Compliance Data Exchange (CDX)
Responsible Materials Declaration (RMD) Manager
Use and Latest Enhancements

Chuck LePard, CDX Americas Representative

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This session may be recorded.

CDX CMD Webinar Agenda

- Speaker Introduction
- What are Conflict Minerals and Responsible Materials
- Why the Need to Know in Your Products
- Challenges Companies Face Today
- Growing Number of Compliance Regulations
- Brief Background of CDX
- Benefits of CDX
- Latest Enhancements
- CDX RMD Manager Demonstration
- Pricing Structure
- Q & A
- Closing

Speaker Introduction – Chuck LePard

Senior Consultant / IMDS and CDX Americas Representative

Degrees in Electrical & Computer Engineering and Computer Science

Honorable Discharge, United States Navy

38+ Years EDS / General Motors / Hewlett Packard / HPE / EntServ / DXC

- Product Delivery, Engineering & Manufacturing Solutions;
- Product Compliance, Corporate Responsibility & Sustainability Services

Decades of plant floor and engineering experience in related areas

- Product Design, Logistics, Quality, 6σ, Product Lifecycle Mgmt., Mfg. Execution

Advisor to multiple industry groups

- Automotive Industry Action Group Chemical Mgmt. & Responsible Sourcing
- International Aerospace Environmental Group, Product Chemical Reporting
- International Electrotechnical Commission, Product chemical compliance
- Association of Equipment Manufacturers, Corporate Sustainability
- Founding past member of CFSI → (now RMI) Due Diligence & Smelter Engagement

Leader in Standards Development organizations

- American National Standards Institute (ANSI) Named Expert, Environmental Reporting
- Delegate to International Standards Organization (ISO) Technical Committee TC-111 on Environmental Sustainability Declaration Data Exchange
- Chair IPC E-31 175x family for Product Declaration and Compliance reporting

DXC – World Leader in IT Business

DXC
LISTED
NYSE

~$20B global IT services leader	**200+** partner network with best-of-breed partners	**~6,000** customers 200+ Fortune 500 companies
60+ years of innovation delivering mission-critical systems for customers	**~138,000** employees worldwide	**#122** in the 2019 Fortune 500
100 earned top score: 2019 Disability Equality Index	**70+** countries	**10,000+** Agile/DevOps professionals

Customers and Industries We Serve

6,000+

Customers around the world across a variety of industries

- Insurance
- Healthcare & Life Sciences
- Travel, Transportation & Hospitality
- Banking & Capital Markets
- Aerospace & Defense
- Consumer & Retail
- Energy, Utilities, Oil & Gas
- Manufacturing & Automotive
- Public Sector
- Technology, Media & Telecommunications

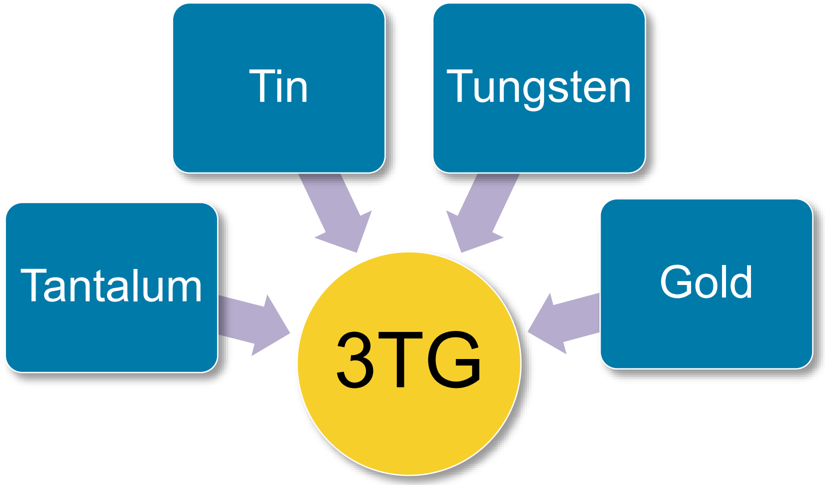
CDX – Backed by the Strength of DXC Technology
New, But Not Born Yesterday

- Customer experience
- Citizen engagement
- Employee empowerment
- IT-enabled transformation
- Acquisitions, divestitures

From the leading pure-play supplier in cloud services,
material compliance solutions, and
secure supply chain submissions
for almost 20 years

What are Conflict Minerals and Concerns for Their Use

- Columbite-tantalite (Tantalum)
- Cassiterite (Tin)
- Wolframite (Tungsten)
- Gold
- Derivatives
- Any other mineral / derivative designated by U.S. Secretary of State



Regardless of source, the 4 3TG minerals and their derivatives are known as “Conflict Minerals”, as defined by US Legislation (Dodd-Frank Section 1502).

The 3TG minerals have been linked with funding killings, violence, rape, and other human rights abuses in the Democratic Republic of Congo and other conflict zones.

Cassiterite (Tin) Mine in Kivu, DRC

U. S. Legislative Background

- Wall Street Reform & Consumer Protection Act, Section 1502
- Sponsors: U.S. Senator Christopher J. Dodd and U.S. Representative Barney Frank
- Passed in 2010 and into effect August 2012 for CY 2013
- Requires sources of all Tin, Tungsten, Tantalum, or Gold (3TG)
- Confusingly identifies all 3TG as “Conflict Minerals”
- Reserves the right to add more minerals to scope as specified by Congress
- Requires “Due Diligence” in accordance with “a recognized global standard”
  - The EU OECD due diligence guidelines are the only known recognized global standard
  - The OECD specifies that reporting only 3TG is not in conformance with due diligence

Increasingly, Non-Governmental Organizations (NGOs) and other social rights monitors are campaigning for an expansion of scope to incorporate Cobalt, Mica, and about 20 other materials known to fund violence and human rights violations globally.

