



EICC[®] and GeSI Conflict Minerals Program

[For ANSI Chemicals Network]

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21 March 2013



Agenda

- Extractives Workgroup Participants
- Background
- Approach:
 - In-Region
 - Conflict Free Smelter Program (CFS)
 - Company Assurance
- Summary



EICC® Members (As of Feb. 7, 2013)





GeSI Members (as of Jan 2013)

Members



Partners





Extractives WG Partners

(As of March 8, 2013)

Partner Industry Associations



The **Catalyst** for Peak Performance



Non-Member Partner Companies



GeSI 5
GLOBAL e-SUSTAINABILITY
INITIATIVE



U.S. Legislation: Dodd-Frank Act

- July 2010 - President Obama signs the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).



- Section 1502 requires companies to file disclosures and reports with the U.S. Securities and Exchange Commission related to the use of tin, tantalum, tungsten and gold in their products.
- SEC published the Conflict Minerals Final Rule on August 22nd, 2012.
- The first compliance year is 2013 with first reports due to the SEC by May 31, 2014
- Lawsuit may or may not change the Rule, and companies should proceed with reporting obligations in front of them
- Many are awaiting more guidance from SEC



EICC and GeSI Commitment

- The EICC and GeSI are committed to improving conditions in the electronics supply chain and mining activities that fuel conflict are unacceptable.
- Engaged in the issue since 2007, EICC and GeSI are leading action to enable companies to source conflict-free:
 - Implementing Conflict Free Smelter and Due Diligence Programs
 - Supporting in-region sourcing schemes to enable legitimate trade from DRC and adjoining countries
 - Supporting OECD due diligence guidance and implementation
 - Engaging with stakeholders for collaboration and efficiency



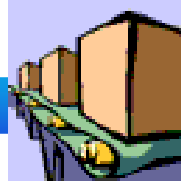
EICC and GeSI Conflict-Free Sourcing Approach



MINE



SMELTER/REFINERY



OEMS

Finished Product

In-Region Schemes

Conflict Free Smelter Program (CFS)

Company Assurance



In-Region Programs

- The [Public-Private Alliance](#), sponsored by the U.S. State Department and USAID with private support from industry, is creating a process to trace and certified mineral supply chains in the Great Lakes Region
- [iTSCi](#) program is the first in-region mineral tracing initiative supporting locations in DRC and Rwanda
- [Solutions for Hope](#) program sources conflict-free tantalum from Katanga province of DRC
- [Partnership for Social and Economic Sustainability](#) program sources conflict-free tantalum from Katanga province of DRC
- [Conflict Free Tin Initiative](#) program sources conflict-free tin from the South Kivu province of DRC



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Conflict-Free Smelter (CFS) Program

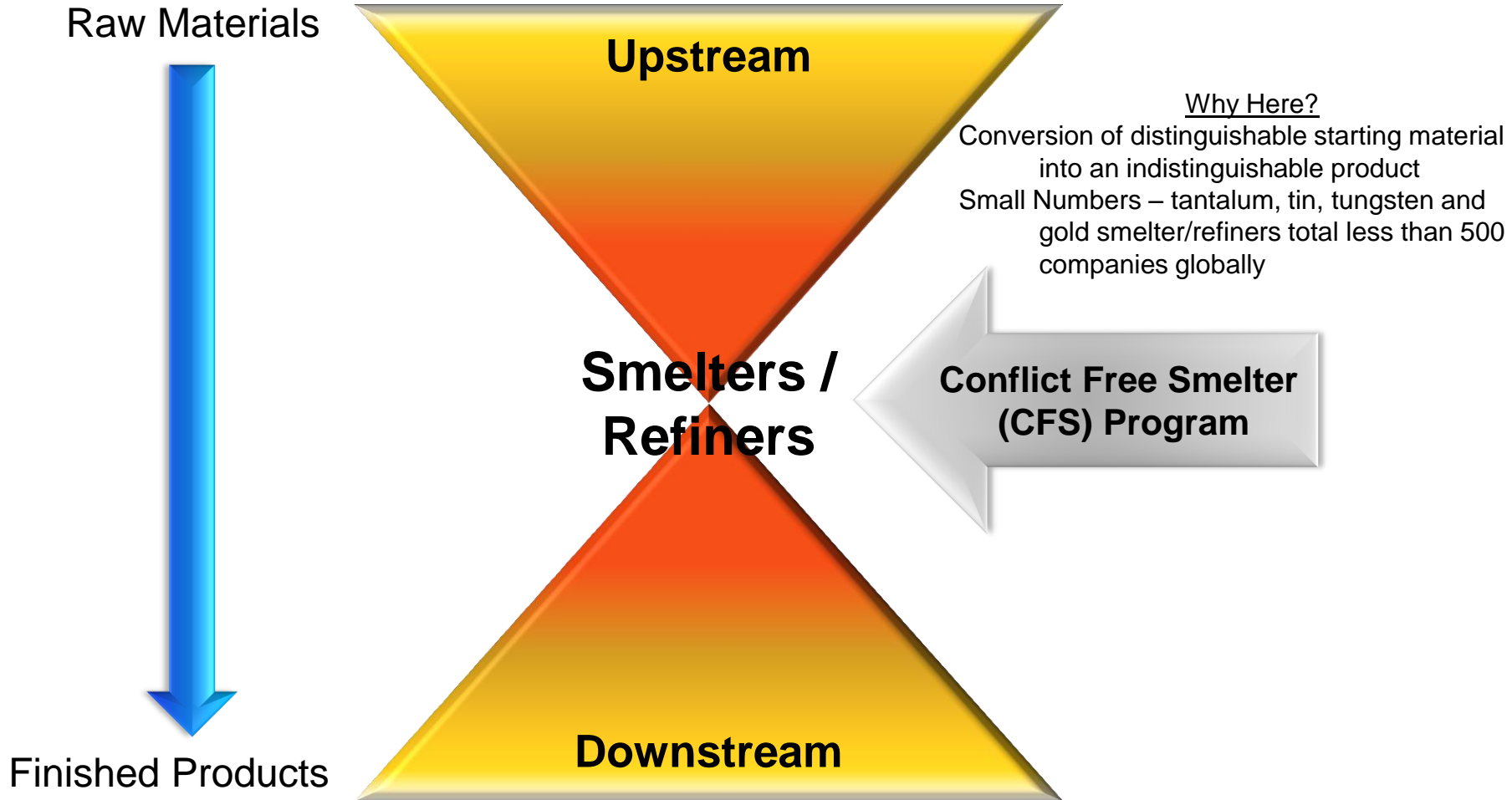
EICC and GeSI have spearheaded the development of a multi-stakeholder assessment process to determine if smelters/refiners are sourcing conflict-free minerals.

