ecVision®

What's in that Heel?

Traceability of a Complex Product

Gary M. Barraco

Vice President – Industry Development

The Heel

You see, the distribution of pressure on a conventional female *heel* cannot hold the weight of a man.

If we could mold the steel
One piece from ball to heel,
We'd underpin it, and remake it,
So not even Don could break it.

Dodd-Frank Act

Conflict Minerals – Where are They?

- **Tin** can appear in the following:
  - In metallized fabrics
  - As solder in buttons, zippers, and other fasteners
  - As composite material in zippers, hooks, fasteners, and other metal components
  - As coating to make zippers, other fasteners, and other metal components shiny (tin salt)
  - As composite material in rivets and eyes
  - As composite material in drawstring and shoelace grommets
  - As composite material in glitter and other shiny, reflective materials
  - In leather (as a result of the tanning process)

ecVision®

Conflict Minerals – Where are They?

Gold can appear in the following:

- As plating to make zippers, other fasteners, and other metal components shiny
- In metallized yarns

Tantalum:

- Organizations have yet to determine where tungsten can appear in footwear and related products

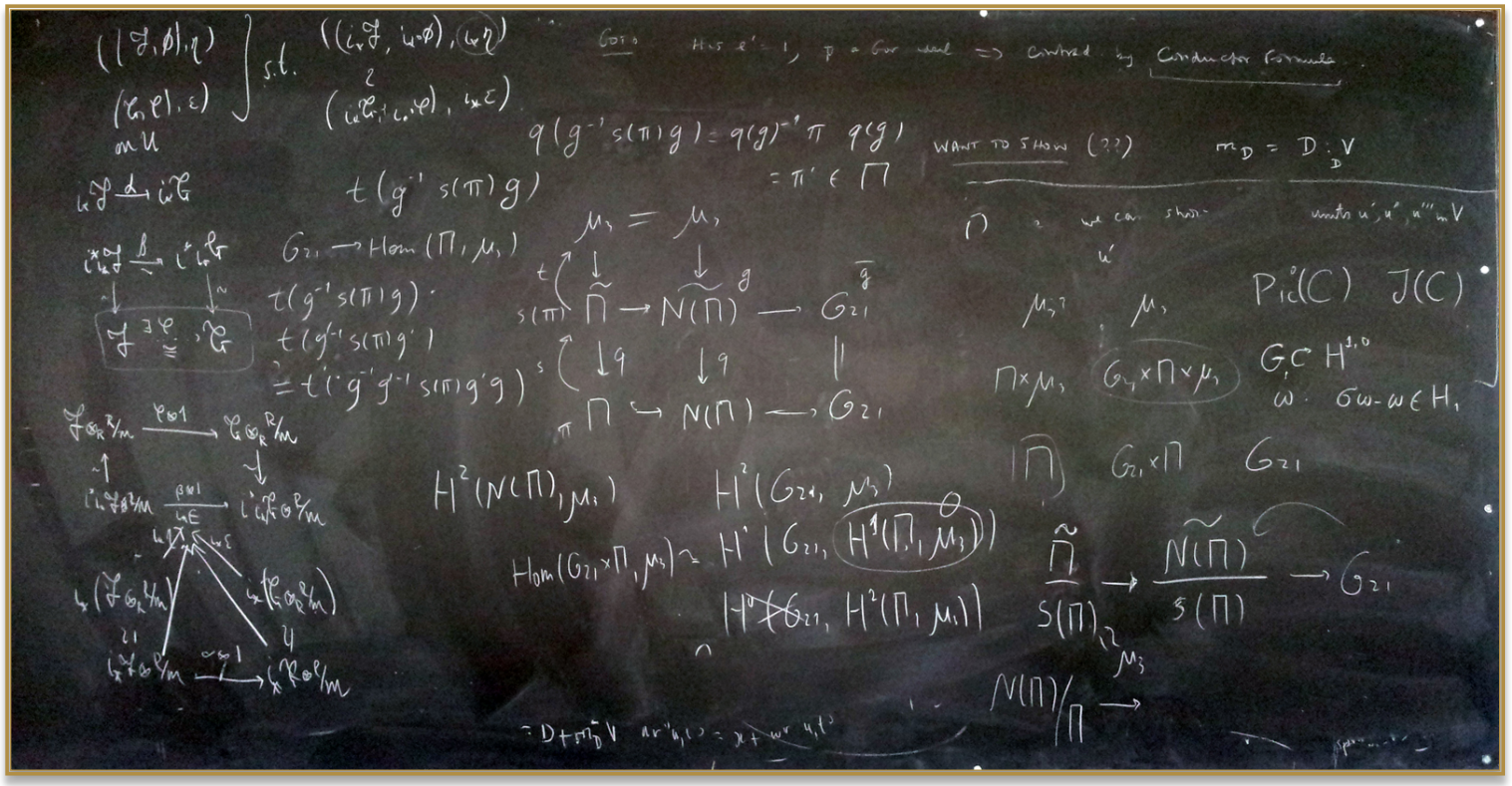
Tungsten:

- Organizations have yet to determine where tungsten can appear in footwear and related products.
- While tungsten can appear in certain types of high-end dyes, it does not appear that those dyes are typically used in apparel, footwear, and related products.

ecVision®

ecVision®

“When I did math in school I had to do the work and show the answer.”



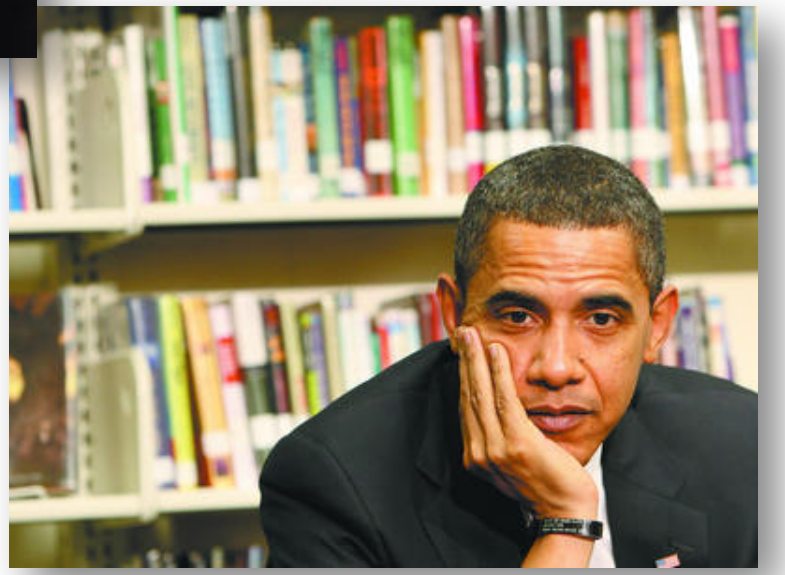
“What has happened now is companies have to show their work and not their answer.”

Expectations

- The SEC estimated that conflict mineral reports would cost companies a total of $3 billion to $4 billion in the first year, but **drop** to about $200 million to $600 million in following years.
- Companies were expected to spend about 480 hours, on average, to complete a report, compared with about 2,000 hours for a corporate annual report.

ecVision®

DEPARTM
JUSTICE



How did the industry fare?

