



EICC-GeSI Supply Chain Mapping Project Update October 8, 2009

What follows is an update on the EICC-GeSI research project being conducted by RESOLVE to investigate the supply chain for tin (solder), tantalum (capacitors and deposition targets), and cobalt (batteries and magnetic recording media) used in electronics. The purpose of this project is to create a picture of the electronics supply chain for these metals; 2) assess suppliers' use of codes of conduct addressing social, environmental, health, and labor issues; and 3) identify the challenges of collecting this data and consider ways to enhance and maintain transparency of the supply chain.

First and Second Tier Surveys and Responses

Since late July, RESOLVE has been collecting survey responses from supplier companies that use tin, tantalum or cobalt. Upon receiving a letter from RESOLVE requesting their participation, supplier companies have completed an online survey seeking information on supply chains, sourcing codes and standards, and mechanisms ensuring supplier compliance with codes and standards.¹ For the first tier of suppliers (those who supply products or materials directly to EICC-GeSI member companies), 24% of the companies contacted have responded and completed the survey. An additional 24% of the companies contacted in the first tier have responded in some form without fully completing the survey or sharing supplier contact information. In many instances, those companies who have not fully responded have not agreed to share contact information of their (tier 2) suppliers for reasons of confidentiality. RESOLVE is following up with this group to seek further information, putting nondisclosure agreements in place as necessary. EICC and GeSI member companies may again contact tier 1 suppliers that have not responded to the survey, to encourage their complete participation. RESOLVE is considering additional ways of encouraging greater participation.

Based on tier 1 reporting, RESOLVE currently has identified approximately 30 total tier 2 supply chain companies across the three metals: cobalt (16), tantalum (7), and tin (3). While

¹ As responses to the survey are still coming in, the final response rate may increase. Also, the response rate does not directly correlate to percentage of overall supply because market share will vary for each supplier.

RESOLVE has received the names of these companies, not all tier 1 suppliers provided contact information or the permission to make contact with their tier 2 leads. RESOLVE has specific contact information for approximately half of these tier 2 suppliers, and has sent these companies the surveys.

There is currently limited response to tier 2 surveys: cobalt (2), tantalum, (0) and tin (1). Of these responses, three tier 3 leads have been presented: cobalt (2), tantalum (0), and tin (1). RESOLVE will send initial tier 3 requests in October.

As survey participants provide information about their suppliers, RESOLVE is conducting additional outreach to solicit responses from lower tier suppliers. The number of tiers will vary by metal and supply chain complexity.

Study of Related Supply Chain Initiatives

Concurrent to the mapping of supply chains, RESOLVE is undertaking a desk review of supply chain initiatives with relevancy to the electronics sector. The review focuses on initiatives relating to supply-chain, assurance, certification and sustainability issues around the production, sourcing and handling of natural resources. RESOLVE is examining the genesis, scope and sector focus of the initiatives, along with design challenges and verification mechanisms. RESOLVE is also considering the relevancy of initiatives to the electronics industry, the complexity of the tracking or tracing activities the initiative undertakes and how the initiatives define success. Please see [RESOLVE's project website](#) for an initial list of initiatives under review.

RESOLVE continues to seek feedback from a Stakeholder Advisory Group (SAG) of diverse organizations on the research approach. The SAG has met by phone on June 23, July 10, August 24, and September 30 to discuss the project's objectives, supply chain challenges and strategies, and the related initiatives desk review. For summaries of the SAG calls, please see www.resolv.org/eiscm/advisory/index.html.

Project Timeline and Reporting

As noted in the August update, the final report release is planned for February 2010. We have also recommended that interim report findings are released in phases. This will allow discussion with EICC and GeSI members and stakeholders as to the findings and challenges as we work our way through the supply chain. An initial interim report is planned for October 2009.

About RESOLVE

RESOLVE (www.resolve.org) is an independent, non-profit 501-c3 organization, based in Washington D.C. RESOLVE has worked for over thirty years with clients and partners in all sectors (corporate, government and civil society) on projects where multiple parties require information and analysis but where elements of that information or analysis require confidentiality.

For more information on this project, please see RESOLVE's project webpage:

www.resolve.org/eiscm