E.U. Legislative Background

- In effect January 1, 2021
- Reporting for <u>all</u> Tin, Tungsten, Tantalum, or Gold (3TG), <u>wherever produced</u>
- Reporters required to identify “Conflict Afflicted High Risk Areas” (CAHRAs)
- Initially, mandatory only for EU producers / importers of 3TG
- Voluntary for downstream users until at least 2024
- Will transition to mandatory for all users in 2024 if not enough participation

CDX supports the full provisions of the EU Conflict Minerals legislation requirements, for both the mandatory and the voluntary reporters.

What is Responsible Materials sourcing?

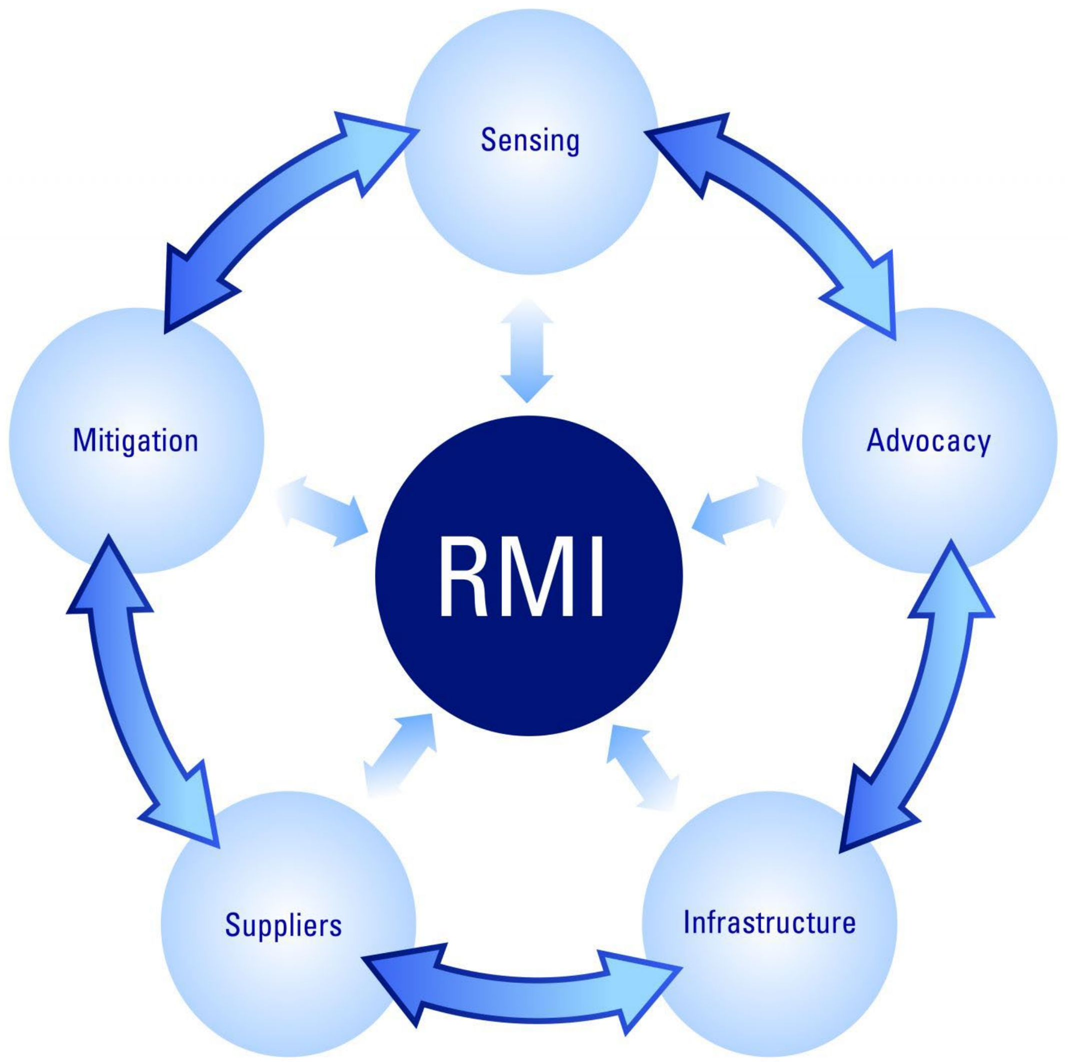
Mining is an intensive process involving potential social and environmental risks that, if not properly managed, can cause lasting negative impacts.

A growing body of research suggests that these risks are associated with a variety of metals and minerals that extend beyond tin, tungsten, tantalum and gold (3TG).

Governments, non-governmental organizations (NGOs), investors, customers and other industry stakeholders have increasing expectations on the private sector to drive responsible behavior deep into their supply chains.

Responsible Minerals Initiative

Cobalt Gold Mica Tantalum Tin Tungsten Other Minerals



Where the Responsible Materials expansion originated

U.S. Dodd-Frank Section 1502 specifications

- Requires “Due Diligence” in accordance with “a recognized global standard”
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E.U. Conflict Minerals

- OECD Risks associated with extracting, trading, handling and exporting minerals, especially from conflict-affected and high-risk areas. OECD Due Diligence Guidance Annex II, a.k.a. Annex II Risks.
- **OECD Annex II Risks**
  - Serious abuses associated with the extraction, transport or trade of minerals
  - Direct or indirect support to non-state armed groups
  - Public or private security forces
  - Bribery and fraudulent misrepresentation of the origin of minerals
  - Money laundering
  - Payment of taxes, fees and royalties due to governments

Environmental, Social and Governance (ESG) Scoring

- Investors, investment management organizations and investment advisors now report ESG as a sustainability metric
- Non-Governmental Organizations (NGOs) assess corporate sustainability in conjunction with well-respected companies

Is Responsible Materials reporting a Legal Obligation?

