RESOLVE
30 Years of Results Through Consensus

EICC-GeSI Supply Chain Mapping Project Update
August 28, 2009

What follows is a report 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 Tier Survey Responses

During the past four weeks (since July 21), RESOLVE has been collecting survey responses from an initial tier of 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. At this time, RESOLVE estimates an approximately 30% aggregate response rate to the survey, though response rates are not evenly distributed across the three metals. As responses to the survey are still coming in the end response rate could increase. Please note the response rate does not directly correlate to percentage of overall supply because market share will vary for each supplier. As surveys are completed and as necessary, RESOLVE is following up with respondents to request documentation for codes of conduct. As survey participants provide information about their suppliers, RESOLVE is conducting additional outreach to solicit responses from second and third tier suppliers.

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 www.resolv.org/eiscm/documents/Related_Initiatives-Advisory_Group_Review_Draft-v2.pdf) 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, and August 24 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

Due to a number of factors, most importantly the work required to conduct follow-up with suppliers in successive rounds the project timeline is being extended. Release is now planned for February.

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.

The net result will be a final report in February, preceded by a series of interim reports.

About RESOLVE

RESOLVE (www.resolv.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.resolv.org/eiscm