- **Why:** Provide a mechanism that enables and encourages responsible sourcing of tantalum, tin, gold, tungsten
- **Schedule:** Addressing each metal separately, but concurrently
 - Tantalum, tin and gold smelter/refiner assessments are underway; tungsten smelter assessments are expected to begin in 2013.
- **Results:** A list of smelters/refiners who are compliant with the CFS assessment protocol is posted on the CFS website.
 - <http://www.conflictreesmelter.org>

**** Companies make their own sourcing decisions. ****



Supply Chain Focal Point – Smelters/Refiners

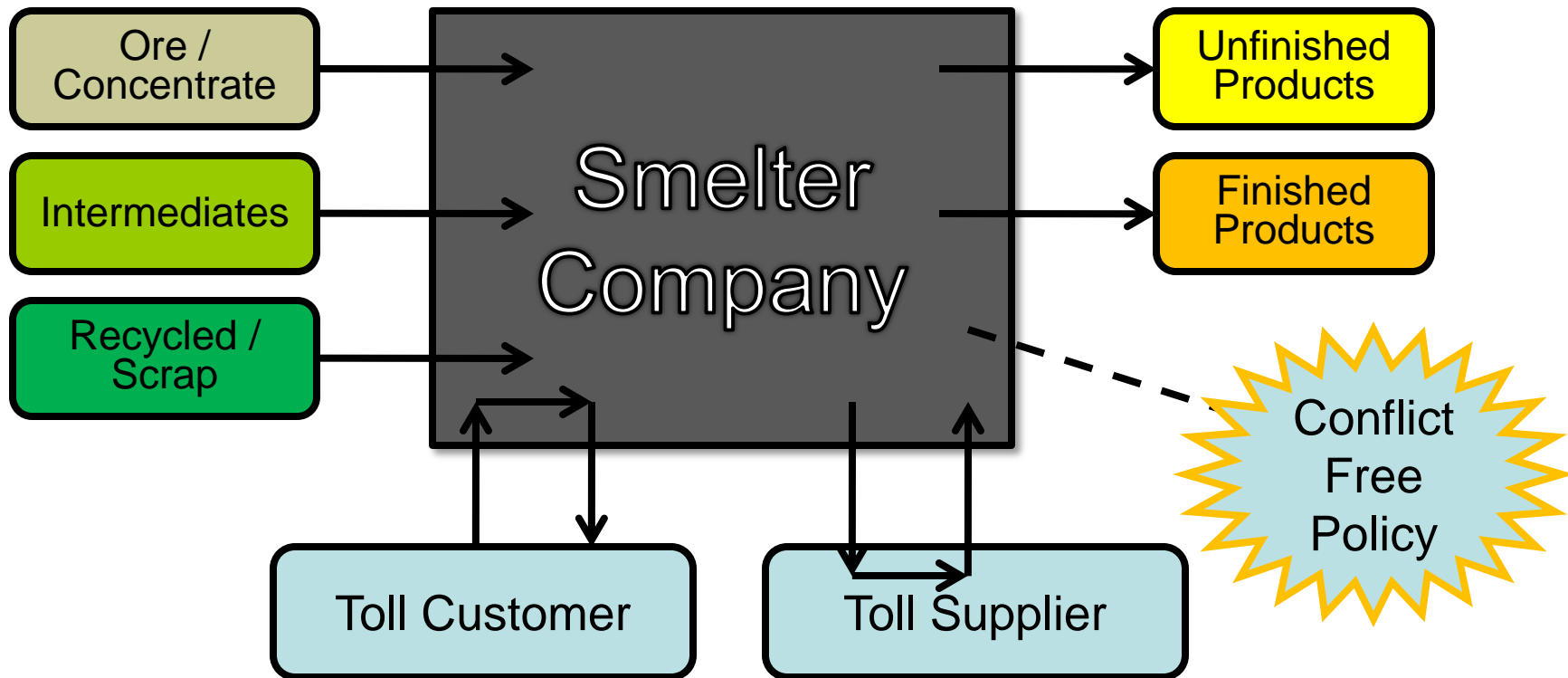




CFS Audit Scope

100% Company Mass Balance

- Includes all warehouses/inventory
- Includes all facilities





CFS Online Program Indicators

Updated as of March 13, 2013

Indicator (Definitions)	Tantalum	Gold	Tungsten	Tin
Number of smelter/refiner companies currently active in the CFS process	22	25	7	11
1. Number currently on hold	1	10 ^[1]	2	1