No, not directly.

- A few jurisdictions are looking at Cobalt, yet few have active legal obligations
- Historically, there has been limited legal enforcement of Conflict Mineral reporting
- Most companies provide 3TG declarations because of customer requirements

To some degree, the Market has become the driver for most reporting obligations

- Investor & consumer studies indicate growth in corporate responsibility consideration

However, there is a small but growing number of legal obligations which expand reporting

In an April 2015 Survey of 2000 U.S. adult consumers:

- 70% reported that a company's social or environmental responsibility is usually a consideration when making a major purchase
- 56% reported rejecting a major product for purchase consideration based upon reports of a company failure in social or environmental responsibility
- 35% reported discouraging others from purchasing from these companies
- 26% reported selecting a product based upon a company's reputation for good social or environmental responsibility

Source: Mintel and Lightspeed GMI

2015 Conclusion

A majority of U.S. adult consumers do not reward for responsible conduct, but will penalize for irresponsible conduct.

Recent events with responsible sourcing Relevance

U.S. bans imports from China's Xinjiang region, citing Uyghur human rights abuses (Dec. 2021)

Russia Sanctions & Export Controls (Feb. 24, 2022)

The U.S. Government responded to the situation on the Russian-Ukrainian border by imposing new sanctions and export controls.

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European Green Deal
Striving to be the first climate-neutral continent

Climate change and environmental degradation are an existential threat to Europe and the world. To overcome these challenges, Europe needs a new growth strategy that will transform the Union into a modern, resource-efficient & competitive economy, where:

- There are no net emissions of greenhouse gases by 2050
- Economic growth is decoupled from resource use
- No person and no place is left behind

The European Green Deal provides an action plan to:

- Boost efficient resource use via to a clean, circular economy
- Restore biodiversity and cut pollution
- The plan outlines investments needed and financing tools available. It explains how to ensure a just and inclusive transition.
- The EU aims to be climate neutral in 2050. Proposed European Climate Law turns this political commitment into a legal obligation.

Source: European Commission https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

Reaching these targets requires action by all sectors of our economy, including:

- Investing in environmentally-friendly technologies
- Supporting industry to innovate
- Rolling out cleaner, cheaper & healthier forms of private & public transport
- Decarbonizing the energy sector
- Ensuring buildings are more energy efficient
- Working with international partners to improve global environmental standards

