

# BEST BUY CO INC

## FORM SD (Specialized Disclosure Report)

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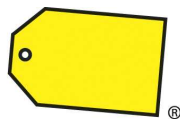
Address	7601 PENN AVE SOUTH RICHFIELD, MN 55423
Telephone	6122911000
CIK	0000764478
Symbol	BBY
SIC Code	5731 - Radio, Television, and Consumer Electronics Stores
Industry	Retail (Technology)
Sector	Services
Fiscal Year	02/03

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM SD**

**SPECIALIZED DISCLOSURE REPORT**



**BEST BUY®**

**BEST BUY CO., INC.**

(Exact name of registrant as specified in its charter)

**Minnesota**

(State or other jurisdiction  
of incorporation)

**1-9595**

(Commission  
File Number)

**41-0907483**

(IRS Employer  
Identification No.)

**7601 Penn Avenue South**

**Richfield, Minnesota**

(Address of principal executive offices)

**55423**

(Zip Code)

Keith Nelsen  
(612) 291-1000

(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:

Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period January 1 to December 31, 2014.

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**Section 1 – Conflict Minerals Disclosure**

**Item 1.01 Conflict Minerals Disclosure and Report**

Best Buy Co., Inc. has issued a Conflict Minerals Report for the period from January 1, 2014 to December 31, 2014. A copy of the Conflict Minerals Report is filed herewith as Exhibit 1.01 and is available at [www.investors.bestbuy.com](http://www.investors.bestbuy.com) under the "SEC Filings" link.

**Item 1.02 Exhibit**

See Item 2.01.

**Section 2 – Exhibits**

**Item 2.01 Exhibits**

The following Exhibit 1.01 is filed as part of this Specialized Disclosure Report on Form SD.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
1.01	Conflict Minerals Report as required by Items 1.01 and 1.02 of this Form.

## SIGNATURES

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.

BEST BUY CO., INC.  
(Registrant)

Date: June 1, 2015

By: /s/ KEITH J. NELSEN  
Keith J. Nelsen  
Executive Vice President, General Counsel and Secretary

**Best Buy Co., Inc.**  
**Conflict Minerals Report**  
**For The Year Ended December 31, 2014**

This Conflict Minerals Report for Best Buy Co., Inc. ("Best Buy", "we", "us" or "our") covers the reporting period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2014, and is presented in accordance with the Securities Exchange Act of 1934, Rule 13p-1 (the "conflict minerals law").

This Conflict Minerals Report is filed as Exhibit 1.01 to our Specialized Disclosure Report on Form SD and is also posted on our website at [www.investors.bestbuy.com](http://www.investors.bestbuy.com).

### **Introduction**

The Democratic Republic of the Congo (DRC) and its adjoining countries have reserves of tin, tantalum, tungsten and gold (collectively known as "3TG"), all of which are commonly used in the manufacturing of many consumer products. Occasionally, these minerals are illegally sourced and traded in the eastern DRC and surrounding areas by armed groups who are responsible for human rights violations. As such, these minerals are known as "conflict minerals."

In 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). Section 1502 of the Act specifically relates to conflict minerals and requires manufacturing companies covered under the Act to annually file a Form SD with the United States Securities and Exchange Commission ("SEC") to disclose whether the 3TG used in their products directly or indirectly benefitted armed groups in the DRC. This Conflict Minerals Report, which is an exhibit to our Specialized Disclosure Report on Form SD, describes the design of our conflict minerals due diligence measures and provides an account of how these measures were implemented in 2014 to determine, to the best of our ability, the country of origin and the facilities used to process the minerals used in our Best Buy Exclusive Brands ("ExB") products.

Historically, we have had very limited engagement with parties beyond the first-tier suppliers in our ExB supply chain. Consequently, identifying, with certainty, the smelters, refiners and recyclers and the source of the materials they process is a significant challenge. One way we seek to address this challenge is by participating in and, in some cases, leading collaborative industry efforts that seek to gather accurate data about the sources of 3TG, encourage smelters to be validated as conflict-free and ensure a supply chain in which human rights abuses do not exist.

### **Part 1: Due Diligence**

To determine to the best of our ability the source and chain of custody of 3TG necessary to the functionality and/or production of ExB products, we conducted due diligence on our supply chain. Our due diligence measures were developed to ascertain if the minerals originated from the DRC or an adjoining country and, if so, whether non-state armed groups directly or indirectly benefitted as a result.

#### ***Design of our Due Diligence Measures***

Our due diligence process is designed to conform, in all material aspects given our position in the supply chain, to the Organization for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Second Edition and the Supplements on Tin, Tantalum, Tungsten and Gold (the "OECD Guidance"), an internationally recognized due diligence framework. In accordance with the 5-step OECD Guidance, the design of our due diligence includes, but is not limited to, the following:

1. Establishing a strong company management system through:
  - The adoption of a Conflict Minerals Policy;
  - The implementation of a conflict minerals governance structure;
  - The development of a system of transparency and controls over the mineral supply chain; and
  - Strengthened engagement with our suppliers.
  