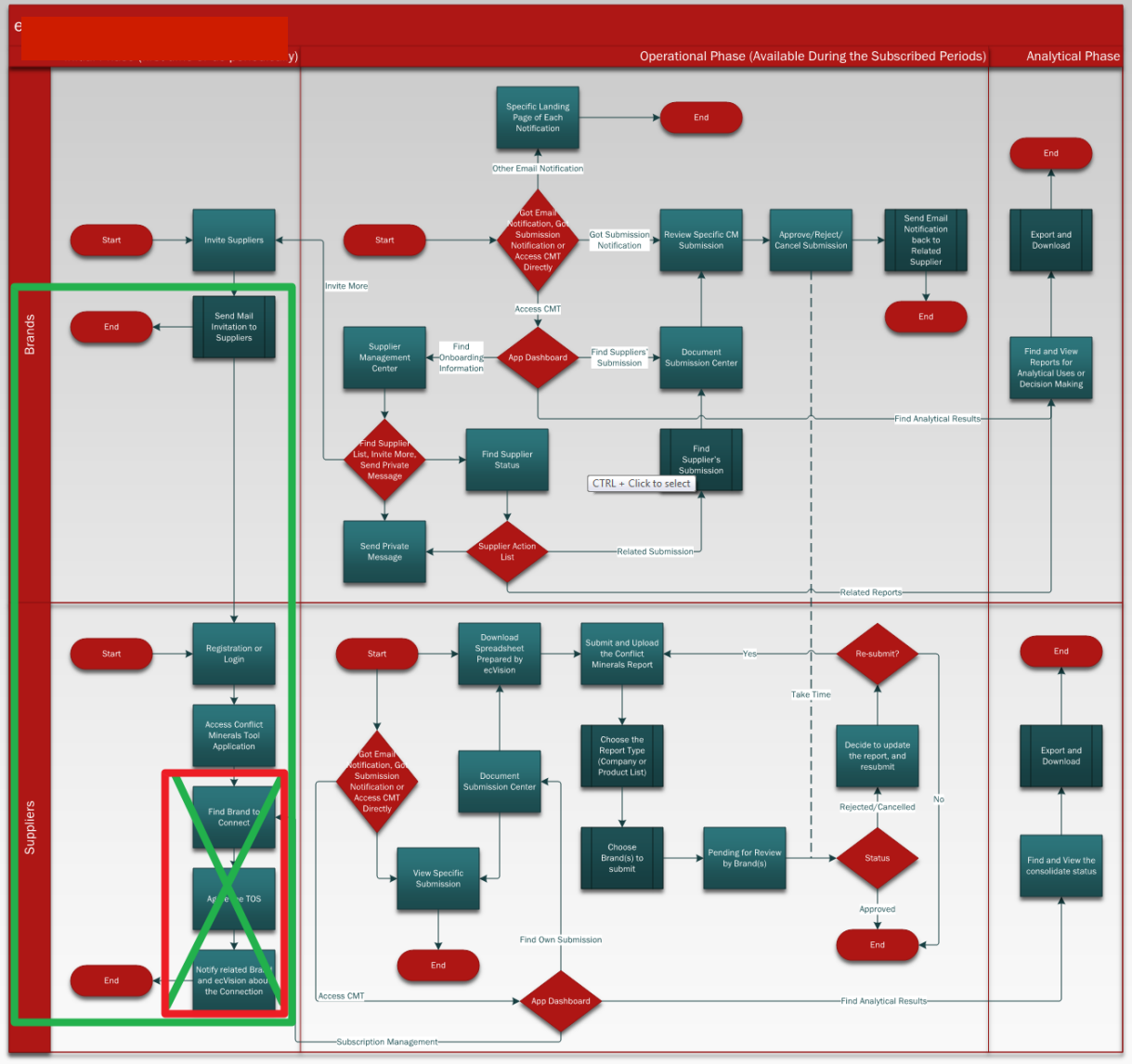
- Hard to keep vendors educated and engaged.
- Does it apply?
- For the most part, companies don’t think they’re selling goods that contain metals from suspect sources.
- Most admit they’re still chasing down information from suppliers and setting up systems to get the subject on the radar of their vendors.

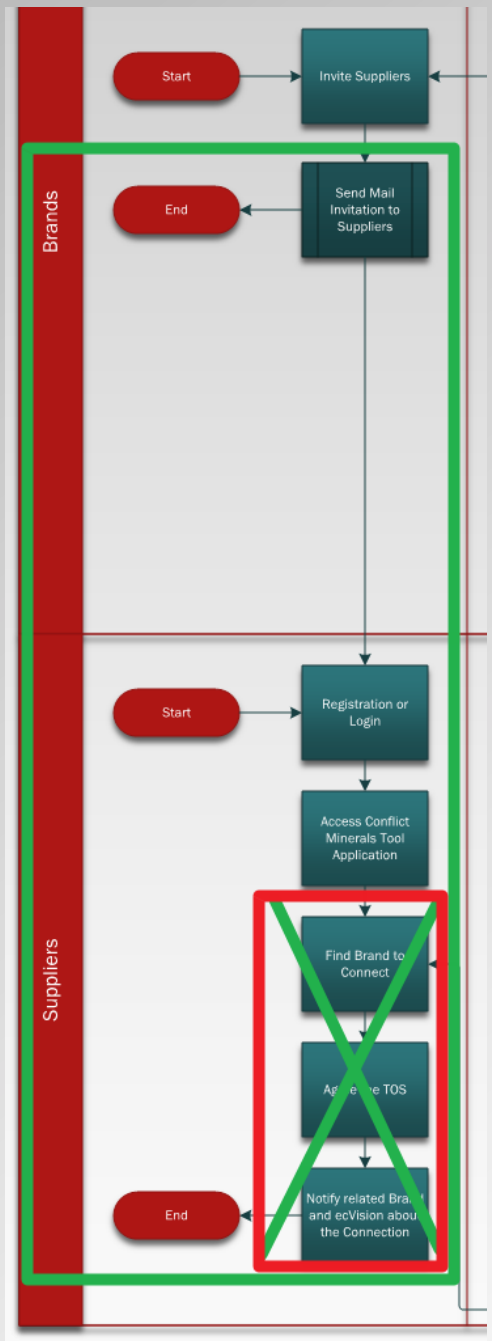
ecVision®

ecVision®

- Consumer
- Factory
- Material Supplier
- Component Supplier
- Smelter
- Trader
- Mine