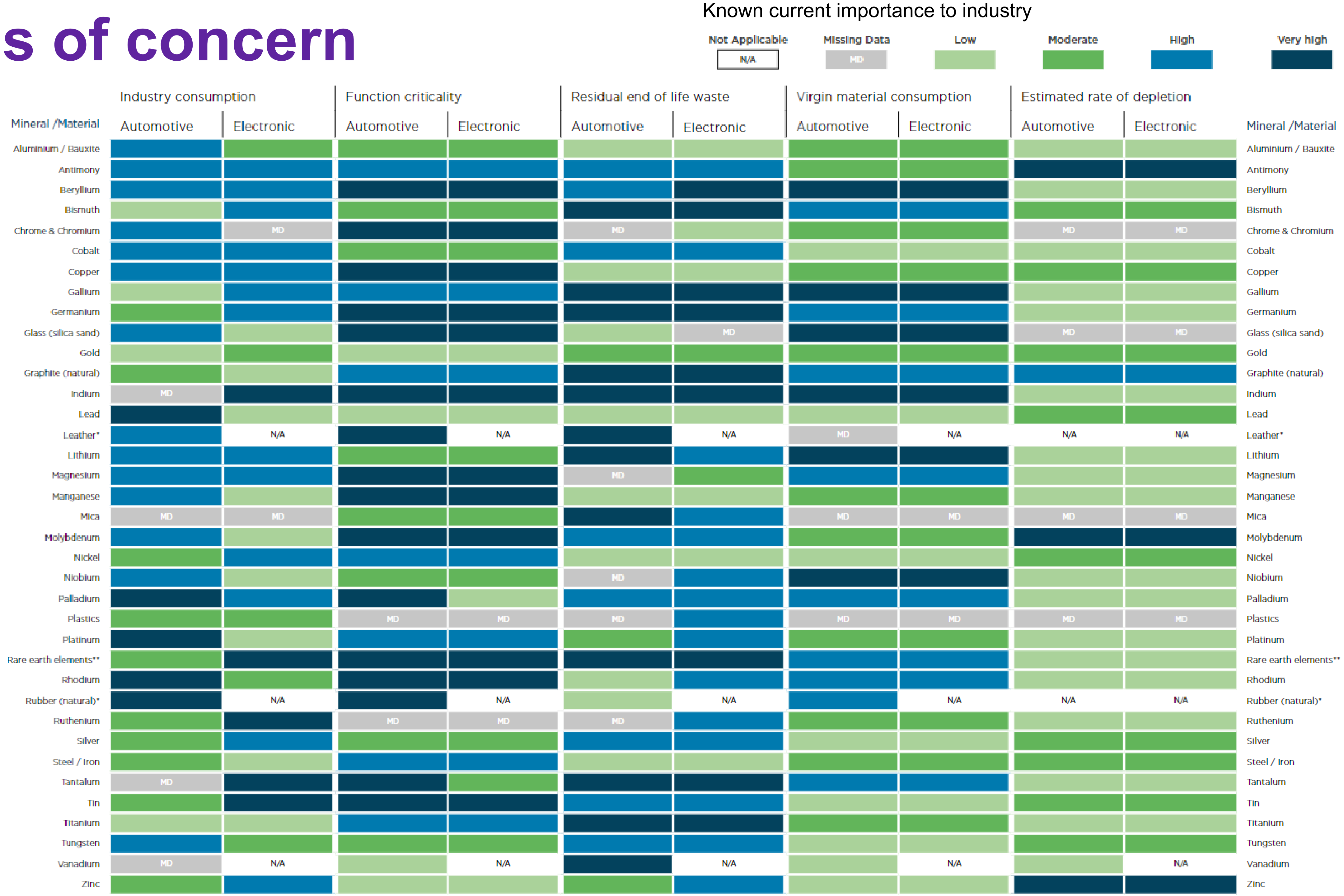
New Circular Economy

A regenerative system in which resource input and waste, emission, and energy leakage are minimized by slowing, closing, and narrowing energy and material loops; this can be achieved through long-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing, recycling, and upcycling."

- Wikipedia

Other Materials of concern

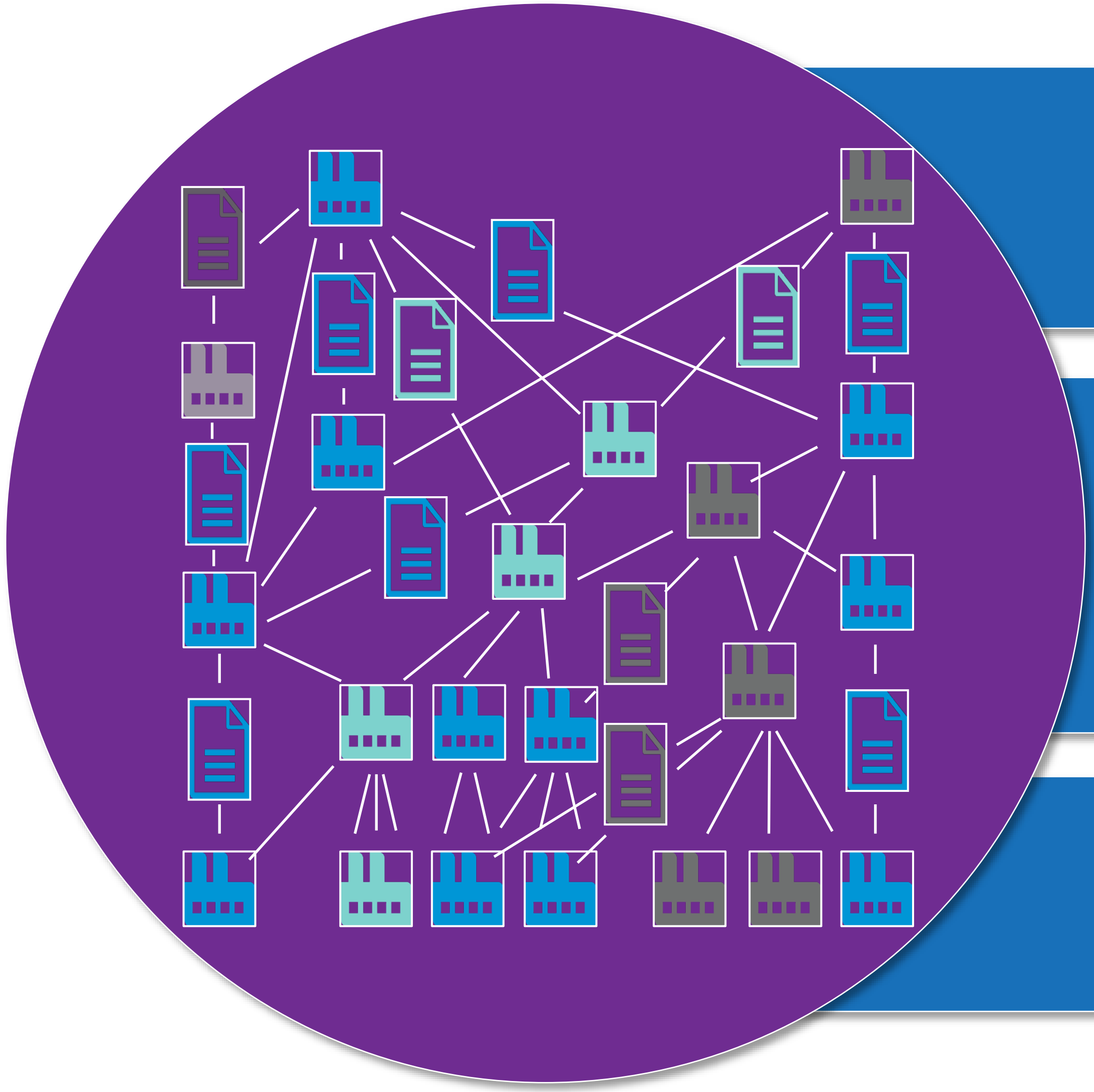
1. Aluminum (Bauxite)
2. Antimony
3. Beryllium
4. Bismuth
5. Chrome & Chromium
6. Cobalt
7. Copper
8. Gallium
9. Germanium
10. Gold
11. Graphite (natural)
12. Indium
13. Lead
14. Leather
15. Lithium
16. Magnesium
17. Manganese
18. Mica
19. Molybdenum
20. Nickel
21. Niobium
22. Palladium
23. Platinum
24. Plastics
25. Rare Earth Elements
26. Rhodium
27. Ruthenium
28. Rubber (natural)
29. Silica
30. Silver
31. Steel / Iron
32. Tantalum
33. Tin
34. Titanium
35. Tungsten
36. Vanadium
37. Zinc



