contact management and mass communication tools that allow you to exchange information with your trading partners anywhere across a supply chain. Additionally, once in place, Active Community can do much more than just manage conflict minerals reporting. The same platform and solution will help you manage other supply chain risks as well.

For more information, please contact OpenText or visit www.gxs.com.