
PCB ULTIMATE VISION' STATEMENT ON CONFLICT MINERALS

Overview of the Conflict Minerals Issue

The Democratic Republic of the Congo ("DRC") is a Central African country with vast mineral wealth, including reserves of cassiterite (tin), columbite-tantalite (aka coltan – source of tantalum), wolframite (tungsten) and gold. For many years, armed groups have fought to control mines within the DRC; those armed groups have been cited for committing violent crimes against locals, including murder, rape and forced labor. Armed groups controlling mines smuggle minerals out of the DRC and the proceeds are used to further finance conflict and perpetuate criminal behavior; hence, cassiterite, coltan, wolframite and gold are considered conflict minerals.

The elements tantalum, tin, tungsten and gold are metals used in many manufactured goods across many industries, including the aerospace, appliances, automotive, electronics, jewellery, medical and tool & die industries. About 25% of all tantalum¹ and about 8% of the gold supply² is used in electronic and electrical products. Similarly, about 36% of the global tin supply is used in electronic solders³. A small portion of the world's tungsten supply is used in electronic products as counter weights in cell phone vibrator bobs and in the manufacture of integrated circuits.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, passed into law in July 2010, contains requirements that U.S. companies report to the Securities and Exchange Commission ("SEC") on the origin of conflict minerals or their derivatives and show due diligence if conflict minerals are sourced from the DRC or an adjoining country. The goal of the act is to cut direct and indirect funding of armed groups engaged in conflict and human rights abuses.

The SEC published regulations implementing Dodd-Frank Section 1502 on August 22, 2012; the first reports to the SEC are due May 31, 2014 for the calendar year ending December 31, 2013. If a large company cannot be sure of the origin of its conflict mineral derivatives used in its products during the first two reporting years (four years for smaller companies), it may report that the products are DRC conflict undeterminable.

Definitions Related to Conflict Minerals Adopted by PCB Ultimate Vision

Conflict Mineral

(A) columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives; or (B) any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country⁴. Per the SEC 1502 regulations, conflict minerals are necessary to the functionality or production of a product, but must be contained in the end product in order to be considered a conflict mineral under the rules (so tools used to manufacture parts are not included in the scope of products covered by the SEC regulations).

DRC Conflict Mineral Free

DRC Conflict Mineral Free materials do not contain conflict minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or an adjoining country⁵. This term also applies to materials determined to be processed from scrap and/or recycled material. Materials that were already incorporated into products or were already within the supply chain as of December 31, 2012 will not be subject to inquiry or reporting rules (The first reporting period covered by the new SEC rules is January 1, 2013 – December 31, 2013).

Armed Group

Armed Group means an armed group that is identified as perpetrators of serious human rights abuses in the annual Country Reports on Human Rights Practices under sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d) and 2304(b)) relating to the Democratic Republic of the Congo or an adjoining country⁶

PCB Ultimate Vision' Approach on Conflict Minerals

Suppliers to PCB Ultimate Vision must develop policies toward preventing the use of conflict minerals or derivative metals sourced from mines controlled by armed groups in all items to be supplied to PCB Ultimate Vision. In addition, all suppliers to PCB Ultimate Vision must document their efforts to determine the source of any conflict minerals or derivatives and provide PCB Ultimate Vision with evidence of the origin of the metals tantalum, tin, tungsten and gold in products to be supplied to PCB Ultimate Vision.

PCB Ultimate Vision encourages its suppliers to responsibly source conflict minerals and derivative metals from the Democratic Republic of Congo (DRC) and neighbouring countries in order to prevent an embargo and associated worsening of economic conditions and human suffering.

Status of PCB Ultimate Vision' Due Diligence to Prevent Use of Conflict Minerals

(Date of last revision: Jun 30, 2013)

PCB Ultimate Vision ("PCBUV") has taken the following steps toward determining the sources of 3TG within the supply chains of all its products:

Enter into simple contracts

PCBUV are entering into simple contracts with all contractors to not supply illegally mined materials to PCBUV. The coverage was just focused on tantalum and we have extended the scope to tin, tungsten, and gold. PCBUV has in place a Global Procurement Policy internally distributed to all procurement members. This policy contains provision of verifying the origin/source information of materials to confirm that they are not obtained through illegal mining.

Declare Supplier Code of Conduct

PCBUV established and declared its Supplier Code of Conduct published in 2012. This Code contains the provision that 'Suppliers shall evaluate the origin or source of their materials throughout their supply chains to verify that they have not been obtained through any illegal form of mining (e.g., materials obtained from the Democratic Republic of Congo).' So we think this distribution will contractually bind suppliers to not use conflict minerals.

*PCBUV's Supplier Code of Conduct Feed into standard contract, see Appendix 1

Implement Conflict Minerals Due Diligence Procedure

PCBUV implemented the conflict Minerals Due Diligence procedure to make sure all suppliers adhere to the following:

- To source materials only from environmentally and socially responsible suppliers
- To comply with the Dodd-Frank regulation and provide all necessary declarations
- Must pass this requirement up the supply chain and determine the source of specified minerals.