Source: https://www.responsiblemineralsinitiative.org/minerals-due-diligence/other-minerals/ Minerals Change Report

Environmental, Social & Governance (ESG)

Challenge: Disparate Information Distributed throughout Your Supply Chain



Inconsistency in information sharing:

- Information exists in many different places and in different forms, therefore, companies need various systems to receive the information

Data Security Risk:

- E-mail method exposes proprietary business information to interception
- Data collection throughout the supply chain is mostly arbitrary, sometimes even for same downstream consumer, depending on segment / scheme
- Risk of inaccurate data – each supplier reports the same information in many different formats due to lack of standard forms

Data Analysis Inconsistency Across the Industries:

- Consumers at downstream end have their own means of analysis, while upstream suppliers possess the knowledge

The Answer is CDX

DXC's Proven Solution for Responsible Materials Reporting

Expertise in Data Analytics	CDX leverages the proven functionality of DXC's International Material Data System (IMDS)
★ Expertise in Cloud and IT	CDX provides manufacturers a secure, centralized web application to accurately gather and analyze material content data throughout the entire global supply chain
Global Data Reporting	Uses an established, common framework that provides quality global reporting to various legal requirements whether you manufacture, assemble or sell

★ DXC Technology is the global leader in cloud security services per Gartner group 2020 evaluation

Benefits of Using CDX

Automation

- Saves manual effort, time and money while gaining a better overview, higher quality data and faster access to information for compliance reporting
- Aggregates information while providing high-level security and confidentiality

Cost Model

- Uses services in a flexible manner, based on a “pay per use” approach
- Requires no investment for hardware or software, or costly, time-consuming implementation projects

Cross Industry Solution

- Globally, meets industry requirements for reporting and analysis and Works well within all industries
- Data efficiency, provides only the information related to a company’s products, and requests material information for components and materials from that company’s suppliers, resulting in the most efficient data collection

Security

- Data Security at no additional cost

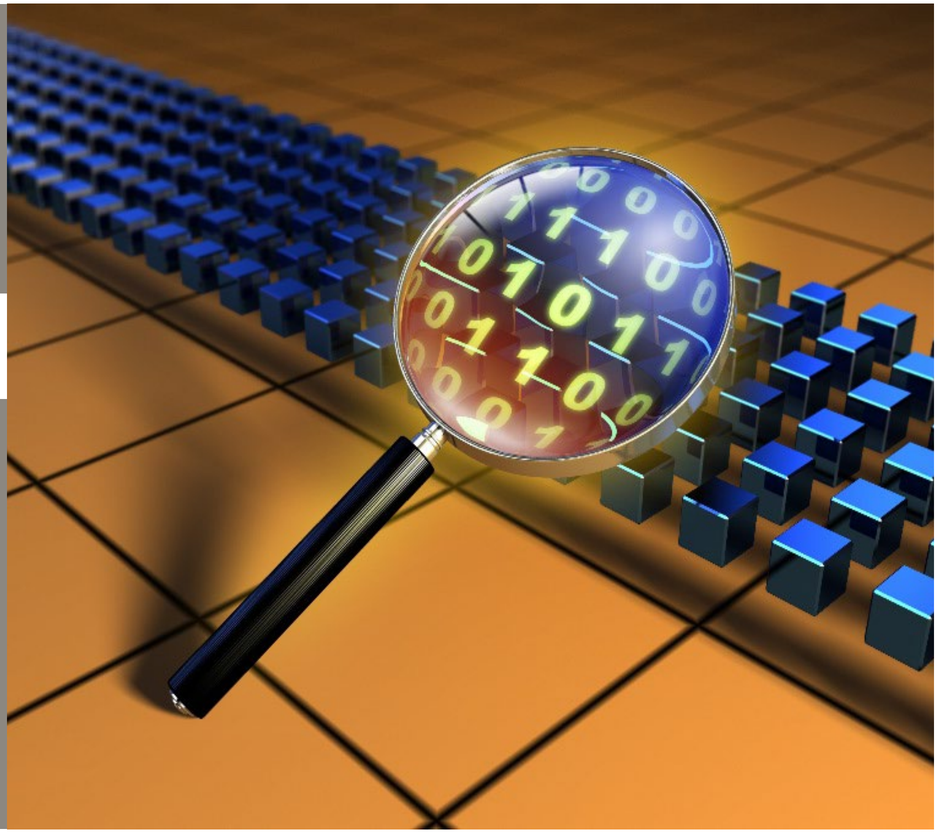
CDX Significantly Improves the Quality of Information

The email or file submissions received from suppliers generally contain erroneous data

