

Submission Data File

General Information	
Form Type*	SD
Contact Name	Yaron Kleiner
Contact Phone	
Filer File Number	
Filer CIK*	0001003935
Filer CCC*	hd7dr#ex
Confirming Copy	No
Notify via Website only	No
Return Copy	No
Rule 13p1	Yes
Rule 13p1 Item 1.01	Yes
Rule 13p1 Item 1.01 Period*	12-31-2014
Rule 13p1 Item 1.02	Yes
Rule 13p1 Item 1.02 Period*	12-31-2014
Rule 13q1	No
Rule 13q1 Item 2.01	No
Rule 13q1 Item 2.01 Period	
Resource Extraction Issuer	
(End General Information)	

Document Information	
File Count*	2
Document Name 1*	zk1516870.htm
Document Type 1*	SD
Document Description 1	
Document Name 2*	exhibit_1-01.htm
Document Type 2*	EX-1.01
Document Description 2	Exhibit 1.01
(End Document Information)	

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM SD

Specialized Disclosure Report

Nice-Systems Ltd.

(Exact name of the registrant as specified in its charter)

Israel
(State or other Jurisdiction of
Incorporation or Organization)

0-27466
(Commission
File Number)

(IRS Employer Identification No.)

22 Zarchin Street, P.O. Box 690, Ra'anana 43107, Israel
(Address of Principal Executive Offices)

N/A
(Zip Code)

Yechiam Cohen, +972-9-7753911
(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, 2014.

Section 1- Conflict Minerals Disclosure

Item 1.01 Conflict Minerals Disclosure and Report

Conflict Minerals Disclosure

This Form SD of NICE-System Ltd. (“NICE”) is filed pursuant to Rule 13p-1 promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”), for the reporting period January 1, 2014 to December 31, 2014.

A copy of NICE’s Conflict Minerals Report, which includes a brief description of the reasonable country of origin inquiry conducted by NICE as required by the Rule, is provided as Exhibit 1.01 to this Form SD, and is publicly available at <http://www.nice.com/investor-relations/annual-report/sec>. Additionally, NICE maintains a policy with respect to the sourcing of conflict minerals, which is available at http://www.nice.com/sites/default/files/conflict_mineral_policy.pdf. The website and information accessible through it are not incorporated into this document.

Item 1.02 Exhibit

As specified in Section 2, Item 2.01 of this Form SD, the Company is hereby filing its Conflict Minerals Report as Exhibit 1.01 to this Report.

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.

Signature

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.

Nice-Systems Ltd.

By: /s/ Yechiam Cohen
Name: Yechiam Cohen
Title: General Counsel

Date: May 31, 2015

Conflict Minerals Report of NICE-SYSTEMS LTD.**Section 1: Introduction**

This Conflict Minerals Report has been prepared by NICE-Systems Ltd. (herein referred to as “NICE”, the “Company”, “we”, “us”, or “our”) pursuant to Rule 13p-1 (“the Rule”) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), for calendar year 2014.

Rule 13p-1, enacted pursuant to The Dodd-Frank Wall Street Reform and Consumer Protection Act, requires that an issuer that is required to file periodic reports with the Securities and Exchange Commission (the “SEC”) under Sections 13(a) or 15(d) of the Exchange Act (including foreign private issuers) disclose certain information if that issuer manufactures or contracts to manufacture one or more products for which the minerals specified in the Rule are necessary to the functionality or production of those products. The specified minerals are gold, columbite-tantalite (coltan), cassiterite and wolframite, including their derivatives, which are limited to tantalum, tin and tungsten (collectively “Conflict Minerals”). The “Covered Countries” for the purposes of the Rule are the Democratic Republic of the Congo (“DRC”), and nine adjoining countries.

Company and Products Overview

NICE Systems is the worldwide leading provider of software solutions. Some of our software solutions include audio and video recording systems. These systems rely on hardware products including servers, assembly boards and other electronics equipment, for which conflict minerals are necessary for the functionality or production of the products. NICE contracts to manufacture hardware products on which these systems rely.

The products that we contract to manufacture are highly complex, and typically contain thousands of parts from many manufacturers. We have relationships with a vast network of manufacturers throughout the world and there are generally multiple tiers between the mines where Conflict Minerals are extracted and our contract manufacturers. In accordance with the Rule we undertook a country of origin inquiry to determine the source of the Conflict Minerals, which are necessary for the functionality or production of the products we manufacture or contract to manufacture.

Section 2: Reasonable Country of Origin Inquiry (“RCOI”) and RCOI Conclusion

We performed a good faith RCOI for the Conflict Minerals that we determined were necessary to the functionality or production of our products in order to determine whether the Conflict Minerals in such products originated from the Covered Countries. The RCOI was conducted simultaneously with conducting due diligence on the source and chain of custody of the Conflict Minerals. We conducted due diligence simultaneously with our RCOI because of the large number of applicable contract manufacturers and related suppliers from which we obtain materials that we surveyed, and the time frame necessary for completion of both the RCOI and due diligence process.

Our RCOI procedures consisted of surveying our contract manufacturers and the manufacturers and suppliers whom we concluded were providing us with components that do, or may, contain Conflict Minerals that are necessary to the functionality or production of our products. Such procedures included the following steps:

(1) Updating the applicable list for 2014 of contract manufacturers and suppliers to survey based on the likelihood of Conflict Minerals contained in the supplied materials.

(2) Sending a notification to relevant contract manufacturers and suppliers informing them about the Conflict Minerals disclosure requirements and asking them to complete the Conflict Minerals survey based on the standard template designed by the Electronic Industry Citizenship Coalition® (EICC®) and The Global e-Sustainability Initiative (GeSI), known as the Conflict Minerals Reporting Template (versions 3.0-3.02).