2. Number in pre-nondisclosure agreement (NDA) discussions	0	0	3	0
3. Number in NDA negotiations	3	0	1	2
4. Number with completed NDAs waiting for a pre-audit check	0	0	1	0
5. Number of companies in the quotation process	0	1	0	0
6. Number of audits scheduled	0	0	0	0
7. Number of companies with completed smelter/refiner audit	18	14	0	8
• Number of companies with compliant smelters/refiners	16	12	0	3
• Number of companies implementing corrective actions after 1st audit	2	0	0	5
• Number of completed audits in for Audit Review Committee review	0	2	0	0

<http://www.conflictreesmelter.org/CFSindicators.htm>



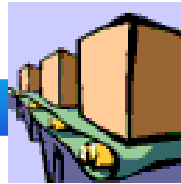
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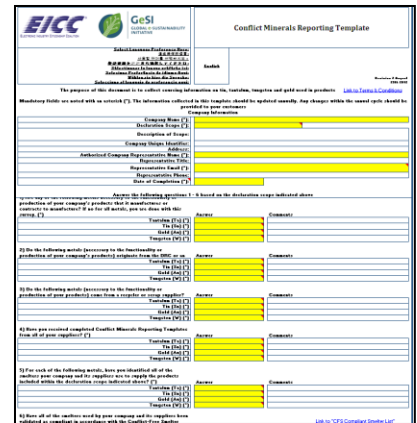
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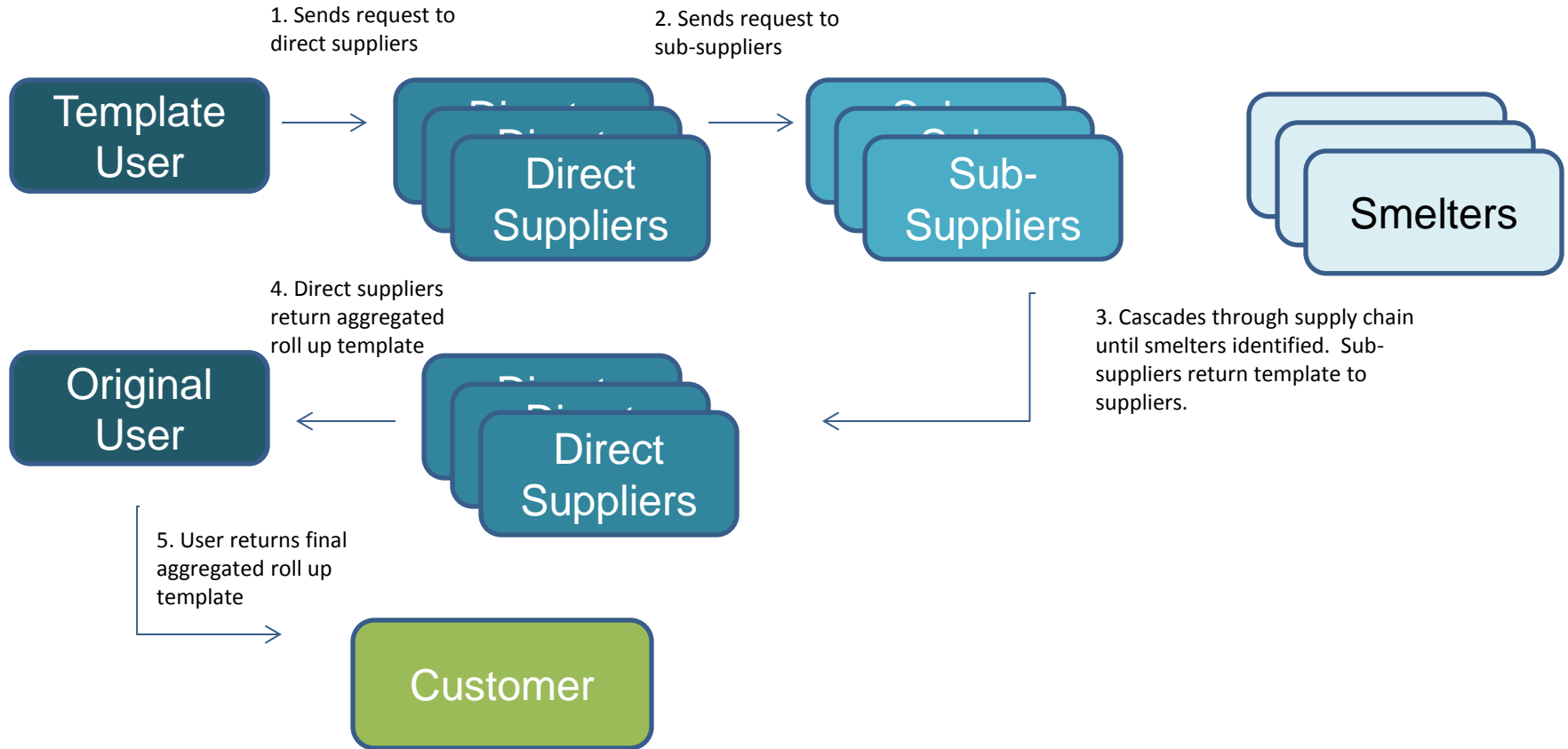
Development, integration and maintenance of tools and processes which support a downstream company's management system and risk assessment activities:



