

# “Conflict Minerals: Help Us Understand Your Challenges” Initial Supplier Survey Analysis



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| Insight. Expertise. Results.

- AIAG's Conflict Minerals Work Group commissioned development of a supplier survey to achieve the following goal:
  - **Understand** challenges of conflict minerals reporting for sub-tier suppliers
- Result: “Conflict Minerals - Help Us Understand Your Challenges”
  - 29-question survey distributed in July-August, 2014, targeting **automotive suppliers**
- Received responses from **466 suppliers**

## Example survey questions included:

- Which **industries** does your company supply?
- Is your company **requesting** conflict mineral data from its suppliers?
- What data **collection method** do you use to survey your suppliers?
  - In 2013, how challenging were the issues below in **collecting conflict minerals data** from your supply chain?
  - In 2013, how challenging were the issues below in **managing conflict minerals customer requests**?
  - What level of **training** does your company need related to conflict minerals?
    - Which **department** leads conflict minerals activities at your company?
    - What level of support do you get from your company's **executive leadership** for conflict minerals activities?
    - **How many suppliers** are you surveying for conflict minerals information?

## Open-ended supplier comments:

- Approximately **25%** of respondents took the time to comment in the survey
- Represented variety of supplier perspectives
- Top Comment Themes
  - We need help
  - Supplier engagement is a challenge
  - Customer policies are challenging, inconsistent

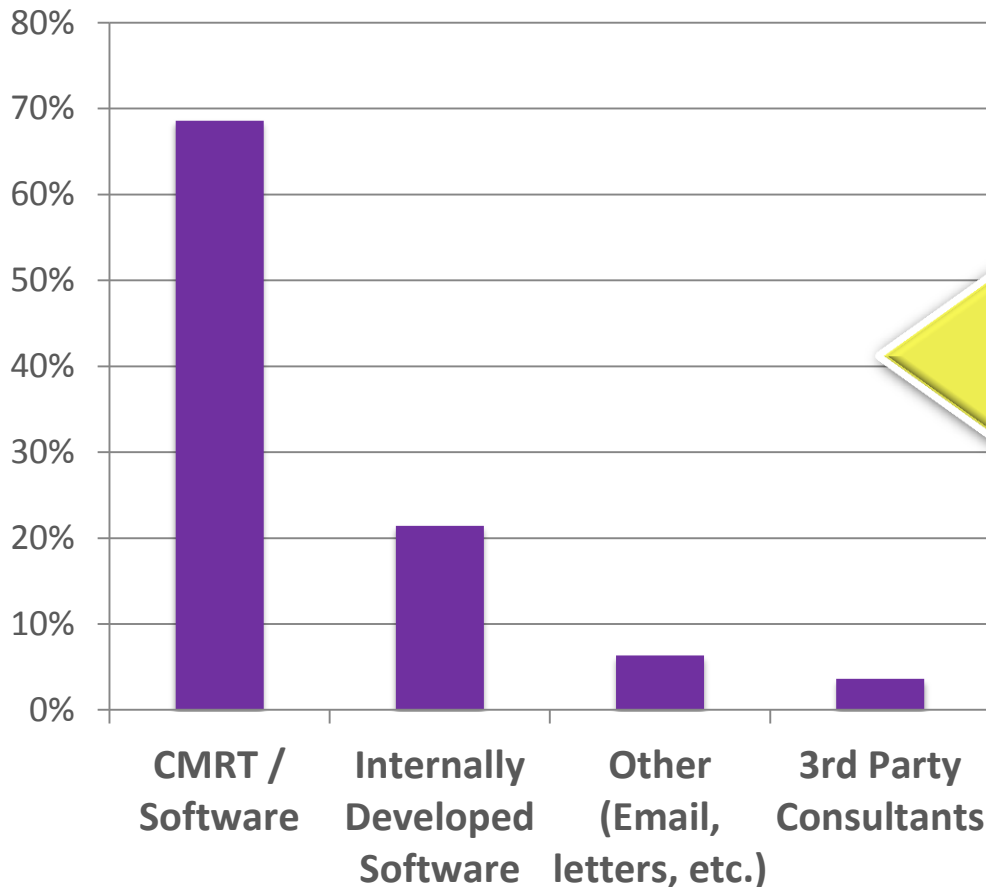
## CMWG commissioned professional data analysis

- Rationale
  - Diversity of supplier demographics
  - Complexity of responses
  - Credibility of data for internal and public reference
  - Usability of data for public presentation
- Conducted in partnership with:
  - Statistical Consulting Center (SCC)**
  - Grand Valley State University

## Limitations of the Data:

- The data collected is the result of a convenience sample and by cascading the survey link down the supply chain
- We cannot generalize the results beyond the survey participants, as they may not be representative of the population
- The total size of the population was unknown, limiting association opportunities within the data
- The size of the sample was limited in relation to the population size of all companies that are reporting for conflict minerals in the automotive industry supply chain

## What collection methodologies are most frequently utilized?



Nearly **70%** of respondents collecting data with:

Conflict Minerals Reporting Template (CMRT) or third-party software equivalent

**Finding:** Level of **managerial support** is associated with the level of challenge reported in collecting supplier data

### Managerial Support vs. Collecting Difficulties



**Interesting Finding:**  
“Poor Support”  
from management  
experienced **higher**  
challenge than  
“No Feedback”



- Nearly **70% of respondents** collecting data with CFSI CMRT or equivalent
- Top 3 Challenges: **Providing Data** to Customers
  1. Reporting at Different Levels of Detail
  2. Meeting Due Dates
  3. Managing Reporting Formats
- Top 3 Challenges: **Collecting Data** from Suppliers
  1. Did Not Respond
  2. Did Not Respond by Due Date
  3. Did Not Think Rule Applied

- **Purchasing & Quality** are departments reported **most likely to lead** CM activities
- **Materials Engineering & Engineering** are departments experiencing the **greatest ease** in collecting data
- A higher level of **managerial support** is associated with **greater ease** in collecting data
- Focusing on **Tier N challenges** may increase data quality for the whole supply chain
- Conducting supplier training in **local language and time zones** has potential to increase supplier responsiveness

- AIAG – Automotive Industry Action Group
- CFSI – Conflict Free Sourcing Initiative
- CM – Conflict Minerals
- CMRT – Conflict Minerals Reporting Template
- CMWG – Conflict Minerals Work Group (within AIAG)
- Tier N – Suppliers below the tier one and two levels of the supply chain