
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM SD

SPECIALIZED DISCLOSURE REPORT

PAR TECHNOLOGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-09720
(Commission File Number)

16-1434688
(IRS Employer Identification No.)

PAR Technology Park, 8383 Seneca Turnpike
New Hartford, New York
(Address of Principal Executive Offices)

13413-4991
(Zip Code)

Cathy A. King
Vice President and General Counsel
(315) 738-0600

(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 from January 1 to December 31, 2021.
- Rule 13q-1 under the Securities Exchange Act (17 CFR 240.13q-1) for the fiscal year ended December 31, 2021.
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Section 1 - Conflict Minerals Disclosure

Item 1.01 Conflict Minerals Disclosure and Report

PAR Technology Corporation (the “Company”) has filed a Conflict Minerals Report which appears as Exhibit 1.01 hereto and is publicly available at: <https://www.partech.com/investor-relations/>. The content of any website referred to in this Form SD is included for general information only and is not incorporated by reference in this Form SD.

Item 1.02 Exhibit

A copy of the Company’s Conflict Minerals Report is provided as Exhibit 1.01 hereto.

Section 2 - Exhibits

Item 2.01 Exhibits

[Exhibit 1.01](#) – Conflict Minerals Report as required by Items 1.01 and 1.02 of this Form SD.

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 duly authorized undersigned.

PAR TECHNOLOGY CORPORATION

(Registrant)

Date: May 31, 2022

/s/ Bryan A. Menar

Bryan A. Menar

Chief Financial and Accounting Officer

(Principal Financial Officer)

PAR Technology Corporation

Conflict Minerals Report

For the Reporting Period January 1, 2021 through December 31, 2021

This Report has been prepared pursuant to Rule 13p-1 and Form SD under the Securities Exchange Act of 1934, as amended (the “Rules”), for the reporting period of January 1, 2021 through December 31, 2021 (the “Reporting Period”). The Rules impose certain reporting obligations on Securities and Exchange Commission (“SEC”) registrants whose manufactured products contain conflict minerals which are necessary to the functionality or production of their products. The minerals covered by the Rules are columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, which are limited to tantalum, tin and tungsten (collectively, “Conflict Minerals”), the trade in which sometimes benefits armed groups operating in the Democratic Republic of the Congo or an adjoining country (consisting of Angola, the Republic of the Congo, Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, and Zambia) (collectively, the “Covered Countries”).

Company Overview

PAR Technology Corporation, together with its subsidiaries (“we,” “us,” “our”), through its wholly-owned subsidiaries - ParTech, Inc. and PAR Government Systems Corporation - operates in two distinct reporting segments, Restaurant/Retail and Government. Our Restaurant/Retail segment provides enterprise restaurants, franchisees, and other restaurant outlets in the three major restaurant categories, quick service, fast casual, and table service, with operational efficiencies, offering them a fully integrated cloud solution by combining Brink POS cloud software for front-of-house, our Data Central back-office cloud solution, PAR Pay and PAR Payment Services for payment solutions, and our Punchh loyalty and engagement solution on a unified commerce cloud platform; as well as providing a comprehensive portfolio of services to support our customers’ technology and hardware requirements, including training, installation, technical support and repair services. The Government segment provides technical expertise and development of advanced systems and software solutions for the U.S. Department of Defense (“DoD”) and other federal agencies, as well as satellite command and control, communication, and IT systems at several DoD facilities worldwide.

Products

We have determined that certain Conflict Minerals were necessary to the functionality of certain of our hardware products that were manufactured during the Reporting Period (the “Covered Products”). In addition to assembling our Covered Products, we also contract with third parties to manufacture our Covered Products, which are: POS terminals, printed circuit board assemblies, video controllers, docking stations, drive thru systems, and associated components.

Conflict Minerals Supply Chain

There are multiple tiers between us, our suppliers (including contract manufacturers), and the source(s) of any Conflict Minerals contained in our Covered Products. Because we do not purchase Conflict Minerals directly from mines, smelters or refiners, we rely on our suppliers to report on their direct suppliers and provide information regarding the origin of any Conflict Minerals that may be contained in our Covered Products.

Reasonable Country of Origin Inquiry (“RCOI”)

Our Covered Products are complex and contain many materials, parts, and components procured from over 130 global suppliers. We do not directly source raw ore or unrefined Conflict Minerals, but we recognize that they may exist in the materials and components that we purchase and that are necessary to the functionality or production of the products we manufacture (either directly or by third-party contract manufacturers).

We conducted a good faith RCOI for the Conflict Minerals included in our Covered Products and designed our RCOI to determine whether any of the Conflict Minerals contained in the Covered Products originated in the Covered Countries and/or whether any of such Conflict Minerals came from recycled or scrap sources. We conducted this RCOI by retaining Assent Inc. (“Assent”), a third-party service provider, to assist us in reviewing our supply chain and identifying risks. A cross-functional team consisting of members of our engineering, purchasing, and legal departments reviewed our product offerings to determine which of our suppliers provide us with products that may contain Conflict Minerals. We then provided this list of covered suppliers to Assent for upload into their Assent Compliance Manager platform.

Assent, through the Assent Compliance Manager contacted all of our covered suppliers and requested that they upload a completed Conflict Minerals Reporting Template (“CMRT”) directly to the platform for validation, assessment and management. Training and education to guide suppliers on best practices and the use of the CMRT template were included in the communication. Assent monitored and tracked all communications in the Assent Compliance Manager for future reporting and management purposes.