- Policy language included in the EICC Code of Conduct (http://www.eicc.info/eicc_code.shtml)
- Created a tool to collect information about a suppliers due diligence processes and sourcing results – *EICC and GeSI Conflict Minerals Reporting Template*
- Included conflict minerals management system elements to the EICC's and GeSI's supplier corporate responsibility audits



Conflict Minerals Reporting Template Flow





Company Assurance Program Updates

- Conflict Minerals Reporting Template & Dashboard
 - Revision 2.01 released December 2012 in eight languages (English, Mandarin, Japanese, Korean, German, Spanish, Portuguese, French)
 - MRPRO Dashboard (free) improved to accept Rev.2 as well as upgrade Rev.1 templates (available [here](#))
 - Solution Providers creating database versions ([see article](#))
 - Excel reporting template and dashboard tool available at <http://www.conflictreesmelter.org>
- Online training for Extractives WG members coming
- Benchmarking best known methods
 - Sub-WG on RCOI/Due Diligence/CMR Audit & Reporting
 - Sub-WG on Downstream supply chain due diligence



Summary

- **The CFS Program is a voluntary initiative in which an independent third party audits smelter and refiner procurement and tolling activities and determines if the smelter or refiner demonstrates that all the minerals they processed originated from conflict-free sources.**
- **Company assurance activities are focused on improving company capabilities to validate responsible sourcing of materials by creating common tools and processes**
- **More details about the CFS Program or Template:**
 - **CFS Website:** <http://www.conflictreesmelter.org>
 - **Smelter Introductory Document and Audit Protocols:** <http://www.conflictreesmelter.org/CFSAuditStandardandInstructionDocuments.htm>
 - **CFS Program Indicators:** <http://www.conflictreesmelter.org/CFSindicators.htm>



Options for Extractives Workgroup Participation

- EICC or GeSI Membership
 - Full Membership provides access to all WGs
(http://www.eicc.info/Membership_Application.shtml)
(<http://www.gesi.org/Membership/tabid/59/Default.aspx>)
- EICC & GeSI Non-Member Company WG Participation
(<http://www.eicc.info/documents/ExternalWGMembers-Companies.pdf>)
 - \$5K fee annually
 - Voting rights
 - Extractives WG and sub-WG activities participation and info
- EICC & GeSI Partner Association
(<http://www.eicc.info/documents/ExternalWGMembers-Organizations.pdf>)
 - \$20K fee annually
 - Voting rights (one vote for organization)
 - Up to two participants per Workgroup or Task Force responsible for disseminating all information
- White Paper on Extractives WG available (www.conflictreesmelter.org)