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

**FORM SD  
Specialized Disclosure Report**

**Energy Recovery, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**001-34112**  
Commission File Number

**01-0616867**  
(IRS Employer Identification No.)

**1717 Doolittle Drive, San Leandro, CA**  
(Address of Principal Executive Offices)

**94577**  
(Zip Code)

**Nocair Bensalah - (510) 483-7370**  
(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 Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2014

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## **Section 1 – Conflict Minerals Disclosure**

### **Item 1.01 Conflict Minerals Disclosure**

#### ***Reasonable Country of Origin Inquiry***

For the year ended December 31, 2014, Energy Recovery, Inc. (“we”, “our”), in good faith, has conducted a reasonable country of origin inquiry (“RCOI”) of our suppliers using the Conflict-Free Sourcing Initiative’s Conflict Minerals Reporting Template (“CMRT”). The scope of the survey was to determine whether any of the conflict minerals as defined in Section 1502(c)(4) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”) originated in the Democratic Republic of the Congo (“DRC”) or an adjoining country (the “Covered Countries”) as defined by the Act. The conflict minerals include columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, which are limited to tantalum, tin, and tungsten (“3TG metals”).

Based on the analysis of our products and suppliers, we concluded that some of our products contain one or more of the 3TG metals, and that these metals are necessary to the product’s functionality or production. Consequently, the products we manufacture are subject to the reporting obligations of Rule 13p-1 of the Securities Exchange Act of 1934

With the assistance of a third party service provider, Source Intelligence, we surveyed our suppliers using the CMRT, adopted a framework for evaluating responses from suppliers, and identified potential red flags in the supplier responses. In 2014, we adopted a company-level policy on conflict minerals that has been published on our website at [www.energyrecovery.com](http://www.energyrecovery.com).

Based on our approach as noted above, we believe that we have conducted a RCOI in good faith for the calendar year ended December 31, 2014. We have documented the performance of the RCOI, our analysis of the supplier responses, and the scoping of our products and suppliers for our internal record-keeping purposes.

#### ***Results of our RCOI***

As of the date of this filing, based on our supplier responses to our survey and our analysis of such responses as they apply to the calendar year ended December 31, 2014, there is an indication of DRC sourcing by some of our suppliers but we cannot ascertain if that DRC source was used in our products. Accordingly, we have continued to proceed with additional due diligence procedures for the purpose of determining the status of our products as it pertains to the source and chain of custody of any such conflict minerals. See Conflict Minerals Report, Exhibit 1.01.

#### ***Exercise Due Diligence on the Source and Chain of Custody of Our Conflict Minerals***

We are required to exercise due diligence on the source and chain of custody of conflict minerals and to follow a nationally or internationally recognized due diligence framework. Our due diligence measures have been designed to conform, in all material respects, with the framework in the Organization of Economic Cooperation and Development Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas. We have adopted and communicated our conflict mineral policy to our suppliers and customers, as well as implemented RCOI to our new and existing suppliers. In addition, there are programs in place to encourage our suppliers to source from certified conflict-free smelters.

This Form SD and the Conflict Minerals Report, filed as Exhibit 1.01 to this report, are publicly available on our website at [www.energyrecovery.com](http://www.energyrecovery.com), under *Investor Relations, SEC Filing*.

### **Item 1.02 Exhibit**

The Conflict Minerals Report required by Item 1.01 is filed as Exhibit 1.01 to this Form SD.

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**Section 2 – Exhibits**

**Item 2.01 Exhibits**

<u>Exhibit No.</u>	<u>Description</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 thereunto duly authorized.

Registrant: Energy Recovery, Inc.

/s/ NOCAIR BENSALAH  
**Nocair Bensalah**

Vice President of Operations

May 20, 2015

**Energy Recovery Inc.**  
**Conflict Minerals Report**  
**For The Calendar Year Ended December 31, 2014**

**Company Overview:**

Energy Recovery, Inc. (“Energy Recovery”, the “Company,” “we,” or “our”) is a global leader in transforming untapped energy into reusable energy in fluid flow applications. We enable the harnessing of energy from industrial fluid flows using our proprietary energy recovery technologies, thus allowing our customers to reduce operating costs and increase profitability while minimizing their environmental impact and carbon footprint. We manufacture products for fluid flow markets that are characterized by applications in many different sectors, such as water desalination, oil and gas production, and other potential fluid flow applications.

