Form SD

Specialized Disclosure Report

NUANCE COMMUNICATIONS, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
001-36056
94-3156479
(State or Other Jurisdiction of Incorporation) (Commission File Number) (IRS Employer Identification Number)

1 Wayside Road Burlington, Massachusetts 01803
(Address of Principal Executive Offices)

Wendy Cassity
Executive Vice President and Chief Legal Officer
(781) 565-5000
(Name and telephone number, including area code, of the person to contact in connection with this report.)

Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

Section 1- Conflict Minerals Disclosure

Item 1.01 Conflict Minerals Disclosure and Report

Conflict Mineral Disclosure

A copy of Nuance Communications, Inc.’s (the “Company”) Conflict Minerals Report filed for the calendar year ended December 31, 2019 is publicly available at www.nuance.com under “SEC Filings”.

Item 1.02 Exhibit

The Company’s Conflict Minerals Report for the calendar year ended December 31, 2019 is filed as Exhibit 1.01 hereto.

Section 2- Exhibits

Item 2.01 Exhibit

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NUANCE COMMUNICATIONS, INC.

By: /s/ Wendy Cassity
   Wendy Cassity
   Executive Vice President and Chief Legal Officer

Dated: May 28, 2020
Nuance Communications, Inc.
Conflict Minerals Report
For The Year Ended December 31, 2019

This Conflict Minerals Report for the year ended December 31, 2019 (this “CMR”) is presented to comply with Rule 13p-1 under the Securities Exchange Act of 1934, as amended, and Form SD (collectively, the “Rule”), which require certain reporting and disclosure related to conflict minerals. “Conflict minerals” are defined as columbite-tantalite, cassiterite and wolframite, and their derivatives tin, tantalum and tungsten, and gold (collectively, “3TG”). These requirements apply to registrants whatever the geographic origin of the 3TG in their in-scope products and irrespective of whether the 3TG in those products finance or benefit armed conflict. Please refer to the Rule and its Adopting Release for definitions to the terms used in this CMR, unless otherwise defined herein. The date of this filing is May 28, 2020.

Statements in this CMR are based on our “reasonable country of origin inquiry” (“RCOI”) and due diligence activities performed in good faith for the calendar year 2019 and are based on information available at the time of this filing, unless otherwise indicated. Factors that could affect the accuracy of these statements include, but are not limited to, subsequent developments affecting smelter and refiners (collectively referred to as “smelters”) and errors or omissions in information provided by suppliers or smelters. Additionally, this CMR may contain forward-looking statements that reflect what we strive to achieve in the future as we continue to improve our RCOI and/or due diligence program. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties.

References to our websites and information available through these websites are not incorporated into this CMR.

Throughout this CMR, we use “Nuance,” “we,” “our,” “us” and similar terms to refer to Nuance Communications, Inc. and its subsidiaries (collectively, “Nuance”).

I. Introduction

Company Overview

We are a pioneer and leader in conversational artificial intelligence (“AI”) innovations that bring intelligence to everyday work and life. We deliver solutions that understand, analyze, and respond to people - amplifying human intelligence to increase productivity and security. With decades of domain and AI expertise, we work with thousands of organizations globally across healthcare, financial services, telecommunications, government, and retail - to create stronger relationships and better experiences for their customers and workforce. We offer our customers high accuracy in automated speech recognition, natural language understanding capabilities, dialog and information management, biometric speaker authentication, text-to-speech, and domain knowledge, along with professional services and implementation support. In addition, our solutions increasingly utilize our innovations in AI, including cognitive sciences and machine learning to create smarter, more natural experiences with technology. Using advanced analytics and algorithms, our technologies create personalized experiences and transform the way people interact with information and the technology around them. We market and sell our solutions and technologies around the world directly through a dedicated sales force, and also through a global network of resellers, including system integrators, independent software vendors, value-added resellers, distributors, hardware vendors, telecommunications carriers and e-commerce websites.

Products Overview

Our product lines are classified in the following categories: software, information technology, computer hardware and other audio-electronics products, including without limitation microphones and headsets. Our computer hardware and other audio-electronics products generally are in-scope for purposes of the Rule, as they are products we contract to manufacture and they contain 3TG necessary to the functionality or production of the products. These in-scope products contain one or more of each of tin, tantalum, tungsten or gold.

Supply Chain Overview

We do not have a direct relationship with 3TG smelters and believe our supply chain contains multiple levels between Nuance and the smelter of any 3TG in our in-scope products. Our supply chains are complex, and include both manufacturing and component suppliers. Given our position in the supply chain, in order to determine the sources of the 3TG in our in-scope products, we rely on our direct suppliers to provide information on the origin of the 3TG contained in the components and materials manufactured by them and supplied to or for us, including the sources of 3TG that are supplied to them from sub-tier suppliers.