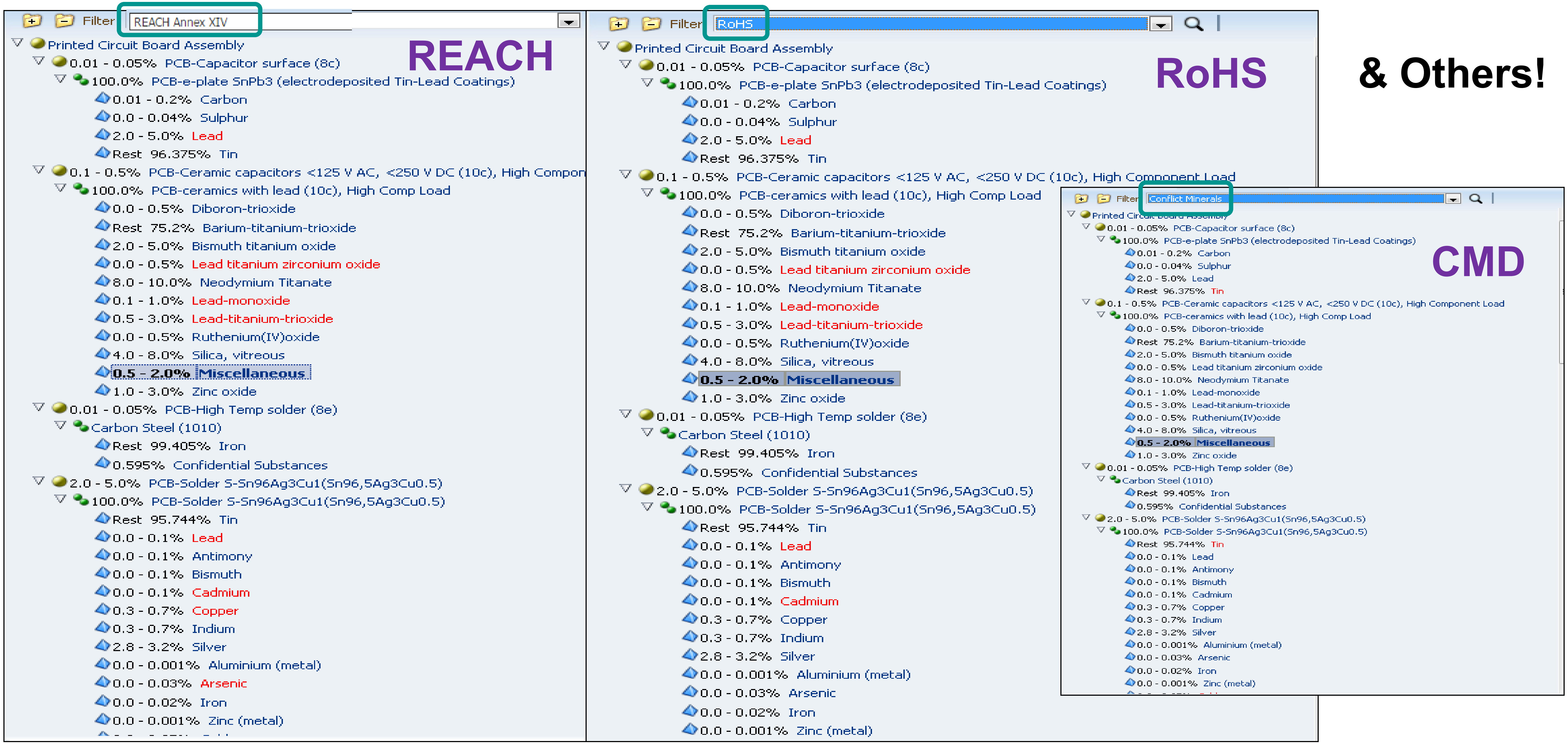
Improved Data Integrity & Accuracy: CDX automatically conducts more than 100 validation checks

Difficult to ensure data accuracy, even when using industry standard formats

More Reliable Data: with CDX higher quality Material Data Sheet (MDS) supplier submissions, which saves you and your suppliers time and money, while improving your MDS quality



Is Responsible Materials Really the Only Concern?



& Others!

DXC Enhances CDX Several Times Each Year

DXC Experience

CDX Enhancements

- 20+ Years in Compliance Management
- DXC – A world class IT company
- Up-to-date on new and changing compliance regulations across all industries

Client Diversity

Experienced and New

- Our clients are sometimes new as well as experienced
- Needs of existing and new customers are the center of everything we do
- We develop partnership with our clients to help them be successful

Value Proposition

Long Term Partnership

- Many CDX enhancements come from ongoing dialogue with our customers
- Ongoing enhancements and refinements ensure that CDX best serves our customers' compliance requirements, both today and in the future.
- Everyone using CDX sees changes simultaneously eliminating the lag in supply chain updates that plague other solutions

CDX Evolution

2022 CDX Release 7.8 support Cobalt and Mica Reporting to provide an Extended Minerals Module solution. Release 7.6 and 7.7 continued bringing enhanced functionalities for SCiP, MDS, Check Rules, IMDS interface and Webservices.

2021 Releases (7.5, 7.4, 7.3) introduce more enhancements for SCiP and MDS such as use of the referencing mechanism in SCIP Dossiers for own MDSes, Filter for deactivated projects in MDS Request and CMD Request inbox and other places, CMRT 6.1support.

2020 4 Releases introduced SCiP reporting, SCiP Dossier creation and direct to ECHA submission. Batch Processing MDSs, CMRT 6.01 support, numerous improvements on MDS Reporting, Web Services to communicate SDoCs to other solutions.

2019 3 Releases (6.2, 6.1, 6.0) focused on numerous enhancements, notably Contact Information in Inbox, Safe Use Instructions, Changes to Regulations and Confidential Substances, Various cleanups of IPC175x, and CDX Web Services

2018 3 Releases (6.0, 5.5, 5.4) Introduced CMRT 5.11, Enhanced IPC 1754 Export / Import Capability, Changes in Handling of MDS Requests / Pre-registrations