**Our Conflict Minerals Policy**

We are committed to complying with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and plan to procure our products from conflict-free sources. We have considered the rule’s requirements along with related guidance from the Organization for Economic Cooperation and Development (the “OECD”), and we expect our suppliers to comply with the Code of Conduct of the Electronic Industry Citizen Coalition (“EICC”) and conduct their businesses in alignment with our expectations of supply chain responsibility.

In support of this policy, we:

- Exercise due diligence with suppliers of products containing or expected to contain conflict minerals consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and encourage our suppliers to do likewise with their suppliers.
- Provide, and expect our suppliers to cooperate in providing, due diligence information to confirm that the tantalum, tin, tungsten and gold in our supply chain are procured from conflict-free sources.
- Collaborate with our suppliers and others on industry-wide solutions to enable products that are Democratic Republic of the Congo (“DRC”) conflict-free.

The full text of our Conflict Minerals Sourcing Policy is available on our Company website at [www.energyrecovery.com](http://www.energyrecovery.com), under *Investor Relations, Corporate Governance*.

**Efforts to determine the mine or location of origin of the conflict minerals in our products**

Tracing materials back to their mine and source country of origin is a complex endeavor, but an important aspect of responsible sourcing. To help establish our supply chain sourcing programs, we have followed currently established industry guidelines, such as those specified by the Conflict-Free Sourcing Initiative (“CFSI”) program that will enable companies to source minerals from conflict-free sources.

After a review and analysis of all of our products and suppliers, we identified and surveyed, with the assistance of a third party service provider, Source Intelligence, eighteen of our suppliers whose products potentially contained a 3TG metal (columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, which are limited to tantalum, tin, and tungsten).

After multiple efforts and follow up with these suppliers, we received responses from fifteen or 83% of the eighteen suppliers. Of the 15 suppliers who responded, 67% or 10 indicated that one or more of the 3TG metals were necessary to the functionality or production of the products they supplied to Energy Recovery. Based on these supplier responses, 284 smelters were identified and verified. Of the 284 verified smelters, 35 indicate DRC sourcing at a company level, but did not specifically identify the source of the 3TG metals used in Energy Recovery products.

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## Facilities used to process the conflict minerals in our products

We procure components from the following major types of suppliers:

- Manufacturer or Direct Supplier;
- Contract manufacturer producing items to match specifications and standards set by us; or
- Distributor or reseller of manufactured components for other manufacturers.

As of the date of this filing, we were not able to determine if the 35 out of 284 smelters identified in our supply chain, as having DRC sourcing, are using the 3TG metals sourced from DRC in our products.

## Exercise due diligence on the source and chain of custody of our conflict minerals following recognized framework:

### Due Diligence Framework

We have exercised due diligence on the source and chain of custody of our conflict minerals to identify minerals originating from the DRC or an adjoining country (the "Covered Countries") that are not from scrap or recycled. The due diligence processes and efforts have been developed based on the framework proposed by the 2<sup>nd</sup> Edition of The Organization for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Guidance") and the related supplements for gold, tin, tantalum, and tungsten.

Our conflict minerals due diligence process includes:

- 1.0 Establish strong company management systems
- 2.0 Identify and assess risks in the supply chain
- 3.0 Design and implement a strategy to respond to identified risks
- 4.0 Carry out independent third-party audit of smelter/refiner's due diligence practices
- 5.0 Report annually on supply chain due diligence

### Inherent Limitations on Due Diligence Measures

As a downstream purchaser of 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 direct suppliers and those suppliers seeking similar information within their supply chains to identify the original sources of the necessary conflict minerals. Such sources of information may yield inaccurate or incomplete information and may be subject to fraud.

We also anticipate the need to rely, to a large extent, on information collected and provided by independent third party audit programs. Such sources of information may yield inaccurate or incomplete information and may be subject to fraud.