The Assent Compliance Manager platform accepts all submitted declaration forms, so that data is retained, but the platform classifies them as valid or invalid based on a set criteria of validation errors. For example, if a submission contained inconsistent or contradictory responses, it was classified as invalid. Assent contacted all suppliers that submitted invalid forms and encouraged them to correct validated errors and resubmit a valid form. Assent provided the suppliers with guidance on how to correct these validation errors in the form of feedback to their CMRT submission, training courses, and direct engagement help through Assent’s multilingual Supplier Experience team. Despite these efforts, two suppliers remained unresponsive to feedback and failed to submit a valid CMRT.

Based on the results that Assent received, we have reason to believe that certain of the Conflict Minerals used by certain of the suppliers may have originated from a Covered Country.

Due Diligence Process

Using the RCOI process outlined above, Assent received a CMRT from 73 of the 136 suppliers that were contacted through the Assent Compliance Manager. Assent made multiple attempts to encourage non-responding suppliers to submit a CMRT, including 3 separate e-mail campaigns, up to 3 overdue/escalation campaigns, and follow up phone calls. Of those suppliers responding, 39.73% indicated that their products did not contain Conflict Minerals, 27.40% indicated that the Conflict Minerals contained in their products were not sourced from Covered Countries, and 20.55% indicated that the Conflict Minerals contained in their products had been sourced from a Covered Country, but from a smelter or refiner listed as “conformant” by the Responsible Minerals Initiative (each, a “Conforming Smelter”), which is an initiative founded by the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative that provides a standardized method for companies to collect information from their suppliers regarding the presence, use, source and chain of custody of Conflict Minerals (all Conforming Smelters are identified at <http://www.responsiblemineralsinitiative.org/conformant-smelter-refiner-lists/>). 12.33% of the responding suppliers indicated that they had not yet fully verified that all of the Conflict Minerals were not sourced from Covered Countries or came from 100% recycled or scrap sources. As of the date of this filing, the Company has not received any declaration from a supplier where it was disclosed that the products supplied to the Company are “not DRC Conflict Free.”

Since we do not have a direct relationship with any smelters or refiners, we did not include an independent private sector audit of our Conflict Minerals Report within our diligence measures, and we do not perform or direct audits of entities within our supply chain.

We encountered the following challenges in obtaining and analyzing the responses we received on the CMRT:

- We are dependent on information received from our suppliers and their suppliers to conduct our due diligence;
- Despite the efforts outlined above, the information that our suppliers provided to us was not always complete;
- Our suppliers have a varied supplier base with differing levels of resources and sophistication, and many of their suppliers are not themselves subject to the Rules;
- Most of our suppliers provided responses on a company wide basis rather than on the basis of the products supplied to us and, as a result, we are unable to determine which, if any, of the smelters and countries of origin listed in their responses were the actual source of the Conflict Minerals contained in our Covered Products; and
- As a downstream purchaser of products which contain conflict minerals, our due diligence measures can provide only reasonable, not absolute, assurance regarding the source and chain of custody of the necessary conflict minerals. Our due diligence processes are based on the necessity of seeking data from our surveyed suppliers, and those surveyed suppliers seeking similar information within their supply chains to identify the original sources of the necessary conflict minerals.

Future Due Diligence and Risk Mitigation

In 2020, we adopted a Conflict Mineral policy that requires our suppliers to implement a policy and take all measures necessary to comply with Section 1502 of The Dodd–Frank Wall Street Reform and Consumer Protection Act. Our due diligence efforts included and will continue to include: (i) application of our Conflict Mineral policy to our suppliers; (ii) identifying Covered Products, (iii) utilization of the Assent Compliance Manager to (a) communicate with our suppliers to maintain accurate records of requests for information and the corresponding responses and (b) to review the responses of our suppliers and follow up on incomplete or insufficient information. As part of our ongoing commitment to meet our obligations under the reporting requirements of the Rules, we will continue to use Assent and the Assent Compliance Manager to: (i) work with suppliers who provided incomplete or insufficient information in an effort to obtain more complete and accurate information; (ii) work with all of our suppliers to have them provide product-specific information and responses that identify materials down to the smelter and countries of origin of the Conflict Minerals; (iii) continue to engage in education and training of employees who are involved in the selection of suppliers; and (iv) enhance our new due diligence process for new suppliers. In general, we plan to enhance our due diligence process within the supply chain with the goal of mitigating the risk that the Conflict Minerals used in our Covered Products are from Covered Countries or could benefit armed groups in Covered Countries. We intend to meaningfully engage with our suppliers to acquire accurate and complete information about our supply chain. Our goal is to implement policies that ensure responsible sourcing of material and require our existing and future suppliers to avoid sourcing Conflict Minerals from the Covered Countries.

Forward-Looking Statements

This Conflict Minerals Report (the “Report”) contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”), Section 27A of the Securities Act of 1933, as amended (“Securities Act”), and the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical fact contained in this Report are forward-looking statements, including without limitation, our ability to improve our due diligence processes and engage more productively with our current contract manufacturers as well as any future contract manufacturers. Forward-looking statements are generally identified by words such as “anticipate,” “believe,” “belief,” “continue,” “could,” “expect,” “estimate,” “intend,” “may,” “opportunity,” “plan,” “should,” “will,” “would,” “will likely result,” and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those expressed in, or implied by, the forward-looking statements. Factors that could cause or contribute to such differences may include, but are not limited to, those discussed in our Annual Report on Form 10-K for the year ended December 31, 2021 as filed on March 1, 2022 and subsequent reports filed with the SEC, as well as other documents that may be filed by us from time to time with the SEC. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.