(3) Use of a set of checks ("red flags") to identify inconsistent, incomplete or inaccurate responses. Responses that were identified as incomplete or inconsistent based on red flags were subject to further review and follow up with the parties that provided the incomplete or inaccurate responses.

(4) Sending periodic reminders to non-responsive manufacturers and suppliers.

NICE has concluded, in good faith, that during the 2014 calendar year, NICE has manufactured, and contracted to manufacture, products containing Conflict Minerals and has determined that the use of these minerals is necessary for the functionality or production of certain of its products. Based on the RCOI conducted, NICE had reason to believe that a portion of its Conflict Minerals may have originated in a Covered Country and knew, or had reason to believe, that those necessary Conflict Minerals may not be from recycled or scrap sources.

Section 3: Design of Due Diligence Framework

Our due diligence measures have been designed to conform, in all material respects, with the due diligence framework of the Organization for Economic Co-operation and Development (OECD) in the publication OECD (2013) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Second Edition, OECD Publishing (OECD Guidance) and the related Supplements for gold and for tin, tantalum and tungsten.

Section 4: Due Diligence Measures Performed

NICE due diligence efforts for calendar year 2014 included the following steps:

1. Company management systems

- NICE established a cross-functional Conflict Minerals steering committee that includes representatives from the following areas: supply chain, purchasing, product management, marketing, legal, finance, internal communication, investor relations, compliance and senior management.
 - NICE has a Conflict Minerals policy that has been published on its publically available website: http://www.nice.com/sites/default/files/conflict_mineral_policy.pdf.
-

- NICE set up and published a dedicated email address to provide a grievance mechanism for any person who had concerns about the sourcing of our conflict minerals.
- NICE sent a letter to those of its contract manufacturers and suppliers identified during the applicability assessment phase, informing them that NICE is subject to the Rule and, as a supplier or contract manufacturer of NICE, their cooperation in the due diligence process is expected.
- NICE made training materials available to its contract manufacturers and suppliers that included an overview of the Rule and provided instructions on how to respond to the survey.

2. Identifying and assessing risks in the supply chain

In 2014, NICE conducted a supply chain survey with the 476 manufacturers identified during the applicability assessment phase. The survey was based on the Electronics Industry Citizenship Coalition/Global e-Sustainability Initiative (EICC/GeSI). Each and every survey completed and received, was reviewed and logged by us.

Responses received were subject to a "red flag" review. Responses that were identified as incomplete or inconsistent based on the red flag review process were noted for follow up. Smelters or refiners that were identified in the responses were compared against the list of facilities which have received a DRC conflict free designation from the Conflict Free Smelter Program (CFSP).

We identified two primary risks in our supply chain relating to our contract manufacturers and suppliers: (1) the risk of not receiving accurate information on a timely basis with respect to their sourcing of Conflict Minerals, and (2) the risk of NICE not being able to replace contract manufacturers or suppliers, should we determine that there is a reasonable risk of the manufacturers' use of Conflict Minerals from sources that contribute to human rights abuses. The result of these assessments was the segmentation of the manufacturers into three levels of risks (high, medium and low), based on the manufacturers' characteristics using criteria such as whether the manufacturer is an SEC filer, the manufacturer's geographical location and other factors, as well as the level of our dependency on the manufacturer's goods. This assessment allowed us to invest our communication and response validation efforts according to the manufacturers' level of risk. The higher the risk, the greater our investment.

3. Designing and implementing a strategy to respond to identified risks

- Senior management is briefed about our due diligence efforts on a regular basis.
 - We found no instance where it was necessary to implement risk mitigation efforts, temporarily suspend trade or disengage with manufacturers. We engage in regular ongoing risk assessment through our manufacturers' annual data submissions.
 - Manufacturers who provided incomplete or inconsistent responses were sent follow-up corrective action notifications asking for clarification.
 - We also reviewed manufacturers' responses to track smelters and refiners in our supply chain who supply us with Conflict Minerals and who have not received a conflict-free designation based on the Conflict Free Smelters Initiative (CFSI) and Conflict Free Smelters Programs (CSFP) or other independent third party validation program.
-

4. Carrying out independent third-party audit of smelter/refiner due diligence practices

We do not typically have a direct relationship with Conflict Mineral smelters and refiners and do not perform or direct audits of these entities within our supply chain. As a result, our due diligence efforts relied on cross-industry initiatives such as Conflict Free Sourcing Initiative (CFSI) which is led by the Electronics Industry Citizenship Coalition (EICC) and the Global eSustainability Initiative (GeSI).

5. Reporting annually on supply chain due diligence

In addition to this report, please see our website at <http://www.nice.com/investor-relations/annual-report/sec> for further information about our supply chain due diligence efforts.

Section 5: Determination

As indicated above, the products that we manufactured, or contracted to manufacture, are highly complex, and typically contain thousands of parts from many manufacturers. We have relationships with a vast network of contract manufacturers and suppliers throughout the world and there are generally multiple tiers between the mines that extract Conflict Minerals and those manufacturers and suppliers. Therefore, we must rely on our contract manufacturers and suppliers to provide information on the origin of the Conflict Minerals contained in components and materials supplied to us – including sources of Conflict Minerals that are supplied to our contract manufacturers and suppliers from lower tiers in the chain.

Despite receiving responses from manufacturers listing smelter or refiner names in their supply chain, the manufacturers were unable to accurately report which specific smelters were part of the supply chain applicable to the components that were sold to us in 2014.

Based on the information obtained through the due diligence process described above, we do not have sufficient information to determine the country of origin of the Conflict Minerals in some of our Products.

NICE's efforts to determine the origin of the Conflict Minerals with the greatest possible accuracy consisted of the due diligence measures described in this Conflict Minerals Report.