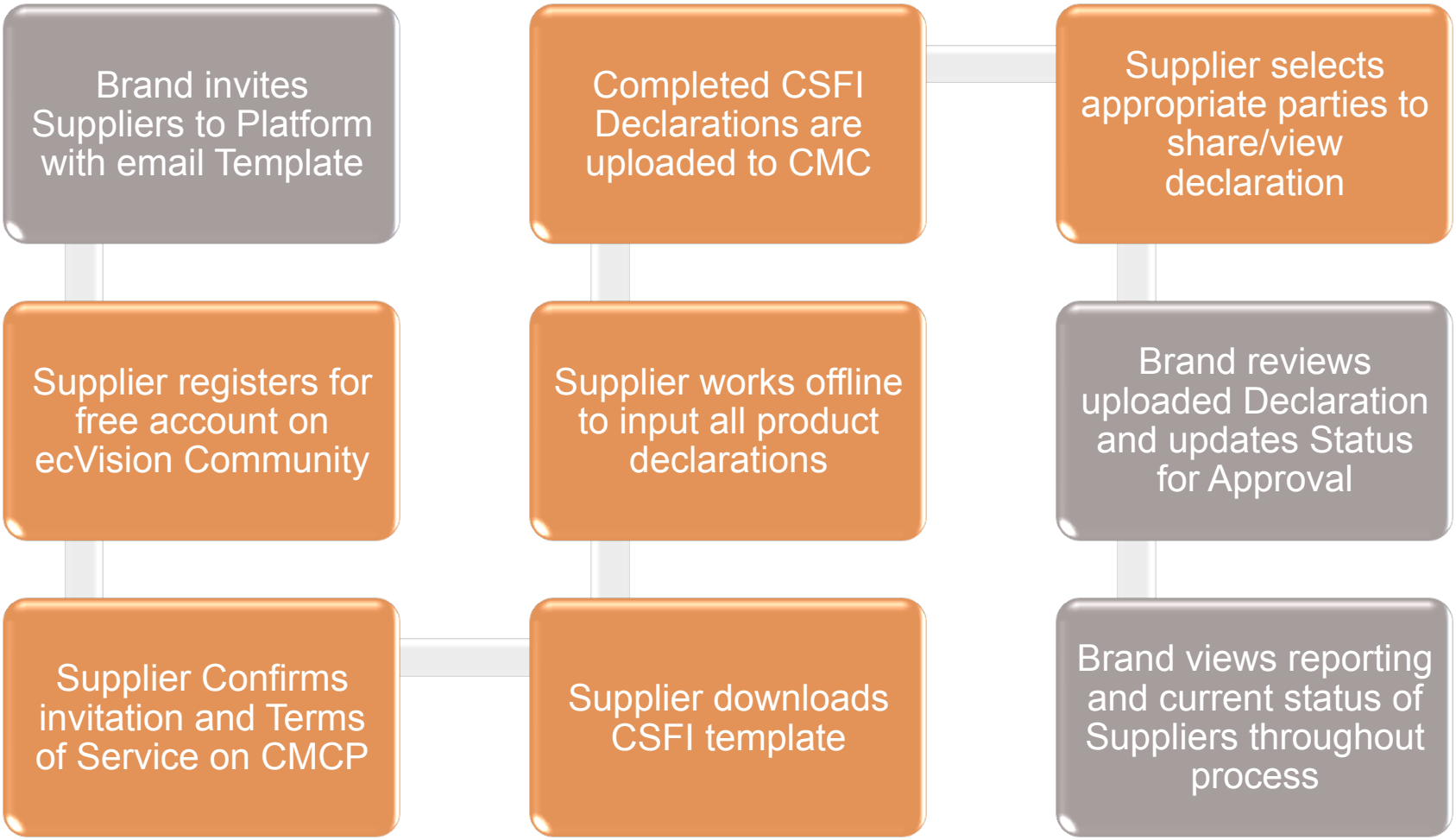
Complex Flow Chart





ecVision® Community™

CMC Workflow

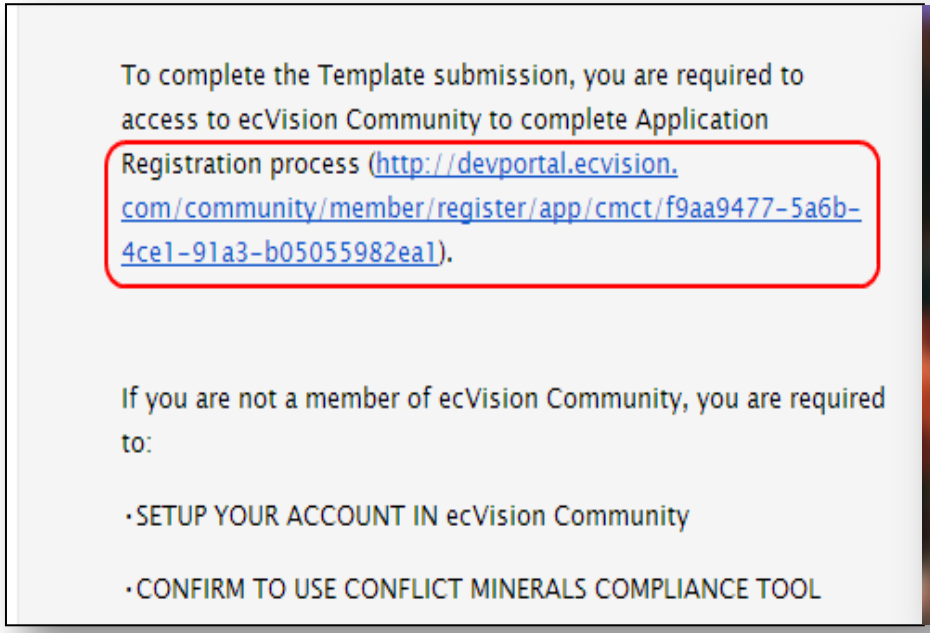


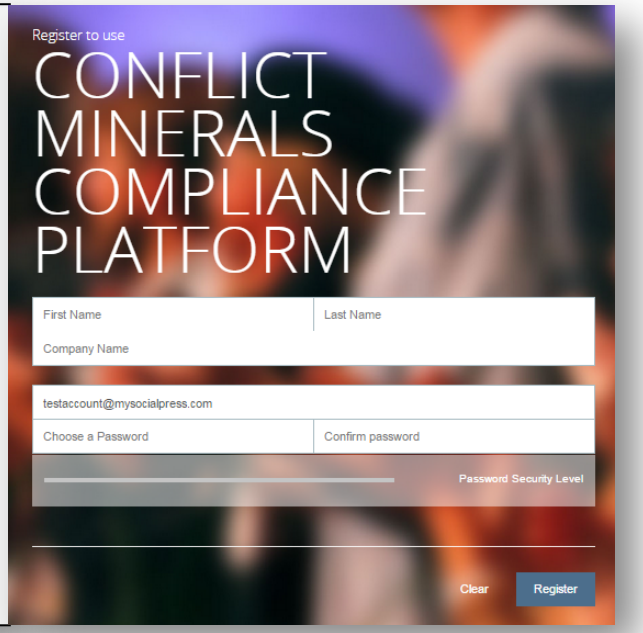
ecVision®

Supplier On-Boarding

Supplier On-Boarding

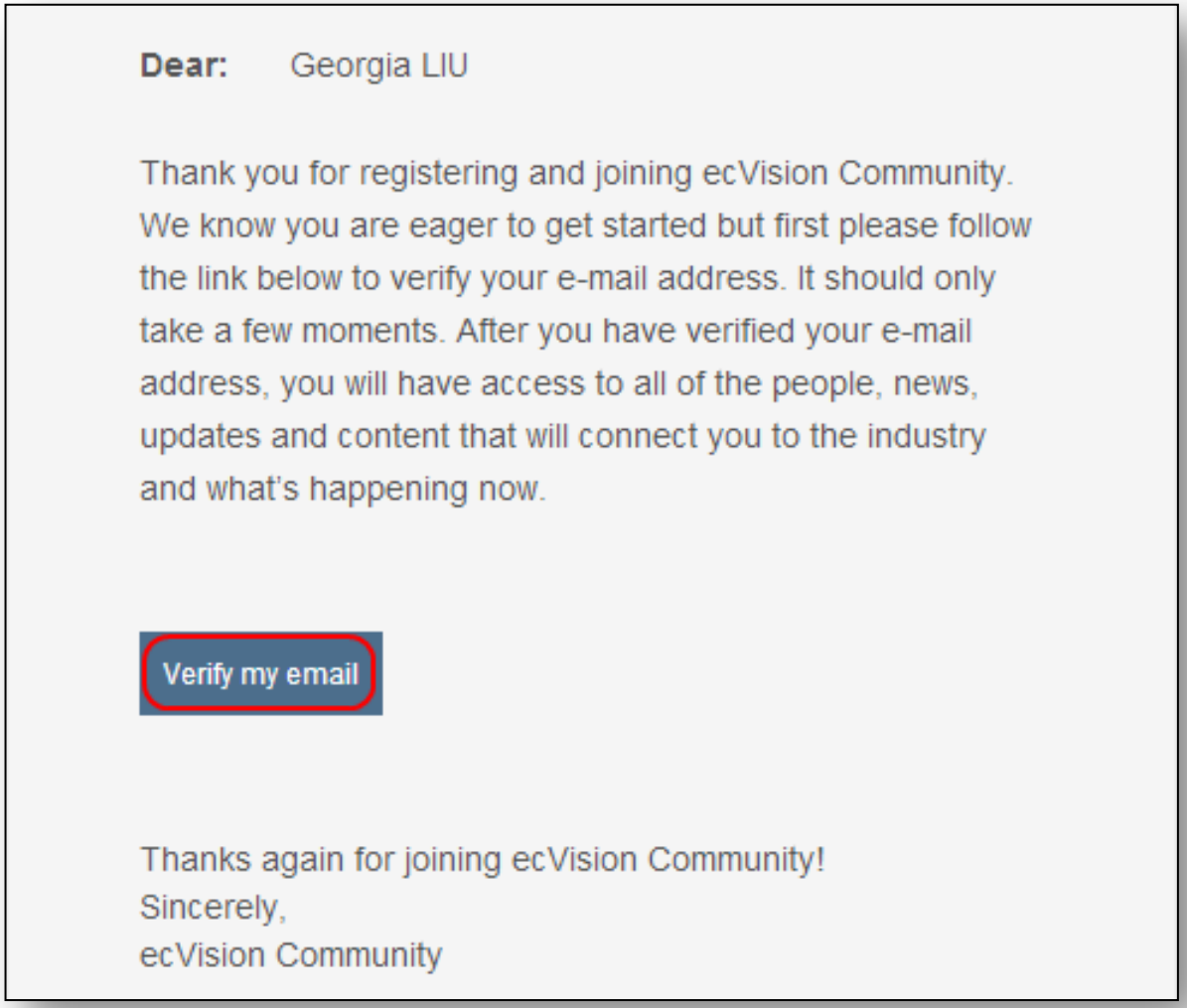
For suppliers that do not already have an ecVision Community profile:

