



Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502: Disclosures on Conflict Minerals

Background

Section 1502 of the Dodd-Frank Act is intended to make transparent the finances derived from mining that support illegal armed groups in central Africa. Companies that file with the United States Securities and Exchange Commission (SEC) (calendar year 2013 onward) are required to annually disclose any tin, tungsten, tantalum and gold that:

1. Are necessary to the functionality or production of a product, as defined in the provision
2. Originated in the Democratic Republic of the Congo (DRC) or an adjoining country

Then, if these four metals originated in the DRC or adjoining countries, such companies are required to provide a report describing the measures taken to exercise due diligence on the source and chain of custody of minerals used to make those metals.

The rule included a two-year transition period (2013-2014) in which large companies are permitted to report their product status as DRC conflict undeterminable if they cannot determine whether the minerals in their products originated in the DRC or adjoining countries, or whether the minerals benefitted illegal armed groups in those countries. No independent private sector audit of the SEC Conflict Minerals Report is currently required unless a conflict-free status is claimed.

The majority of smelters in the electronics supply chain have not yet achieved verified conflict-free status. Maturation of world smelter/refinery verification programs for these minerals remains a major impediment to establishing conflict-free supply chains.

Current Seagate Status

Since the establishment of Seagate's Conflict-Free Minerals Policy over three years ago, contract language with its direct suppliers has included requirements to report origin of materials. We have aligned with the industry's approach to verifying supplier mineral sourcing of tantalum, tungsten, tin and gold through the processes established by the Electronics Industry Citizenship Coalition (EICC*).

- In 2012, 2013, and 2014 100% of Seagate's suppliers have provided EICC-GeSI Conflict Minerals Reporting Template data; however, our suppliers as well as the industry are still struggling to accurately trace smelter sources.
- In alignment with EICC practices, our Form SD (Special Disclosure) filing with the SEC reflects a status of countries of origin to be determined. Our Conflict Minerals Report (CMR) filing with the SEC reflects an indeterminate status.
- Seagate will continue to work through the EICC to determine conflict-free status of tin, tungsten, tantalum and gold. 2015 plans include continuing validation of supplier information to achieve complete smelter/refinery identification and working with the EICC to increase smelter conflict-free verification. Status will be updated annually in accordance with company and industry progress.

*EICC: a coalition of nearly one hundred of the world's leading electronics companies working together to improve social, ethical, and environmental responsibility in the supply chain.