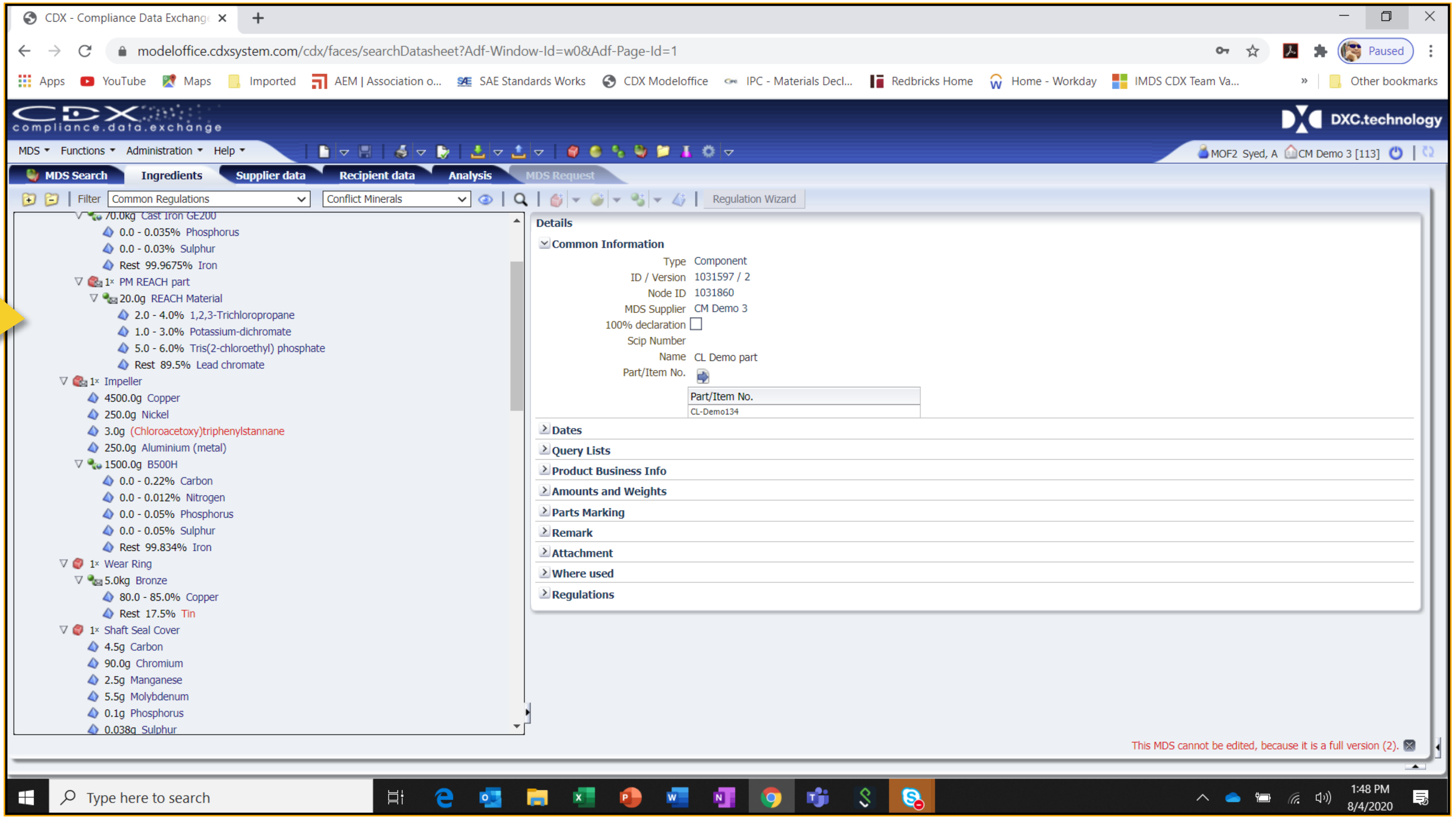
2017 3 Releases (5.2, 5.3, 5.3.1) the newest Export and Import Capability for IEC62474, New Field in MDS and CMD Request, CMRT Template Version 5.0 & 5.01, Bill of Process, Bill of Manufacturing, Bill of Engineering support

CDX Conflict Minerals Manager Recent Evolution

2022 Q2	CDX 7.8	Extended MRT, Cobalt and Mica support
2021 Q2	CDX 7.4	EU Conflict Minerals, CMRT Version 6.1
2020 Q2	CDX 6.2	EU Conflict Minerals, CMRT Version 6.0, 6.01
2019 Q3	CDX 6.0	CMRT Version 5.12
2019 Q2	CDX 5.51	GDPR changes for CMD Authorizer
2019 Q2	CDX 5.5	CMRT Version 5.11
2019 Q1	CDX 5.4	CMD Request Enhancements, Onboarding Package Service
2017 Q4	CDX 5.32	CMRT 5.10
2017 Q3	CDX 5.31	CMRT 5.01
2017 Q2	CDX 5.3	CMRT 5.0
2017 Q1	CDX 5.2	CMD Request comments and enhanced in-house system interface
2016 Q4	CDX 5.1	Menu Restructuring, Credit Card ordering, Import CMRT versions, CMRT 4.20
2016 Q2	CDX 5.0 Q1-7	Rollup, More export options, enhanced notifications, added WebServices

Interactive CDX CMD Demonstration

- CDX CMD demo will last about 30-40 minutes.
- Your audio line is muted until Q&A at the end. Please use the Chat or Q&A if you have a question.
- Feel free to ask feature-specific questions as we go.
- Additional question time will be available after the demo.
- Thank you for your time and attention today.



Questions and answers

Importing Your Company's Own CMRT

When importing a CMRT, CDX determines if it is owned (belongs to) by your company or it is from a supplier.
The process is exacting and causes issues for users who do not understand it.

To import an Owned CMRT:

1. The Company Name on the CMRT Declaration tab must be a character-by-character (case insensitive) match for the CDX Company Name in Administration… Company.
2. If the CMRT company unique identifier is not blank, it must be an exact match for the company DUNS number in CDX Administration… Company.
3. The "Contact Name" in the CMRT Declarations tab must be a "CMD Contact" Person in Administration… User.
   A. CMRT Contact name must contain (case insensitive) CDX User CMD Contact First Name and Last Name.
   B. CMRT Contact must be listed as a CDX CMD Contact.
   C. CMRT Email - Contact" must match (case insensitive) same CDX CMD Contact User email.
      – If either of 1 or 2 do not match, CDX will identify the CMRT as coming from a supplier.
      – If 3 A, B, or C do not match, CDX will display an error, and the import will be interrupted.
4. The "Contact" and the Authorizer must grant permission to use the " Person in Administration… User.