### Brief description of due diligence measures taken

#### 1.0 Strong Company Management Systems:

We established a management system for complying with the applicable rules. Our management system included the development of a Conflict Minerals Committee and an Executive Management Oversight Committee. The Conflict Minerals Committee is composed of our Director of Supply Management and Director of SEC Reporting. Our Executive Management Oversight Committee is composed of our Corporate Controller and Vice President of Operations. Our Conflict Minerals Committee, supported by a team of subject matter experts from relevant functions such as purchasing, engineering, finance, and legal, is responsible for implementing our conflict mineral compliance policy and strategy. The Executive Management Oversight Committee is briefed about the results of our due diligence efforts periodically. We provide training to all compliance team members and have developed training materials for our suppliers to enable them to comply with the conflict minerals compliance and reporting process and also with our policies.

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## **2.0 Identification and Assessment of Risks in the Supply Chain:**

We made reasonable efforts to identify suppliers that provide products that may potentially contain conflict minerals by conducting a supply chain survey through the Conflict-Free Sourcing Initiative's Conflict Minerals Reporting Template ("CMRT"). By way of the template, we requested suppliers to identify smelters and refiners and country of origin of the conflict minerals in products that they supply to us. We followed up with suppliers that did not respond to CMRT by requesting their responses again and again. We then compared any smelters or refiners identified by the supply chain survey against the list of facilities that have received a "conflict free" designation from the CFSI Program. We also reviewed the responses to identify red flags for further follow-up and to identify any key risks to our supply chain.

## **3.0 Strategic Response to Identified Risks:**

We have implemented a risk mitigation response plan to monitor and track suppliers, smelters, and refiners identified as not meeting the requirements set forth in our Conflict Minerals Sourcing Policy or contractual requirements to determine their progress in meeting those requirements. We continuously make every reasonable effort to encourage suppliers who are sourcing from non-Conflict-Free Smelters to move towards using Conflict-Free smelters. If a supplier fails to remedy the risks identified by our compliance risk assessment, the Conflict Minerals Committee escalate the risk to the Executive Management Oversight Committee to determine whether to approve or reject the supplier based on the following factors: a cost and benefit analysis; potential risk factors; any existing competitive bids; and whether the supplier is the Company's single source of supply. If the Executive Management Oversight Committee decides to continue the business relationship due to inherent limitations of the supply chain, we use reasonable efforts to follow up with the supplier for its corrective plan and encourage the supplier to work with CFSI-certified smelters. We also provide periodic compliance updates or reports to the Executive Management Oversight Committee with oversight of the Conflict Minerals Committee summarizing our risk mitigation efforts.

## **4.0 Independent Third Party Audit of Smelter/Refiner's Due Diligence Practices:**

We do not have a direct relationship with 3TG smelters and refiners, and therefore we are not able to perform direct audits of those entities that provide the 3TG metals to our supply chain. We do, however, rely upon industry efforts, including the CFSI, to influence smelters and refiners to become audited and certified through CFSI's program. We rely upon the summary audit reports for the compliance status of smelters generated by the CFSI program to validate the responses received from our suppliers to our RCOI process and to address red flags identified in Step 2 above. We believe our efforts adequately address this requirement in the OECD Guidance.

## **5.0 Annual Report on Supply Chain Due Diligence:**

In addition to this report, our Conflict Minerals Policy is posted on our Company website at [www.energyrecovery.com](http://www.energyrecovery.com), under *Investor Relations, Corporate Governance*.

### **Results of due diligence measures taken**

Due to the level of complexity of our products and the respective supply chain, it will take additional time and resources for a number of our suppliers to verify, specifically for our products, the source mines and country of origin of all of the minerals used by their smelters. We are committed to continuing the use of our supply chain due diligence processes, leveraging the industry standard CFSI program, and the ongoing update of our supplier RCOI information as we continue to develop additional transparency into our supply chain. As of the date of this filing, however, based on the performance of our due diligence procedures noted above for the calendar year ended December 31, 2014, we are not able to accurately trace and identify the source mine, country of origin, and chain of custody of the 3TG metals, which are necessary to the functionality or production of our products, or determine whether such 3TG metals are sourced from conflict-free sources for all of our products.

### **Conflict Minerals Report**

The Conflict Minerals Report for the calendar year ended December 31, 2014, filed herewith as Exhibit 1.01, is available on our Company website at [www.energyrecovery.com](http://www.energyrecovery.com), under *Investor Relations, Corporate Governance*.