2. Identifying and assessing risks by:
  - Identifying relevant first-tier suppliers to engage in our due diligence efforts;
  - Determining a reasonable engagement approach to gather conflict mineral sourcing information;
  - Requesting information from relevant suppliers on the source and chain of custody of conflict minerals;

- Reviewing and validating smelter information provided by suppliers; and
  - Comparing the smelters identified by our suppliers against lists of certified conflict-free smelters issued by various organizations, including the Conflict-Free Sourcing Initiative (CFSI), the Tungsten Industry - Conflict Minerals Council and the London Bullion Market Association.
3. Responding to identified risks by:
- Reporting to senior management the findings derived from our due diligence efforts;
  - Designing and implementing training for relevant first-tier suppliers to improve their systems of transparency and control; and
  - Devising and adopting a risk-management strategy that seeks to ensure conflict minerals in the ExB supply chain are DRC conflict-free.
4. Auditing supply chain due diligence via:
- Our support for an industry-developed audit program that is administered by independent, third-party auditors.
5. Reporting on due diligence through:
- Our Specialized Disclosure Report on Form SD and Conflict Mineral Report filed with the SEC; and
  - Inclusion of conflict minerals content in our annual Corporate Responsibility and Sustainability Report.

***Due Diligence Measures Performed***

We are working with consumer electronics and retail industry peers in an effort to ensure that the implementation of our due diligence process is aligned with the OECD Guidance and complementary to the industry approach. The primary objective of this alignment is to maximize the efficiency and effectiveness of our efforts to identify relevant smelters and refiners and encourage their participation in the CFSI’s Conflict-Free Smelter Program (“CFSP”). In parallel with industry collaboration, we conducted, in accordance with the OECD Guidance, the due diligence measures described below on the source and chain of custody of necessary 3TG used in our ExB supply chain.

1. Established a strong company management system

We have a Conflict Minerals Policy that established ExB commitments regarding the sourcing of conflict minerals. Such commitments included aligning with the OECD Guidance, supporting industry efforts, and seeking to avoid sourcing 3TG that directly or indirectly benefit non-state armed groups. The policy also established expectations for our ExB suppliers, including their incorporation and application of relevant aspects of the OECD Guidance, supporting our efforts to identify smelters and refiners, and, when viable, sourcing 3TG from smelters and refiners validated as conflict-free. Our policy can be found at <https://corporate.BestBuy.com/about>

In addition, we maintained a conflict minerals governance structure that includes an operations team, an advisory team and an executive committee that includes senior executives from our Legal, External Reporting, Communications, Public Affairs, Corporate Responsibility & Sustainability and Global Sourcing departments.

In order to develop a system of transparency and control over the mineral supply chain, we provided the EICC/GeSI Conflict Mineral Reporting Template (“CMRT”) to relevant active first-tier ExB suppliers who were at risk of using 3TG necessary to the functionality or production of ExB products. The intent of the CMRT is to gather information about their use of 3TG, their mineral sourcing practices and the smelters and refiners in their supply chain. Of the active first-tier ExB suppliers (i.e., those suppliers with whom we have a direct relationship) who were identified as being at risk for using 3TG, one hundred percent completed and returned the CMRT.

To strengthen the engagement with relevant first-tier ExB suppliers, we provided face-to-face training regarding the conflict minerals law and their role in supporting our due diligence efforts. We also provided training on how to complete the CMRT and improve their own due diligence practices.

Conflict Mineral Program Key Performance Indicator	Percentage
Percent of relevant first-tier ExB suppliers who attended face-to-face training	68%
Percent of relevant first-tier ExB suppliers who received training material	100%
Percent of 3TG products that have had their supply chains surveyed	100%
Percent of relevant first-tier ExB suppliers who returned a CMRT	100%

## 2. Identified and assessed risks

The means through which we identified relevant first tier suppliers to engage included a review of 2013 CMRTs, which were sent to all ExB suppliers, a 3TG risk assessment tool and consultation with our ExB engineering team. We continue to use the CMRT, as it is the most commonly used tool in both the retail and consumer electronics industries, thus easing potential confusion and burden for our suppliers.

To review and validate information provided by suppliers, we established a process that includes an assessment of the completeness and reasonableness of the information and steps to validate the alleged smelters/refiners provided by our suppliers. We then reviewed the data to determine if there were any risks that indicated a need to gather more detailed information or that smelters in our supply chain may have been sourcing from a covered country leading us to conduct further due diligence.

## 3. Responded to identified risks

We conducted one round of conflict minerals sourcing data collection during the fourth quarter of 2014 and the first quarter of 2015. After assessing the data, we reported to senior management on the findings derived from our country of origin inquiry and due diligence efforts.

