



Global Electronic Device Company Eliminating Conflict Minerals from Its Supply Chain

Challenges

- Profits from minerals mined in the Democratic Republic of the Congo (DRC) are being used to fund a civil war and other acts of violence.
- The U.S. government now requires all electronics manufacturers trace and audit their supply chains to ensure they are not using these “conflict minerals.”
- One of the world’s largest and most socially conscious electronic device manufacturers wanted to create and implement a protocol that identifies and rejects minerals originating in the DRC in their supply chain.

Response

- DNV helped the company develop an audit protocol for tantalum, one of the key conflict minerals used in the production of electronic components.
- DNV will assist the company with implementing the protocol and in developing additional protocols.

Benefits

- This project could significantly reduce mining profits in the DRC, limiting a funding source for civil war.
- The company is demonstrating its commitment to socially responsible and sustainable business practices and is reducing the risk of indirectly contributing to human rights abuses.
- The company will be able to communicate to its shareholders, the public and other stakeholders that its products are “conflict free.”



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The Story

The civil war taking place in the Democratic Republic of Congo (DRC), sometimes referred to as Africa's World War, has resulted, by some estimates, in the death of 5.4 million people, in forced population displacement and in extreme levels of sexual violence. The United Nations estimates that 200,000 women and girls have been the victims of sexual violence in the Congo in the last 15 years.

The continued fighting in this region has been financed in part by the sale of minerals such as tantalum, gold, tin and tungsten, mined under conditions of human rights abuses and armed conflict, which are much used in the manufacture of electronic devices. The profits gained through these "conflict minerals" are so great that factions are fighting for control of these mines as well.

The issues around conflict minerals are being addressed in a variety of ways. Since the minerals are passed through a complex chain of intermediaries before being purchased by technology companies, the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) are collaborating on a global Conflict-Free Smelter Assessment Program. An independent third party evaluates a smelter's procurement activities to determine if their materials originated from conflict-free sources.

In the United States, the recently enacted Dodd-Frank Wall Street Reform Act adds additional reporting requirements for companies that manufacture products using conflict minerals in their U.S. Securities and Exchange filings. Companies must disclose whether the origin of any of the minerals is the DRC or its adjoining neighbors as well as report on measures used to investigate the source and confirm the chain of custody of the materials.

In addition to participating in the EICC/GeSI program, one of the world's major electronic device suppliers wanted to proactively evaluate its own supply chain. DNV's commitment to robust systems that strategically manage sustainability along with DNV's experience conducting rigorous audits of sustainability criteria among suppliers led the company to select DNV to develop a protocol that determined whether the tantalum used to manufacture its products originated in the DRC.

Due to the complexities involved in capturing every facet of the manufacturing process—from the receipt of the material to the processing and transportation of the finished product—the protocol needed to be extremely comprehensive and detailed. DNV's expertise in product tracing and tracking provided the framing of this protocol.

Because of the size and global reach of this client company, implementing the protocol developed by DNV and replicating it with other conflict minerals used to manufacture its products will have significant impacts for both society and the company itself, including:

1. Reducing the amount of conflict minerals purchased thereby decreasing funding of the DRC civil war.
2. Demonstrating compliance with U.S. regulations regarding conflict minerals
3. Demonstrating commitment to socially responsible corporate behavior.

By communicating this effort and commitment to shareholders, customers and other stakeholders, the company will further enhance its brand image and reputation.

Founded in 1864, DNV is a global

provider of services for managing risk. DNV adopted its mission to safeguard life, property and the environment in 1974 by offering risk-based environmental and safety services, including verification, validation and certification. DNV is a respected voice in the wider sustainability community with insight into industry and stakeholder concerns and experience in delivering advice on corporate responsibility, climate change, supply chain management and product sustainability for some of the world's leading companies. DNV encourages business practices that achieve stakeholder credibility, technical rigor and enhanced shareholder value.



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