- A supplier will receive an invitation from the Brand (or multiple Brands) to join ecVision Community and also the Conflict Minerals App.
- Once they click the link in the invitation, they will
  - Agree to the Terms of Service regarding the storage of their company information.
  - 

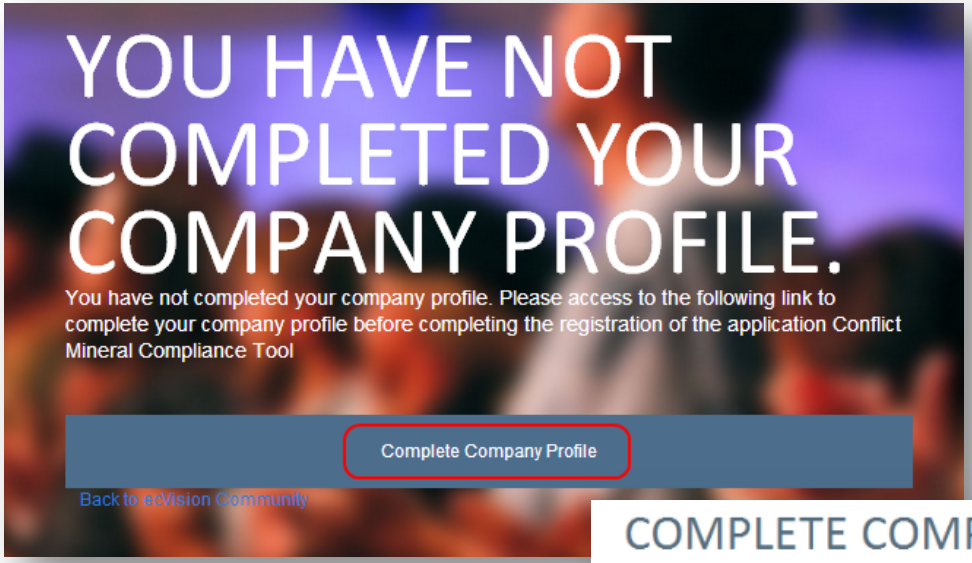
Supplier On-Boarding

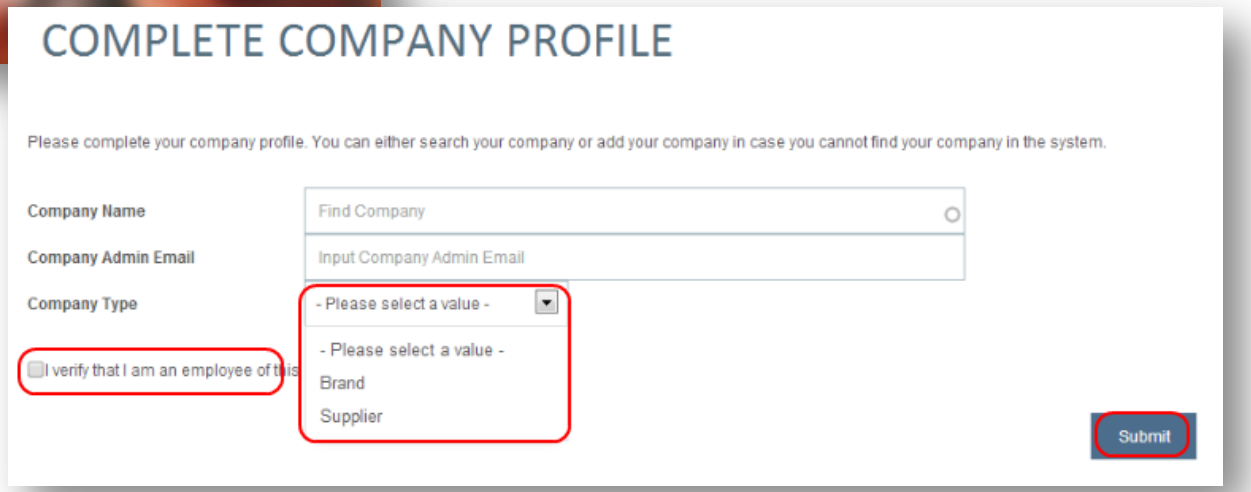
- The User will confirm their User Registration



New Supplier On-Boarding

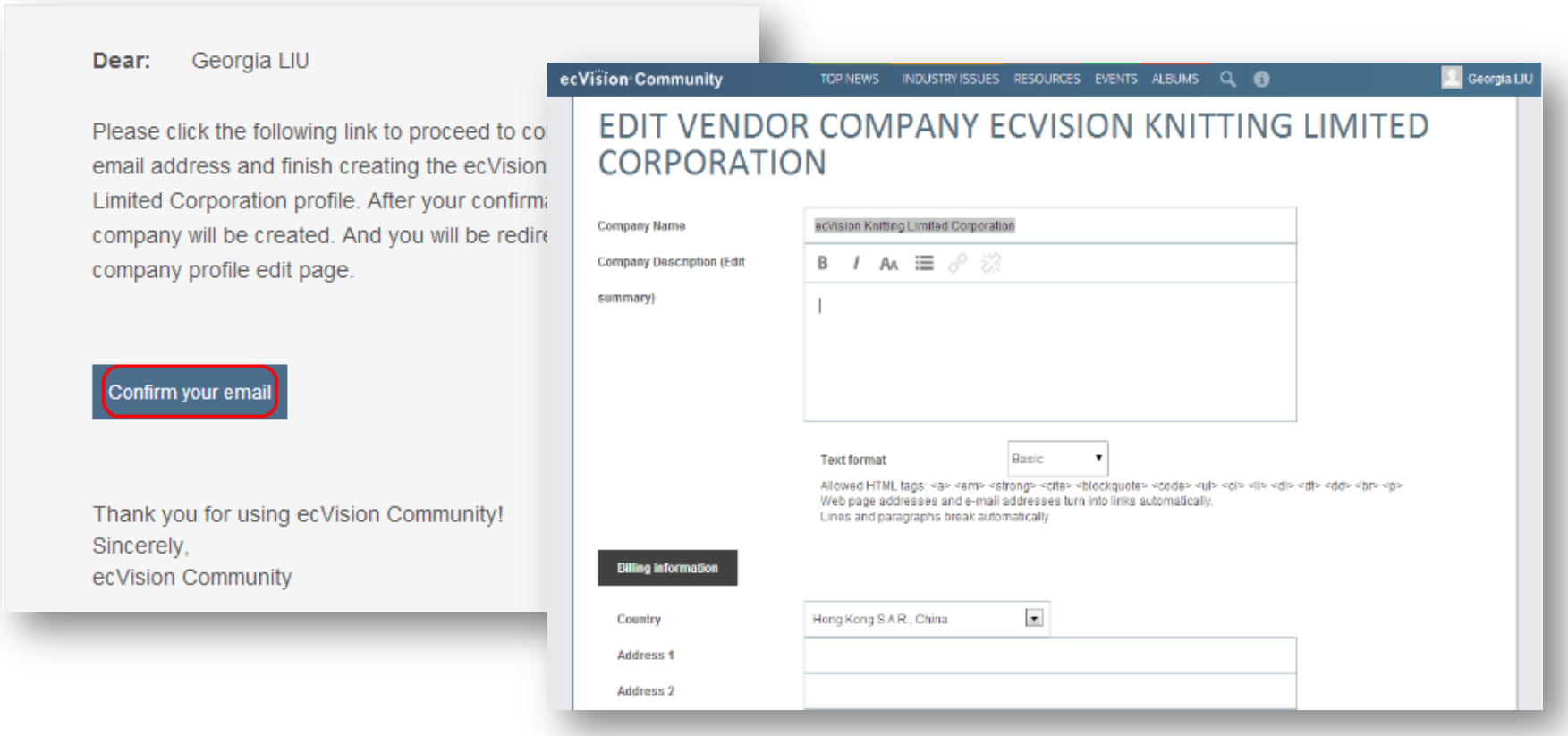
- A Company Profile will also be completed.





