

## Summary of Results of the Survey concerning the Handling of Conflict Minerals

**Objectives:** Develop an understanding of problems in the handling of conflict minerals by member companies of the JEITA Responsible Minerals Trade Working Group and incorporate what has been learned into future initiatives.

**Survey period:** April 2, 2015, to May 21, 2015

**Survey subjects:** Thirty-eight member companies of the JEITA Responsible Minerals Trade Working Group (responses received from 33 companies)

**Survey results summary:**

1. Status of requests, etc., from corporate customers for conflict-free

In this survey, the extent to which member companies of the Working Group have received requests for “conflict-free warranties” or to assent to provisions concerning claims for damages became clear.

(\*Also refer to reference materials attached to the “Joint Proposal by JEITA and JBCE for EU’s Integrated Approach on Responsible Mineral Trades from Conflict Areas and High-Risk Areas,” which was released in January 2015.)

2. Status of avoidance of procurement from conflict areas

Easy avoidance of procurement from conflict areas is not something intended by the Dodd-Frank Act. However, 48% of member companies that responded to this survey stated that customers have requested that they do not procure from conflict areas.

3. Difficulty of identifying smelters

Even though this was the third year in which surveys on conflict minerals were conducted pursuant to the Dodd-Frank Act, the percentage of companies that feel that it is difficult to identify smelters reached 82% of the total. According to free-response statements and interviews with member companies after the survey:

- There are some suppliers that refuse to disclose smelter information.
- Suppliers say that it is difficult to identify all smelters.
- When several smelters were visited, it was found that the conflict minerals surveys had not been delivered.
- When suppliers in other industries were consulted, they were unaware of the issues relating to conflict minerals.

among other information obtained from multiple respondents.

Meanwhile, the products of companies that responded that they had “no difficulty” in identifying smelters consisted of certain electronic components with simple structures and relatively short supply chains.

#### 4. Difficulty of procuring everything from CFS

In relation to the results of paragraph 3 above, over 75% of respondents maintained that it is currently difficult to procure all 3TG metals from conflict-free smelters (CFS).

#### Summary:

Since 2013, under the US Dodd-Frank Act, many companies worldwide have sincerely conducted conflict mineral surveys. However, it has been noted that there are numerous problems and difficulties encountered when engaged in surveys for identifying smelters by tracing back through supply chains, due to the complexity and fluidity of the supply chains relevant to any given company.

The abovementioned issues were put into stark relief by the present survey by JEITA. In particular, there are concerns about increases in distortions between the actors conducting surveys and those responding to them because of incomplete information.

From a humanitarian perspective, many companies hope for a true resolution of the conflict mineral issue. European regulators are also now considering the introduction of new conflict mineral regulations. Concerning the methods employed in these new regulations, based on the problems of currently implemented conflict mineral surveys, more effective and efficient methods that are in accord with the actual business situation must be sought. JEITA will expend every effort to contribute to the development of such better methods.

Survey results ( Download )