Conflict Minerals and the Dodd-Frank Act: 
Thales Position
Through its activities and sectors, Thales, as a supplier of electronic systems and equipment, purchases a certain number of components / parts which may potentially contain microscopic quantities of minerals (tantalum, tin, tungsten and gold) covered by section 1502 of the American Dodd-Frank Act¹.

Thales however wishes to underline that due to the very nature of the supplied elements, under no circumstances does it call upon directly the concerned mineral producers.

Thales purchases either commercial-off-the-shelf (COTS) components, or specific components, sub-assemblies or assemblies provided via its supply chain.

Therefore, the direct suppliers to Thales are manufacturers, transformers, integrators or distributors who are themselves located on different levels with regard to mineral producers, making it difficult to know the origin of these minerals.

While Thales does indeed note the terms of the Dodd-Frank Act, it wishes to make clear that it is not strictly speaking subject to this legislation, since it is not listed on any of the American stock exchanges.

However, to meet the expectations of its Customers and to be compliant with its commitments made in terms of Corporate Responsibility, and in particular with regard to the United Nations Global Compact, Thales has forwarded this issue to its supply chain.

¹ The Dodd-Frank Wall Street Reform and Consumer Protection Act is in force since July 21, 2010. Section 1502 of the Act (referred to as the “final rule”) aims at deterring — through increased transparency of companies’ sourcing practices — the human rights violations coming from exploitation and trade of certain minerals in the Democratic Republic of the Congo (DRC) and neighboring countries.

By introducing an obligation of disclosure, the Section 1502 requires the US quoted companies to determine whether their products contain minerals coming from conflict area (=Conflict Minerals: DRC and neighboring countries), and when applicable, perform due diligence of their supply chain.