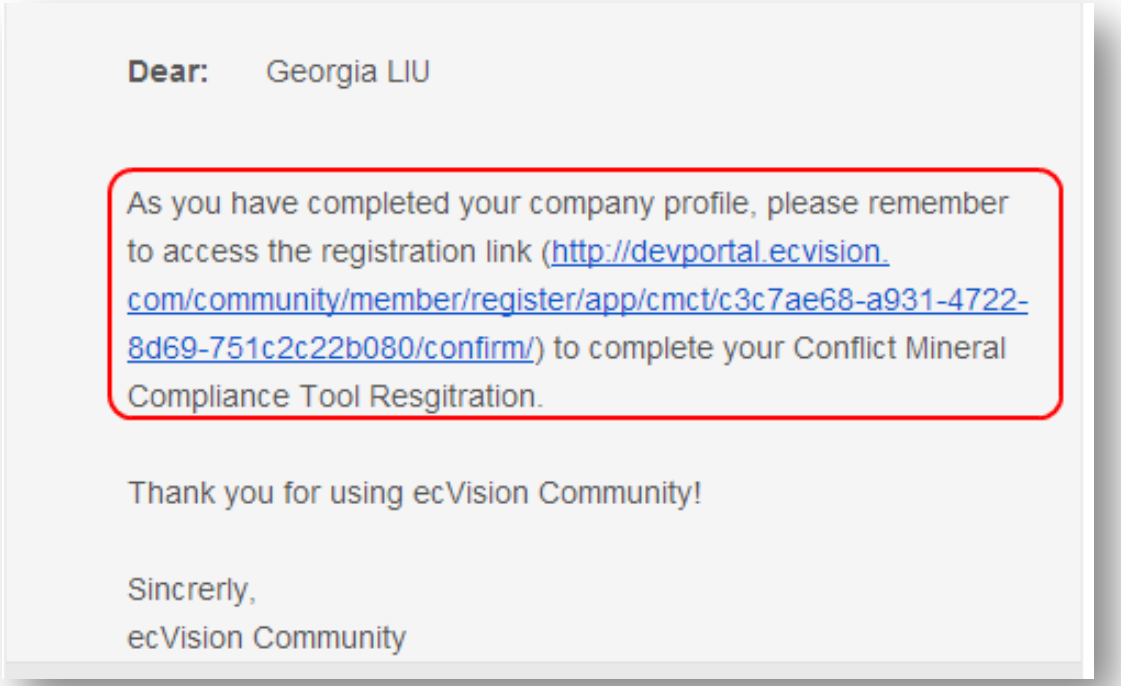
Supplier On-Boarding

- And confirmed.
- One individual is designated as the Administrator for each Company Profile.



Supplier On-Boarding

- The Supplier will then confirm use of the CMC Application and they will be “linked” to each Brand that has invited them.



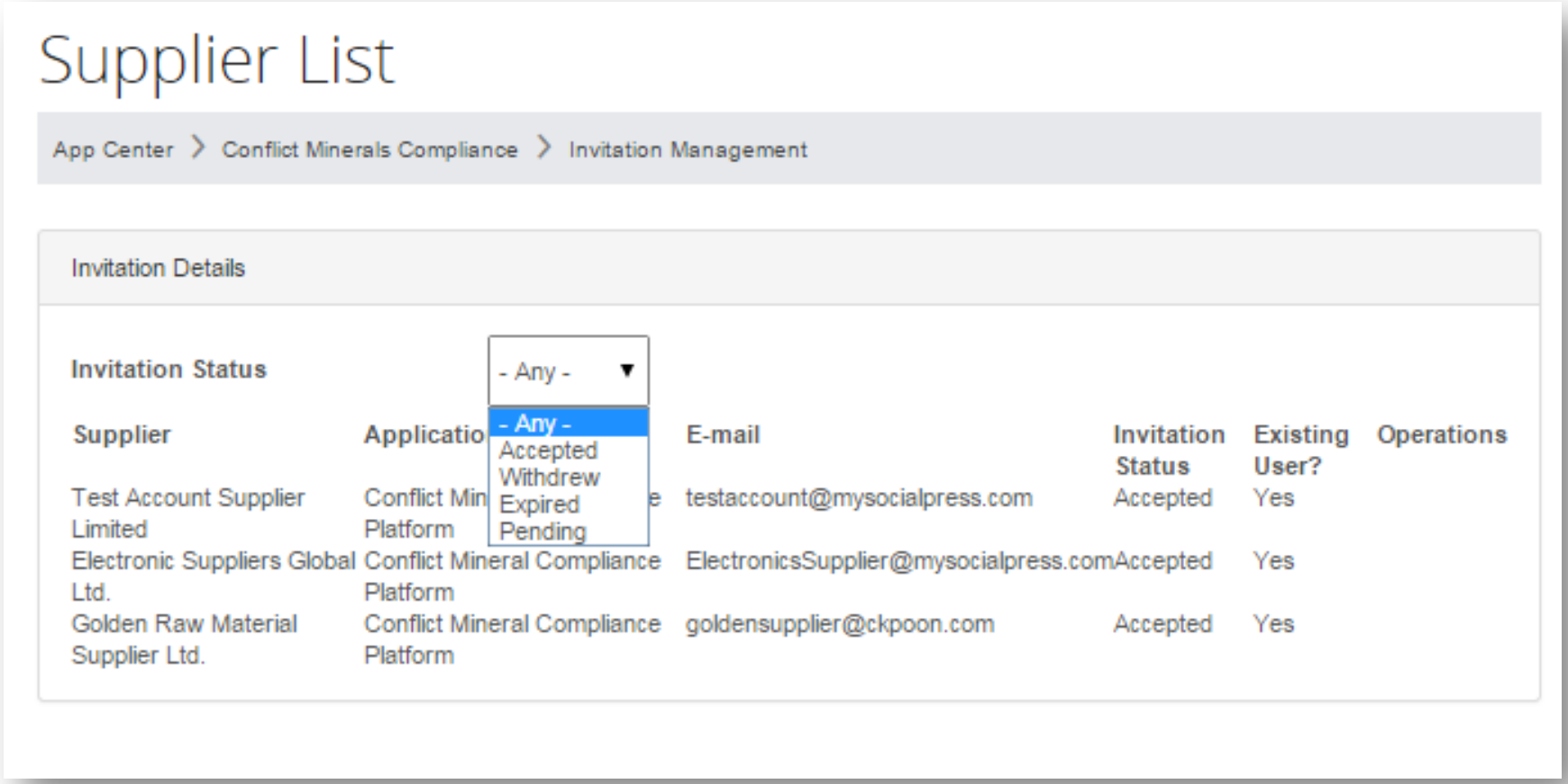
Dear: Georgia LIU

As you have completed your company profile, please remember to access the registration link (http://devportal.ecvision.com/community/member/register/app/cmct/c3c7ae68-a931-4722-8d69-751c2c22b080/confirm/) to complete your Conflict Mineral Compliance Tool Resgitration.

