



GeSI
GLOBAL e-SUSTAINABILITY
INITIATIVE

To: Ms. Tanya Bolden
From: The Electronic Industry Citizenship Coalition® and the Global e-Sustainability Initiative
RE: Invitation to distribute training materials for EICC and GeSI Conflict Minerals Reporting Template
Date: September 17, 2012

Dear Colleagues:

The Electronic Industry Citizenship Coalition® (EICC®) and Global e-Sustainability Initiative (GeSI) invite you to join with them to engage your members in learning about and using the tools that the EICC and GeSI developed to aid companies with compliance to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act¹ (Dodd-Frank). Dodd-Frank relates to so-called “conflict minerals” – tin, tantalum, tungsten, and gold – coming from the Democratic Republic of Congo (DRC) and adjoining countries.

The EICC and GeSI are not-for-profit organizations that lead and support electronics industry efforts to enable members to source responsibly. Since 2007 the EICC and GeSI have joined together to build expertise in the business processes and issues surrounding extraction of metals used in electronics products. As a result of their collaboration, they developed the Conflict-Free Smelter (CFS) Program² and the Conflict Minerals Reporting Template³ (Template). The CFS Program can assist U.S. publicly traded companies in complying with Section 1502 of Dodd-Frank; the Template helps companies collect due diligence information required by Dodd-Frank.

Background

There are concerns that the minerals trade in the DRC is furthering human rights violations in that country. In 2010, the U.S. adopted new conflict minerals disclosure requirements as part of Dodd-Frank. Under Section 1502, publically traded companies⁴ whose products contain conflict minerals⁵ will be required to conduct due diligence and provide additional disclosures to the U.S. Securities and Exchange Commission (SEC) regarding the origin of these conflict minerals.

Under Dodd-Frank, unless a reporting company can reasonably determine that the conflict minerals in their products or processes were mined outside the DRC or adjoining countries, the company will be required to undertake additional exhaustive inquiries and provide detailed reports on the origin of the conflict minerals. Companies not required by law to file reports may be required to provide similar information to their customers to assist in these reporting efforts.

Conflict-Free Smelter (CFS) Program and Conflict Minerals Reporting Template

The CFS Program is a unique, voluntary program initiated by the EICC and GeSI in which an independent third party evaluates individual smelters' and refiners' procurement activities and determines if the smelter or refiner demonstrated that all the materials they processed originated from conflict-free sources. If the smelter or refiner demonstrates they have sourced conflict-free materials, the company is identified as compliant with the CFS Program protocol.

¹ <http://www.gpo.gov/fdsys/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>

² More information can be found at www.conflictreesmelter.org.

³ Ibid.

⁴ The legislation impacts publicly traded companies registered with the U.S. Securities and Exchange Commission.

⁵ The U.S. Secretary of State maintains the list of "conflict minerals" applicable under Dodd-Frank.

Currently, the CFS Program publically publishes a list⁶ of tantalum smelters and gold refiners compliant with the CFS Program protocol; we plan to publish lists of compliant tin and tungsten smelters later in 2012. As of August 2012, the tantalum list contains 13 smelters covering 19 of their locations; the gold list contains 6 refiners covering 12 of their locations.

The EICC and GeSI also created the Conflict Minerals Reporting Template (Template), a tool that provides a common means for the collection of sourcing company due diligence information related to conflict minerals. Companies may adopt the use of the Template as an element of their conflict minerals due diligence program to assist in the verification of responsible sourcing practices. Companies will be able to forward a completed Template to all of their customers that request this information.

By providing common tools and a source of information on conflict-free smelters and refiners, the EICC and GeSI can save companies across global industries a significant amount of time and effort as reporting companies impacted by Dodd-Frank begin their due diligence. In particular, a single, common reporting template will result in more timely and accurate responses from suppliers. The EICC and GeSI are formally collaborating with the Automotive Industry Action Group, the Japanese Electronics and Information Technology Industries Association, the Retail Industry Leaders Association and other partner companies from numerous industries on the CFS Program and Template to facilitate compliance with applicable legal requirements.⁷

Training on the Conflict Minerals Reporting Template

In order to ensure accurate understanding and completion of the Conflict Minerals Reporting Template, the EICC and GeSI developed robust training materials for companies using the Template as part of their due diligence activities. The training focuses on the background of Dodd-Frank Section 1502; provides information on why participating in due diligence activities is important to a company's customers; and demonstrates step-by-step instructions on how to fill out the Template.

We invite your partnership and assistance in distributing the training materials for this Template to your members and others in your network to ensure understanding from those companies requested to fill out the template and to lessen the burden of companies individually communicating due diligence information to their customers. To aid your members' understanding of the material, the EICC and GeSI would like to conduct one or more webinars for your membership using our training materials. We are targeting October and November 2012 to conduct these trainings. In order to facilitate this for your team and members, we request that you advise of convenient times and dates when a member of the joint EICC and GeSI Extractives workgroup could conduct the training webinar, including a question and answer session.

If you are interested in facilitating this service for you members, please contact Grant Feichtinger [grantf@eicc.info] to schedule one or more dates for this training.

Thank you for your time and consideration. We look forward to working with you and your members on this training.

⁶ The list of compliant smelters and refiners can be found at www.conflictreesmelter.org.

⁷ The most up-to-date list of EICC and GeSI partners on this work can be found at www.conflictreesmelter.org.



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About Electronic Industry Citizenship Coalition® (EICC®)

The EICC was established in 2004 to improve social, economic, and environmental conditions in the global electronic supply chain through use of a standardized code of conduct. The EICC was incorporated in 2007 as an association to ensure greater awareness of the Code, and to expand its adoption across the industry. The EICC includes over 70 global electronics companies. For more information or to view the EICC Code of Conduct, see www.eicc.info.

About Global e-Sustainability Initiative (GeSI)

The Global e-Sustainability Initiative (GeSI) is a strategic partnership of the Information and Communication Technology (ICT) sector and organisations committed to creating and promoting technologies and practices that foster economic, environmental and social sustainability. Formed in 2001, GeSI's vision is a sustainable world through responsible, ICT-enabled transformation. GeSI fosters global and open cooperation, informs the public of its members' voluntary actions to improve their sustainability performance, and promotes technologies that foster sustainable development. GeSI has 31 members representing leading companies and associations from the ICT sector. GeSI also partners with two UN organizations - the United Nations Environment Program (UNEP) and the International Telecommunications Union (ITU) - as well as a range of international stakeholders committed to ICT sustainability objectives. These partnerships help shape GeSI's global vision regarding the evolution of the ICT sector, and how it can best meet the challenges of sustainable development. For more information, see www.gesi.org.