Conflict Minerals Reporting: Working with U.S. Manufacturers

Introduction

U.S. law now requires certain manufacturers to disclose annually whether certain minerals in their products may have originated from mines operated by armed insurgents in and around the Democratic Republic of Congo (DRC). The law seeks to end armed conflict in the DRC partially financed by the mining and trading of minerals.

The Automotive Industry Action Group (AIAG) formed the Responsible Materials Work Group (RMWG) to understand the impact of conflict minerals to the automotive industry and to assist manufacturers and suppliers in complying with the law. AIAG also endorses tools to assist suppliers with providing information to their customers. AIAG is committed to assisting global suppliers in their compliance objectives. Below is some information to help you.

Conflict Minerals Reporting Facts

"Conflict minerals are defined as cassiterite, columbite-tantalite, gold, wolframite, or their derivatives…" tin, tantalum, tungsten, and gold, together known as "3TG".
The "Covered Countries" where conflict minerals may originate are the DRC, Angola, Central African Republic, South Sudan, Zambia, Rwanda, Burundi, Uganda, Republic of the Congo, and Tanzania.
The reporting period covers products supplied January 1 through December 31 of each calendar year and is an annual requirement.
The law does not include a de minimis threshold.
Materials that are **100%** recycled and/or scrap are excluded.
It is not illegal to source conflict minerals from the covered countries.

Working with Impacted Manufacturers

Manufacturers need to conduct a reasonable country of origin inquiry which requires collecting relevant information from their suppliers, even if the suppliers are not subject to the U.S. law.
Manufacturers require suppliers to identify the mines and smelters of the 3TG in their products.

Helpful Resources and Information

Using material specifications and material lab analysis can be a great resource in determining the applicability of products to the conflict minerals reporting requirements.
Material data exchange systems, such as IMDS or CAMDS can be very useful, however these systems may not contain all conflict minerals information and should only be used as a complimentary resource.
The CMRT (Conflict Minerals Reporting Template) 5.12 is the standard reporting format used by the automotive and other industries.
http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/
For an overview of conflict minerals and the automotive industry, and to take action on the issue, visit: http://conflictminerals.aiag.org
The European Union (EU) has joined the growing list of regions, countries and regulatory bodies taking a stand against the use of conflict minerals in corporate supply chains. Officially signed into law May 17, 2017, the EU conflict mineral rule will enter into effect in January 2021, visit: http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/

Conclusion

Understanding the origin of conflict minerals in your products is the key to successfully complying with governmental and customer requirements. Companies supported by industry associations, such as AIAG, have found it easier to comply with conflict minerals regulations because they are able to collaborate with their peers. Furthermore, due to its global reach and endorsement of industry leading tools, AIAG enables companies to comply with regulations and customer requirements.