Thank you for using ecVision Community!

Sincrerly,
ecVision Community

Review Supplier List & Status

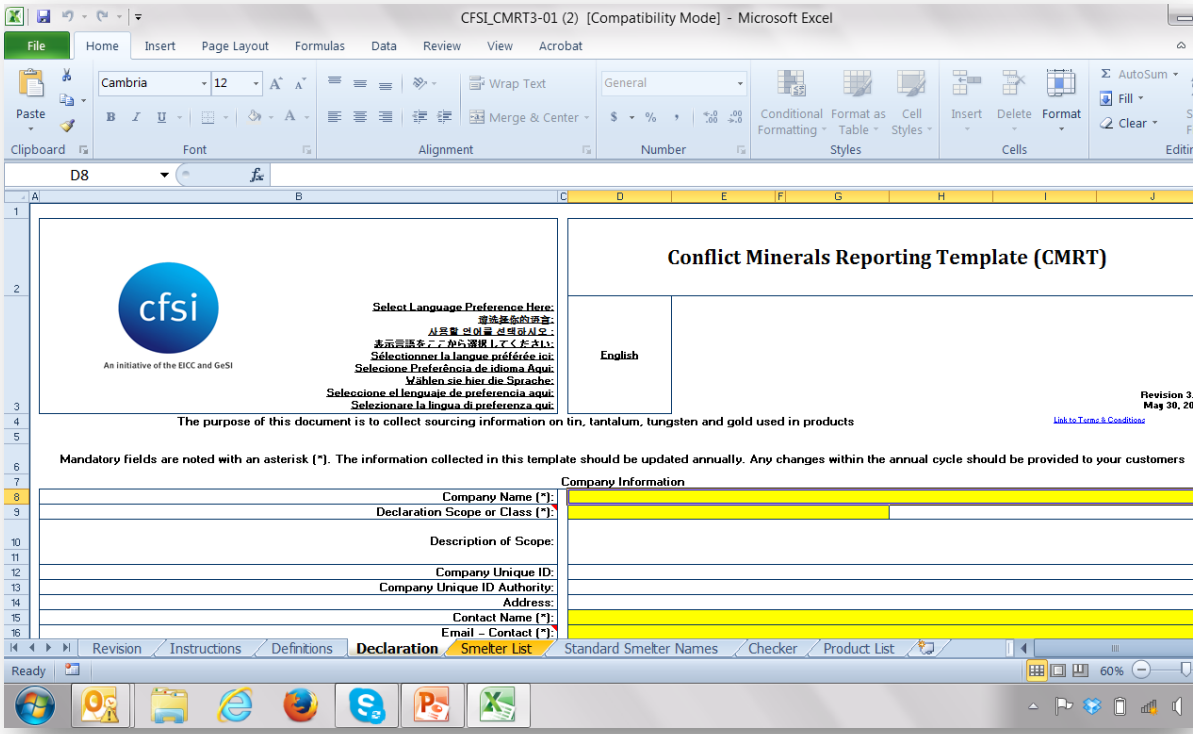


ecVision®

Conflict Minerals Compliance Operations

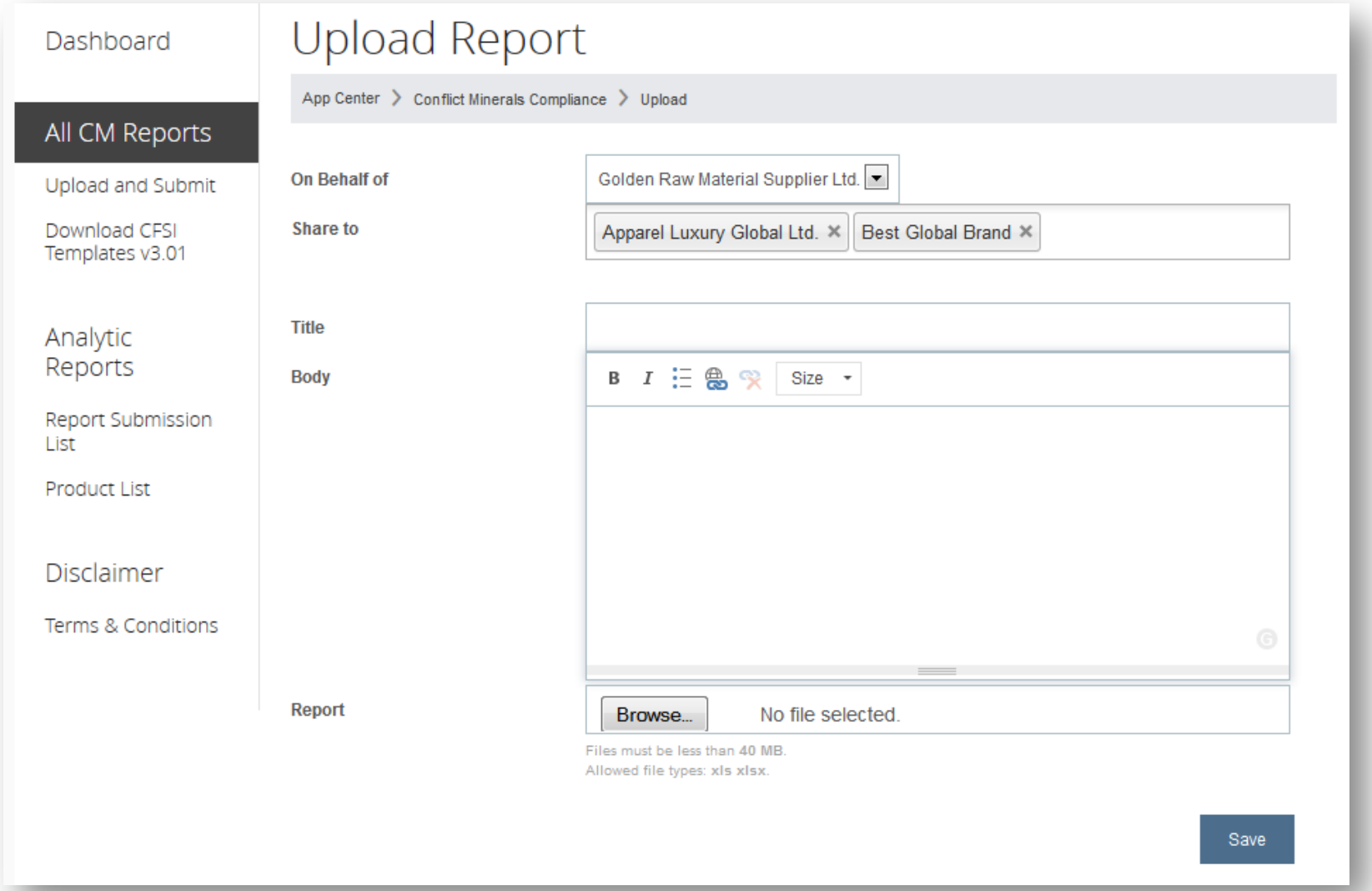
Suppliers Access Template

- The most current CFSI standard reporting template is housed in the App
- Suppliers can download the form and work offline to make their declarations.
- Declarations can be made at the “Company” or “Product” level.