We do not seek to embargo 3TG that is responsibly sourced from the Covered Countries (as defined below).
II. Product Scoping and Reasonable Country of Origin Inquiry

We conducted an RCOI to determine whether the 3TG present in the Company’s in-scope products originated in the Democratic Republic of the Congo region (collectively, the “Covered Countries”).

Based on divestitures completed in calendar year 2019, at the end of 2019, we had fewer product offerings to which the Rule applies and a smaller supply chain. Therefore, for 2019, we completed a revised analysis of our products and product components and determined that approximately 800 suppliers provided products and product components used in products contracted to be manufactured by our continuing business in 2019. We sought to determine whether these suppliers provided us with products or components containing 3TG by reviewing publicly available information, previous supplier responses to our surveys submitted on the Conflict Minerals Reporting Template (the “CMRT”) developed by the Responsible Minerals Initiative (the “RMI”), and other available company information. Based on this analysis, we identified nine suppliers that merited further inquiry. For 2019, we sent requests to four of these nine suppliers to provide us with a completed CMRT. We then assessed these nine suppliers to determine if there would be additional purchases from these suppliers going forward and eliminated four of these suppliers because we have no further need for their components or materials in our ongoing product portfolio. The remaining five suppliers are being further evaluated to determine if we have parts or materials from them in our product portfolio.

III. Due Diligence Program Design and Measures Performed

The design of the Company’s due diligence process is intended to materially conform with the applicable portions of the Organisation for Economic Co-operation and Development’s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the related supplements (third edition).

Our Conflict Minerals Policy is available on our website at https://www.nuance.com/about-us/company-policies/legal-notices.html and is communicated to our suppliers. Our cross functional working group oversees the RCOI, due diligence, compliance, record keeping, and supplier management. This working group, under the oversight of our Vice President, Procurement, includes members of our finance, legal, procurement, operations, research and development and operations teams and is responsible for ensuring compliance with the Rule and reporting on our activities in this area. We communicate with our suppliers to educate them regarding the relevant SEC requirements, our expectations, and training resources. We encourage our suppliers to source from smelters that have undergone an audit in accordance with the RMI. We maintain records relating to our 3TG compliance program for at least five years.

We have a grievance mechanism for employees, suppliers and other interested parties to report violations of our Conflict Minerals Policy, Code of Ethics, applicable laws and regulations or other Company policies either through a hotline or confidential web form. The contact information for our grievance mechanism is as follows: www.ethicspoint.com or (866) 364-4277

We requested that our potentially in-scope suppliers furnish us with a completed CMRT with respect to the 3TG in the products and product components they sold to us. We compared the smelter information received from our suppliers to the RMI’s Conformant (as defined by the RMI) smelter list.

Our cross functional working group reports its findings to our Vice President, Procurement. Our legal team investigates reported matters and takes remedial action, as necessary.

In connection with our due diligence, we utilize information made available by the RMI concerning independent third-party audits of smelters to assess smelter due diligence and to determine whether the smelter is Conformant.

We have filed our Form SD and Conflict Minerals Report with the Securities and Exchange Commission and made it publicly available via our website.

IV. Due Diligence Results

For 2019, we were unable to identify the mines or countries of origin for the 3TG in our in-scope products. The suppliers provided CMRT responses solely at a “company” level and not with respect to the products and product components they sold to us.

Our efforts to determine the mine or location of origin with the greatest possible specificity include the RCOI and due diligence procedures noted above.

V. Steps to be Taken to Mitigate Risk and Improve the Due Diligence Program

We intend to take the following steps to continue to mitigate the risk that the 3TG in our in-scope products benefit armed groups in the Covered Countries:

- Further evaluate the five suppliers remaining from 2019.
- Conduct additional due diligence on potential new suppliers.
- Implement additional controls to manage risks associated with 3TG.
- Enhance our training and communication efforts with suppliers.
- Regularly review and update our Conflict Minerals Policy and procedures.
• Enhance supplier communication and escalation procedures to improve due diligence data accuracy and completion at various points in the supply chain process;

• Enhance the processes in our due diligence program to increase our confidence in the credibility and reliability of the information received from our suppliers to position us at a future date to disclose smelters of 3TG contained in our in-scope products;

• Incorporate 3TG sourcing criteria into the Company’s broader Vendor Management Program, including requiring disclosure of critical information during the onboarding and ongoing supplier management processes;

• Continue to encourage the use of Conformant smelters by our supply chain, where possible;

and

• Continue to work with our suppliers who may be sourcing from non-Conformant smelters or smelters relying on uncertain sources of raw materials, to move towards using Conformant smelters within a reasonable time frame. The time frame will be dependent on the criticality of the specific component, the availability of alternative suppliers, and the time required to requalify a product with any new component or material.