PCB Ultimate Vision's Conflict Minerals Due Diligence Procedure

PCBUV is an active support of the Electronics Industry Citizens Coalition (EICC) supporting the Conflict Minerals Due Diligence activities and **implemented Conflict Minerals Due Diligence Procedure**

PCBUV adopted the common EICC Conflict Minerals Due Diligence Reporting Template and Dashboard as a standard questionnaire for conducting inquiries into PCBUV supplier's sources of metals.

PCBUV is maintaining the transparency of supply chain Conflict Minerals records in internal database.

PCBUV' Conflict Minerals Overall Process Flow

1. Request sent to Supplier

PCBUV adopted the common EICC Conflict Minerals Due Diligence reporting tool

Documents attached when request sent:

- Conflict Minerals Reporting Template
- Supplier Letter

2. Supplier Working on the Reporting Template

Supplier are required to:

- Understand the Conflict Minerals (3TG) information from their lower tier level suppliers
- Determine whether their products or components contain 3TG
- Determine the smelter or mine origin

3. Conflict Minerals Processing Team Validate the report

Supplier required to return a signed copy of reporting template once they had completed the form. Conflict Minerals processing Team will check and review on the template.

4. Store in the internal Database

- All Suppliers' completed form will be stored in PCB UV Conflict Minerals internal database.
- All Conflict Minerals project related document are able to find PCB UV Conflict Minerals internal database.

1) <http://www.webcitation.org/5v1BooEpq>

2) World Gold Council; Gold Demand Trends, First Quarter 2011 (2010 data)

3) GHGm; Social and Environmental Responsibility in Metals Supply to the Electronic Industry, June 2008

4) Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502

5) Ibid.

6) Ibid.

Appendix 1

PCBUV Supplier Code of Conduct

PCB Ultimate Vision (“PCBUV”) Supplier Code of Conduct (“Code”) establishes our requirements for suppliers to ensure that working conditions in PCBUV’s supply chain are safe, that workers are treated with respect and dignity, and that business processes are environmentally responsible. To fully achieve these objectives, this code defines the corporate responsibility requirements for all suppliers working with PCBUV. PCBUV reserve the right to reasonably modify the requirements of this Code due to the changes in the PCBUV compliance program. PCBUV may visit (and/or have external monitors visit) supplier facilities, with or without notice, to assess compliance with this Code. Such a right does not mean that PCBUV will institute regular inspections or any inspections at all. Suppliers have total responsibility for their compliance with this Code of Conduct, not PCBUV.

NOTE: The Code is not intended to create new and additional 3rd party rights, including for workers.
PCB Ultimate Vision Supplier Code of Conduct v1.0

1. Labor and human rights

– Non-discrimination

Suppliers shall be committed to creating a workforce free of harassment and unlawful discrimination of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, national origin, or marital status in hiring and employment practices, such as promotions, rewards, access to training. In addition, workers or potential workers shall not be subjected to medical tests that could be used in a discriminatory manner.

– Humane treatment

Suppliers shall treat all employees with respect void of any harsh or inhumane treatment, such as sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, verbal abuse of workers, or unreasonable restrictions at work.

– Freely chosen employment

Forced, bonded, indentured labor, or involuntary prison labor shall not be used. All work must be voluntary. Workers shall not be forced to hand over government-issued identification, passports, or work permits to suppliers as a condition of employment, unless required by local law.

– Avoidance of child labour

Child labour shall not be used during any manufacturing. The term, „child“ refers to a person below a certain minimum age. This minimum working age shall determined by local laws and regulations. PCBUV supports legitimate workplace apprenticeship programs that comply with all laws and regulations applicable to such programs.

– Working hours

Working weeks and hours must not exceed the maximum, as established by local laws and regulations.

– **Wages and benefits**

Compensation paid to workers shall comply with all applicable laws and regulations. Suppliers shall also provide to workers all legally mandated benefits. Furthermore, deductions from wages cannot be used as a disciplinary measure against workers.

– **Freedom of association**

Suppliers shall respect the rights of workers to associate freely, join or not join labor unions, seek representation, or join worker's councils in accordance with local laws and regulations. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

2. **Health and safety**

Suppliers must collaborate with PCBUV to design safe processes and maintain a healthy work environment for ensuring ongoing quality and production efficiency. Suppliers must keep workplace safe and healthy for their employees in compliance with applicable local laws and regulations.

– **Occupational Safety**

Suppliers shall eliminate physical and safety hazards and take precautionary measures that guard against accidents and occupational diseases. These hazards shall be controlled through proper design, engineering/administrative controls, preventative maintenance, safe work procedures, and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers shall be provided appropriate and well-maintained personal protective equipment.

– **Industrial Hygiene**

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, suppliers shall provide appropriate personal protective equipment programs.

– **Emergency preparedness**

Emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures.

– **Occupational injury and illness**

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and take corrective actions to eliminate their causes; and e) facilitate the return of workers to work.