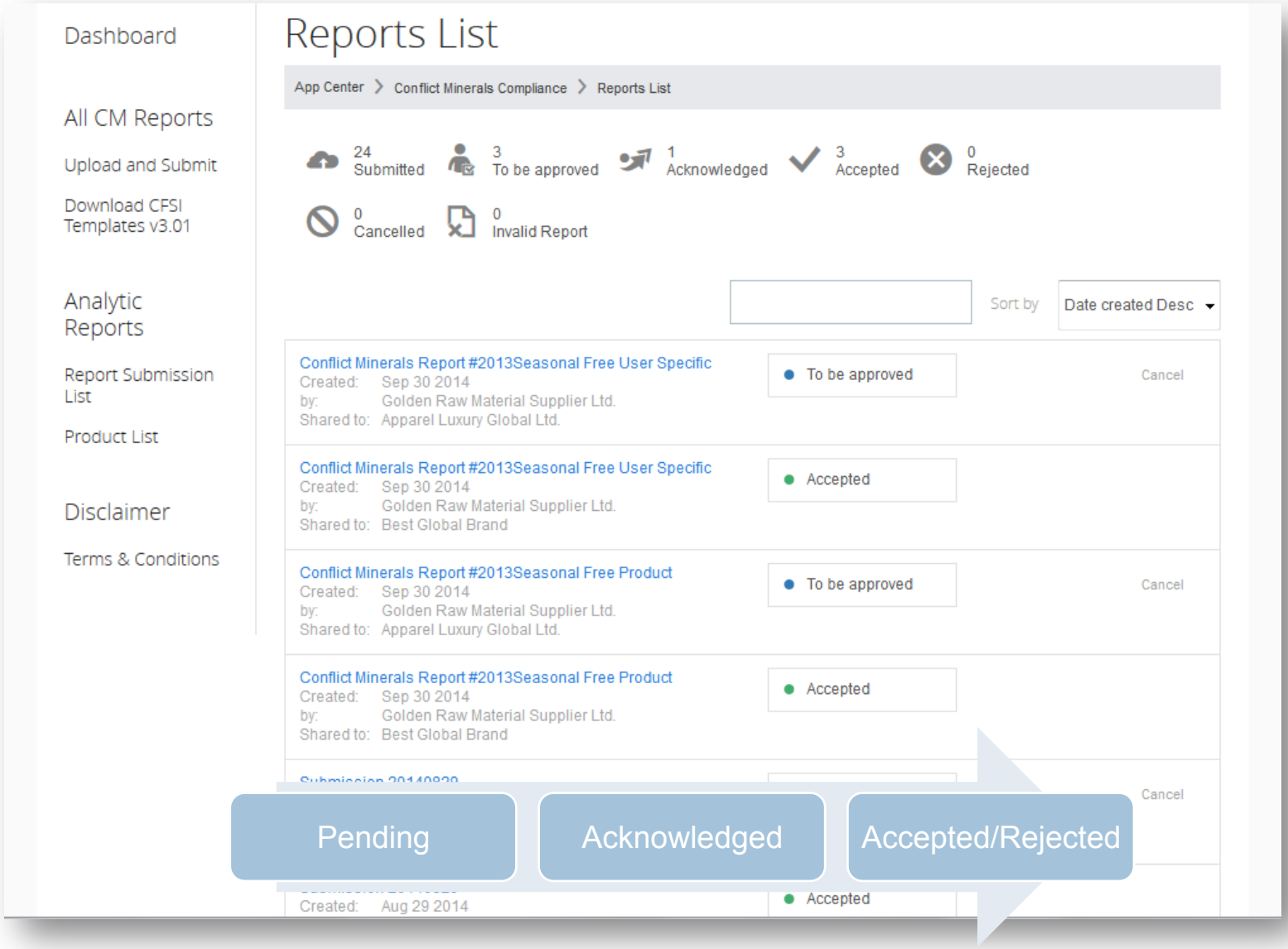


Supplier Uploads Report and Shares with Brand or Multiple Brands

ecVision®



Brands can View Report Progress



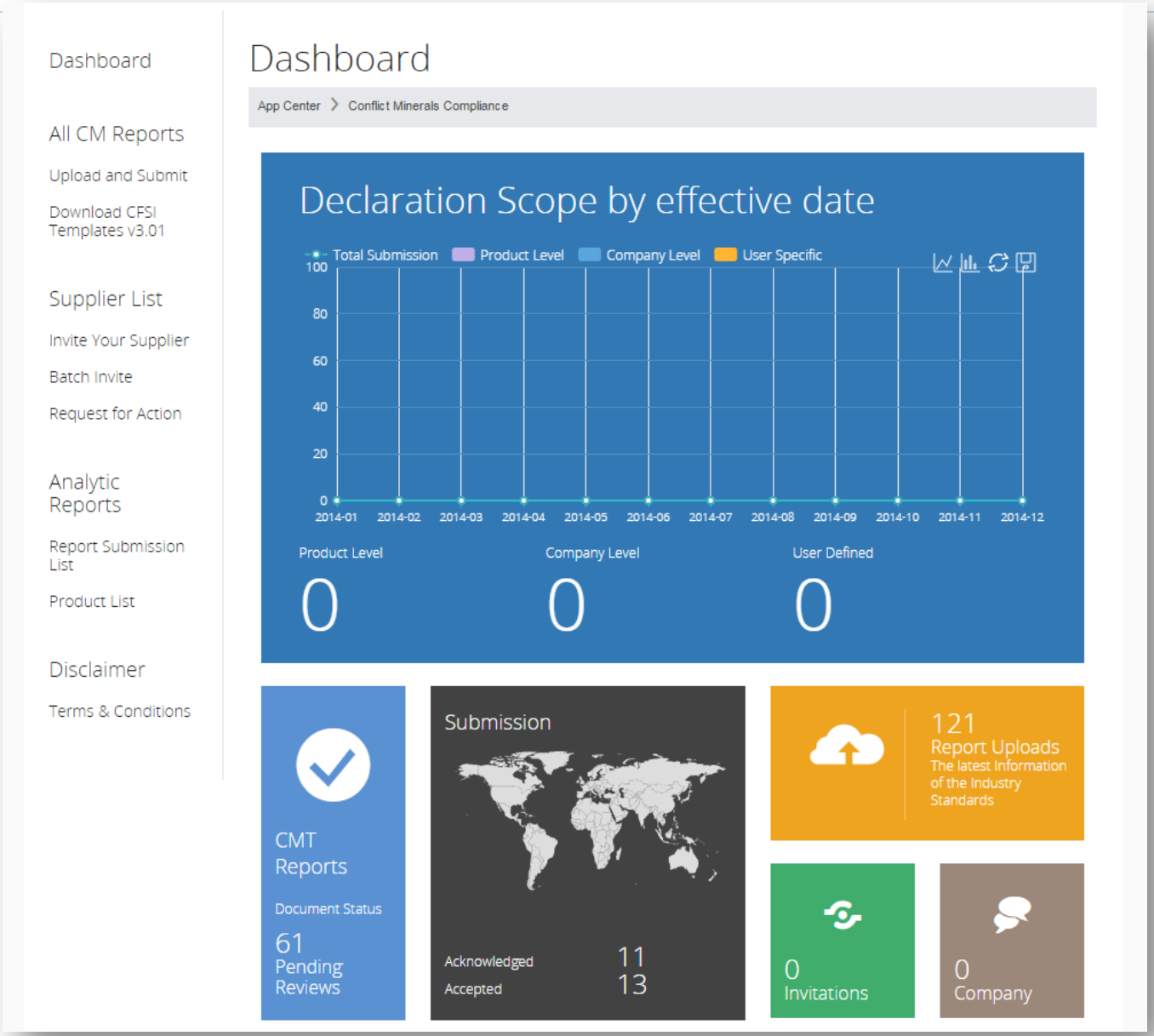
Details of Workflow

Filter Label	Description	Visible to Brand	Visible to Supplier
Submitted	The report has been uploaded, waiting for being processed.	√	
Processing	Waiting for a cron job which creates records in our system		√
Invalid Report	The status of the submission contains 'user error'.		√
To be approved	System checking API returned the valid signal.	√	√
Acknowledged	The Brand acknowledges the Supplier's Retrieval of Submission (Optional)	√	√
Accepted	The report has been accepted by the Brand.	√	√
Rejected	The report has been rejected by the Brand.	√	√
Cancelled	The report has been cancelled by the Brand or the Supplier.	√	√

