



# Memory Card Manufacturer Meets SEC Regulations

A leading memory card and SSD manufacturer improved its Conflict Minerals compliance by deploying Sensitel's VeriSupply Conflict Minerals solution.

EXECUCITVE SUMMARY
<p><b>Customer:</b> Large memory card and SSD manufacturer, based in Silicon Valley</p>
<p><b>BUSINESS CHALLENGE</b></p> <ul style="list-style-type: none"> <li>• Meeting SEC Conflict Minerals compliance</li> <li>• Annual reporting for continued compliance</li> </ul>
<p><b>BUSINESS SOLUTION</b></p> <ul style="list-style-type: none"> <li>• Sensitel VeriSupply</li> </ul>
<p><b>BUSINESS RESULTS</b></p> <ul style="list-style-type: none"> <li>• Clear and concise picture of supply chain</li> <li>• Timely submittal of Conflict Minerals compliance report to SEC</li> <li>• Raising Brand Value</li> </ul>

## Business Challenge

In 2012, the U. S. SEC approved a final rule requiring issuers to publicly disclose their use of conflict minerals (Tantalum, Tin, Tungsten, and Gold, 3TG) and whether those minerals originated in the Democratic Republic of the Congo ("DRC") or adjoining countries ("Covered Countries").

A leading memory card and SSD manufacturer was challenged with improving their conflict minerals compliance. Like all large companies, this memory supplier had their parts data in multiple quality and PLM systems. Not all suppliers provided timely information on MSDS (Material Specification Data Sheets) on the supplier parts. So it was difficult for the memory supplier to detect relevant part suppliers.

One of the key challenges for Conflict Minerals compliance was determining the accuracy of responses from suppliers. Are the smelters listed actually companies or trading houses? Are smelters in or near Congo? For instance, some leading U. S.-based IT vendors missed the fact that their suppliers used gold refined by [North Korea's central bank](#).

## Business Solution

This company followed a 4-step process to implement a conflict minerals compliance program (Figure 1).



Figure 1. A 4-Step Compliance Procedure

### Step 1

Make a list of all *relevant* suppliers. Rather than contact all suppliers, including suppliers of indirect materials such as stationeries, this company first wanted to shortlist suppliers that provided parts that contained conflict minerals. Like most large corporations, this memory supplier had their parts data in multiple quality and PLM systems. Not all suppliers provided timely information on MSDS on the suppliers. This made it difficult for the company to detect relevant part suppliers.

VeriSupply overcame this obstacle by scraping through all MSDS files and run text analytics to detect relevant suppliers. For instance, suppliers of gold wires with certain percentage of gold were automatically flagged as relevant suppliers.

### Step 2: Conduct a Reasonable Country of Origin Inquiry

One unique challenge was determining which suppliers to communicate for which specific tasks. For instance, which suppliers use tantalum from non-certified smelters in their products? Though seemingly simple, identifying these subsets of