– **Sanitation, Food, and Housing**

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the suppliers or a third party agent are to be maintained clean and safe, and provided with appropriate emergency egress and adequate heat and ventilation and reasonable personal space, entry and exit privileges.

– **Physically demanding work**

Exposure of workers to the hazards of physically demanding tasks shall be identified, evaluated, and controlled. These physically demanding tasks include manual material handling, heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks.

– **Maintaining machine safety**

Production and other machinery are to be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

3. **Environmental impact**

Suppliers must recognize that doing business in an environmentally responsible way is essential for operating a world class product production process. Suppliers should aim to minimize the adverse impact of their manufacturing process on the environment and the local community.

– **Environmental permits and reporting**

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and suppliers shall follow their operational and reporting requirements.

– **Hazardous substances**

Suppliers shall comply with PCBUV's environmental and quality management standards. Also, they shall identify chemical and other materials that pose a safety hazard if released to the environment and manage the safe handling, movement, storage, use, recycling, reuse, and disposal of these substances.

– **Solid waste and wastewater**

Suppliers shall identify, monitor, control and treat solid waste and wastewater generated from operations, industrial processes, and sanitation facilities, as required by applicable laws and regulations prior to discharge.

– **Air emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals, and combustion by products generated from operations are to be characterized, monitored, controlled, and treated before discharge, as required by the applicable laws and regulations

– **Pollution prevention and resource reduction**

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, and recycling and re-using materials.

– **Product content restrictions**

Suppliers shall adhere to all applicable laws, regulations, and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

4. **Ethics**

– **Business integrity**

The highest standards of integrity are expected in all business interactions. Suppliers shall prohibit any and all forms of corruption, extortion, embezzlement, bribery, kickbacks, gifts including any payments or other forms of benefits conferred on any government official for the purpose of influencing decision making in violation of law. Any other means of obtaining undue or improper advantage are not to be offered or accepted. Monitoring and enforcement procedures shall be implemented to ensure compliance.

– **Disclosure of information**

Information regarding business activities, structure, financial situation, and performance is to be recorded and disclosed in accordance with applicable laws and regulations and prevailing industry practices.

– **Protection of identity**

Suppliers shall create and maintain programs to ensure the confidentiality and protection of supplier and employee whistleblowers.

– **Protection of intellectual property**

Suppliers shall respect intellectual property rights and transfer of technology and know-how must be done in a manner that protects those rights.

5. **Materials not obtained through illegal and unethical ways**

Suppliers shall evaluate the origin or source of their materials throughout their supply chains to verify that they have not been obtained through any illegal and unethical ways. (e.g., materials obtained from mining in the Democratic Republic of Congo or an adjoining country, fibres obtained from logging in high conservation value forest areas or prohibited areas).

6. **Management system**

Suppliers shall adopt or establish a management system designed to ensure compliance with applicable laws, regulations, customer requirements, as well as this Code. It should also facilitate continual improvement. The management system should contain the following elements:

– **Company commitment**

Corporate policy regarding social and environmental responsibilities that affirms suppliers’ commitment to compliance and continual improvement.

– **Management accountability and responsibility**

Clear identification of company representative[s] responsible for ensuring implementation of the management systems and associated programs.

– **Legal and Customer Requirements**

Identification, monitoring and understanding of applicable laws, regulations and customer requirements.

– **Risk assessment and management**

Process delineating the environmental, health, safety, labour practices, and ethical risks associated with the suppliers’ operations. Determination of the relative significance for each risk and implementation of the appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

– **Improvement objectives**

Written performance objectives, targets and implementation plans to improve the suppliers’ social and environmental performance, including a periodic assessment of suppliers’ performance to achieve these objectives.

– **Training and communication**

Programs for training managers and workers to implement suppliers’ policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements and process for communicating clear and accurate information about suppliers’ policies, practices, expectations, and performance to workers, suppliers, and customers.

– **Worker feedback and participation**

Process for obtaining employee feedback concerning practices and conditions covered by this Code and making improvements upon such feedback.

– **Audits and assessments**

Periodic self-evaluations to ensure conformity with this Code, as well as applicable local laws and regulations.

– **Corrective action process**

Process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and review.

– **Documentation and records**

Creation and maintenance of documents and records to ensure regulatory compliance and conformity with company requirements to protect its confidentiality.

REFERENCES

The following standards were used in preparing this Code and may be a useful source for additional information.

EICC Code

http://www.eicc.info/EICC_CODE.htm

ILO International Labor Standards

http://www.ilo.org/global/What_we_do/InternationalLabourStandards/lang--en/index.htm

ILO Code of Practice in Safety and Health

www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

OECD Guidelines for Multinational Enterprises

www.oecd.org

United Nations Convention Against Corruption

www.unodc.org/unodc/en/crime_convention_corruption.html

United Nations Global Compact

www.unglobalcompact.org

Universal Declaration of Human Rights

www.un.org/Overview/rights.html

AS-9120

www.standards.org

ISO 14001

www.iso.org

SA8000 and SAI(Social accountability international)

<http://www.sa-intl.org/>