As part of our risk management strategy, we developed improved communication tools to ensure that clear instructions and training material was provided to each tier in the supply chain. In addition, we provided face-to-face training for relevant first-tier suppliers in order to improve their systems of transparency and control and, subsequently, the quality and reliability of the data they provide.

## 4. Audited supply chain due diligence

We do not have a direct relationship with any smelters or refiners in our supply chain and, as a result, we do not conduct audits. Instead, as directed by the OECD Guidance, we participate and contribute to the development and implementation of an effective smelter audit program through our membership in the CFSI, which administers Conflict Free Smelter Program (CFSP) audits. Furthermore, we also supported the CFSP through a monetary donation to the CFSI Initial Audit fund, which covers the audit costs for smelters and refiners who successfully complete their first audit.

The CFSP conducts independent, third-party audits that seek to identify smelters and refiners that have systems in place to assure sourcing of conflict-free materials. We support many CFSI activities through our participation on work groups and task forces. In particular, we served as the Chair of the Smelter Engagement Team, which researches and validates alleged smelters and conducts coordinated outreach to known smelters to encourage them to participate in the CFSP. We also conducted in-person visits at a total of eight smelter facilities during 2014 and 2015, to date, in order to provide an overview of CFSI, assess their sourcing practices and encourage their participation in the CFSI audit program.

## 5. Reported on due diligence

In 2015, our public disclosures regarding conflict mineral sourcing include this Specialized Disclosure Report on Form SD and this Exhibit 1.01 Conflict Minerals Report filed with the SEC. The Conflict Minerals Report is also available on our website at [www.investors.bestbuy.com](http://www.investors.bestbuy.com). In addition, we are including information on our conflict minerals due diligence efforts in our fiscal 2015 Corporate Responsibility and Sustainability Report, which will be released in the summer of 2015.

### ***Description of the efforts to determine mine location***

In 2014, the focus of our due diligence on the source and chain of custody of the necessary conflict minerals in the ExB supply chain was twofold: collecting and assessing the data gathered, consolidated and provided by our direct first-tier suppliers and engaging known smelters to better understand their sourcing practices and encourage their participation in a CFSP audit. While being able to conclusively determine mine locations is not feasible for most downstream companies, through the CFSP audits we expect to gather the necessary information to determine the country of origin and the degree to which the smelter complies with the OECD Guidance.

### ***Results of Due Diligence Performed***

We conducted the due diligence process described above in order to ascertain source and chain of custody information for the necessary 3TG in our ExB supply chain. Based on our due diligence process and the subsequent information we gathered, we are unable to determine the origin of the 3TG used in our products and whether non-state armed groups directly or indirectly benefitted. These results are not unexpected given the systems of transparency and control that have been developed thus far in the supply chains of the consumer electronics, retail, manufacturing, mining and smelting industries. As those systems mature and become more sophisticated, we anticipate increased clarity as to the source and chain of custody of the 3TG used in our ExB supply chain. This clarity will allow us to take additional steps, both directly and indirectly, through leverage created via the consumer electronics and retail industries, in our effort to ensure our ExB supply chain is free of human rights abuses.

The vast majority of the responses received from suppliers provided data at a company level or were unable to specify the smelters or refiners used in their supply chain. We are therefore unable to validate that any of the smelters or refiners provided by our suppliers are actually in our supply chain. As we are unable to verify the source and chain of custody of the necessary 3TG in our ExB supply chain, we have elected not to present in this report the smelter and refiner names provided by our suppliers. That said, we have not identified a supplier, smelter or refiner which we have reason to believe may be sourcing from the DRC or an adjoining country and, directly or indirectly, benefitting non-state armed groups.

### ***Future Steps to Optimize Our Due Diligence Efforts***

Best Buy is committed to being a socially and environmentally responsible corporation and this commitment extends throughout the length of our value chain, from the sourcing of raw material to the proper recycling of products. We recognize that this commitment is a journey and one that we cannot take on our own. This challenge is further complicated given the complexity of our supply chain, which is, in essence, in a constant state of transformation. As a result, we will continue to focus our efforts on collaborating with both the retail and consumer electronic industries to improve the systems of transparency and control in our supply chain. We will also continue our engagement with relevant first-tier suppliers in order to build their capacity so they are able to provide more complete and accurate information on the source of conflict minerals in our ExB supply chain and, furthermore, to impress upon them our expectation that they apply the OECD Guidance in good faith.

Additional steps we will take in 2015 include:

- Attending the CFSI membership meeting in order to gather best practices and increase collaboration with industry peers;
- Providing face-to-face training for relevant first-tier ExB suppliers on conflict mineral reporting and the OECD Guidance;
- Seeking to optimize the CFSI Smelter Engagement Team structure, process and tools in order to improve the program's effectiveness;
- Adding transparency and conflict mineral reporting expectations to our ExB supplier contracts; and
- Serving as a single-point-of-contact to support smelters who have expressed an interest in completing a CFSP audit