Accepting imported supplier CMRTs requires a CDX CMD Manager license.
Companies without a license will be able to import a supplier CMRT but will not be able to use it.

CDX Pricing Is Based On Usage

Use basic functions for free by Registering in CDX

- Unlimited secure user accounts
- Create MDSs and CMDs for unlimited sites within your company
- Evaluate your own MDSs and CMDs against legislations
- You can submit to customers within CDX if customer has CDX License

CDX CM Manager license: Purchase for 2500€ ($2625 US) annually. Add 2,000€ ($2,140 US) for Extended Materials

- Request unlimited supplier CMDs
- Review and Integrate supplier CMDs into your own
- Revise supplier information added to your owned CMDs
- Export IPC-1755 CFSI CMRTs

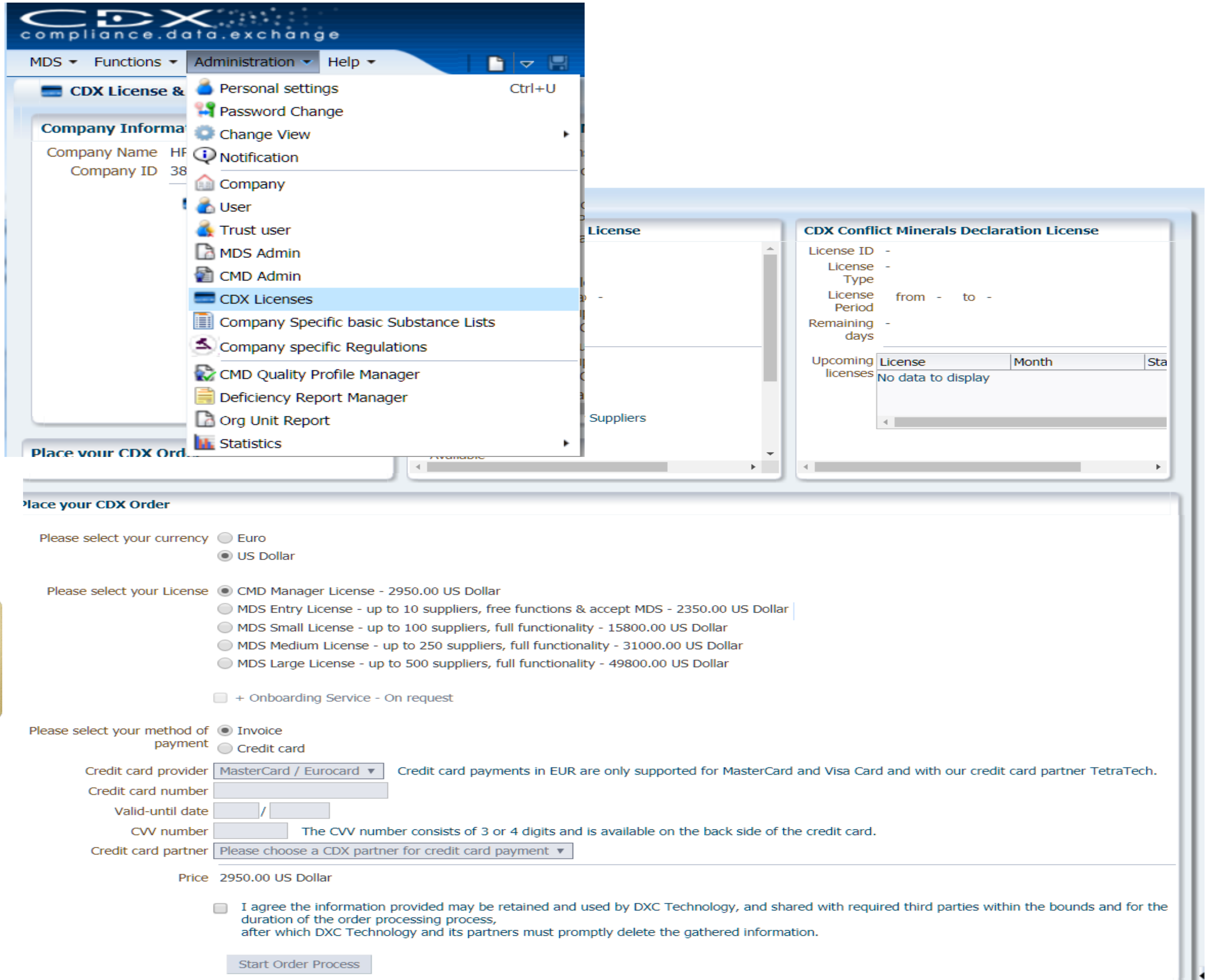
Receipt of Supplier Material Data Sheets (MDSs): Purchase licenses starting at 2300€ (about $2460 US)

- Simple pricing structure based on number of suppliers or data sheets a company receives from suppliers
- Review and accept/reject supplier submissions
- Incorporate supplier MDSs into your owned MDSs

Leverage CDX based on your company's requirements – with no hidden costs or added fees, from the only company supporting supply chain material compliance for over 15 years. Choose the option that works best for you.

Credit Card Payments Now Accepted

DXC Technology supports credit card ordering for CDX MDS and CDX CMD Licenses.



Thank you

cdx-info@dxc.com