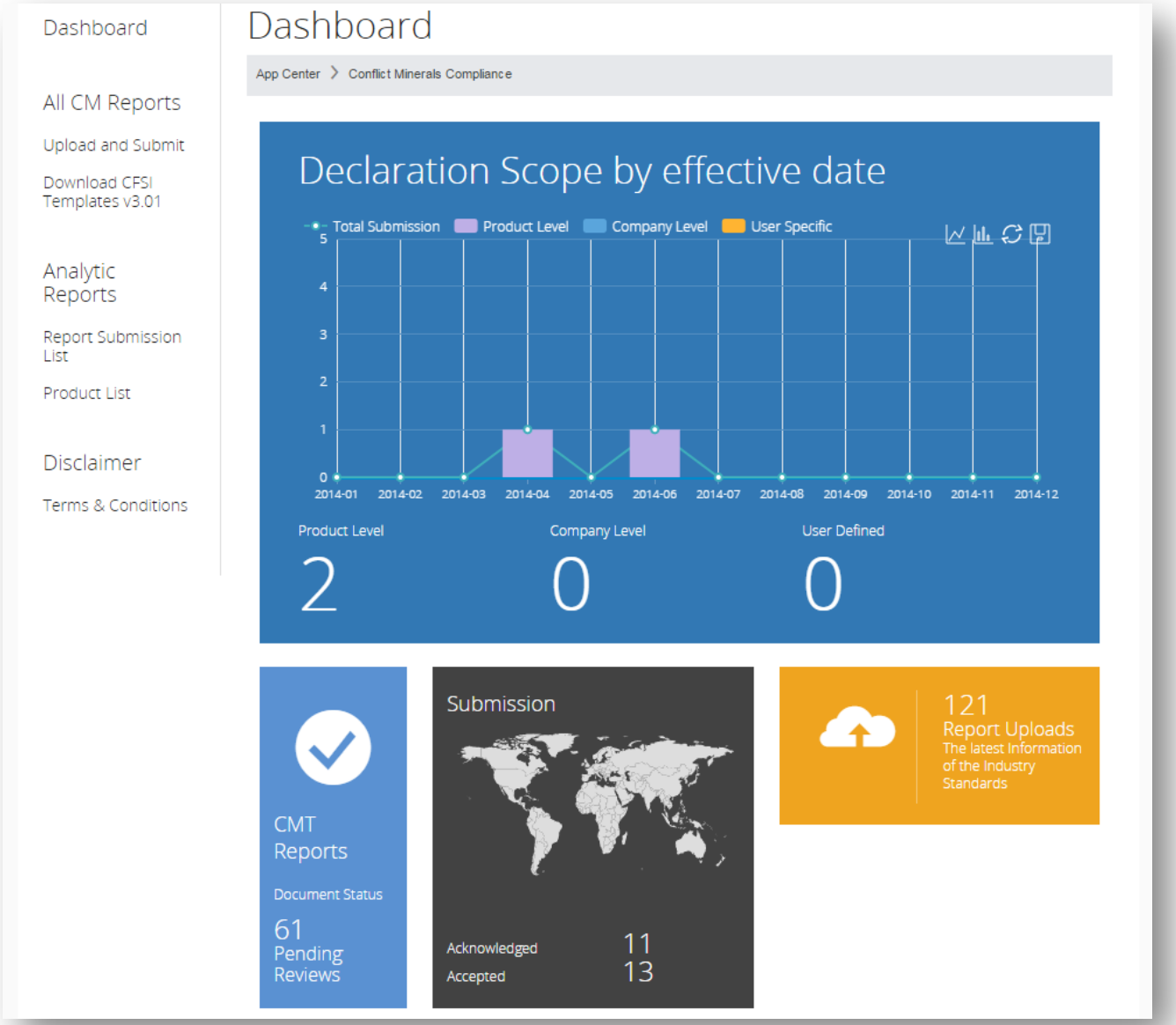
ecVision®

Analytical Status Reports

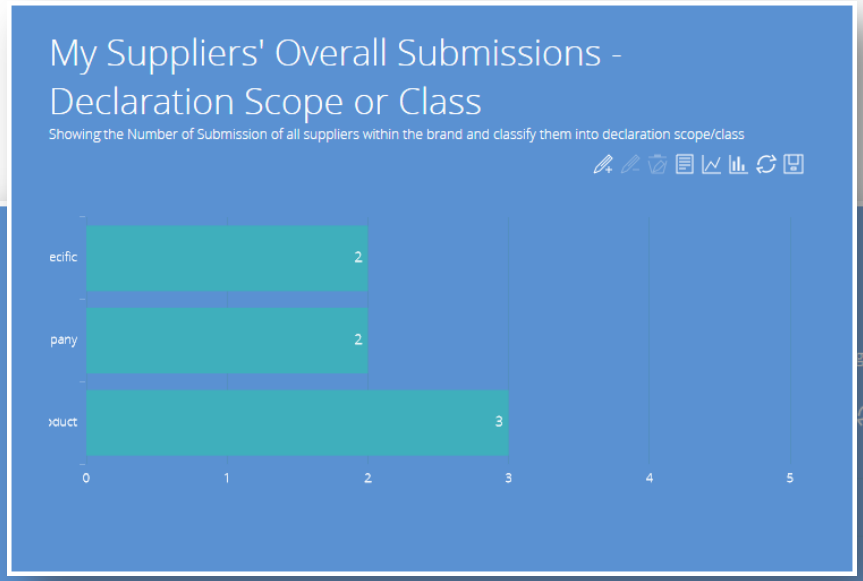
Main Dashboard-Brand

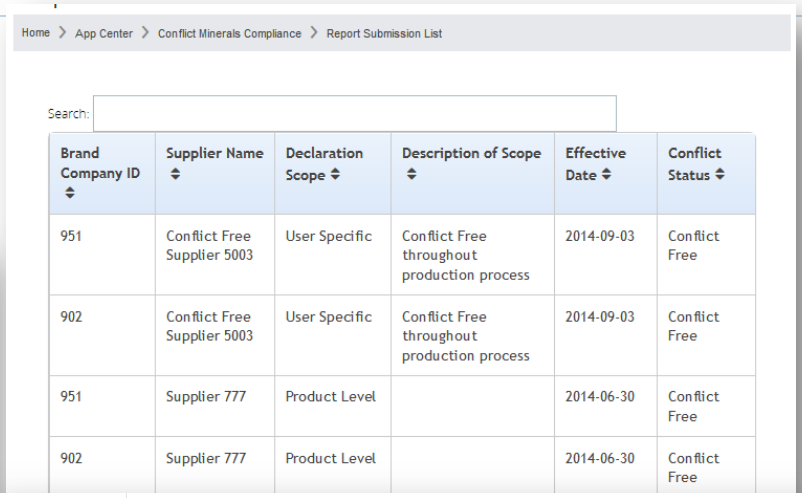


Main Dashboard-Supplier

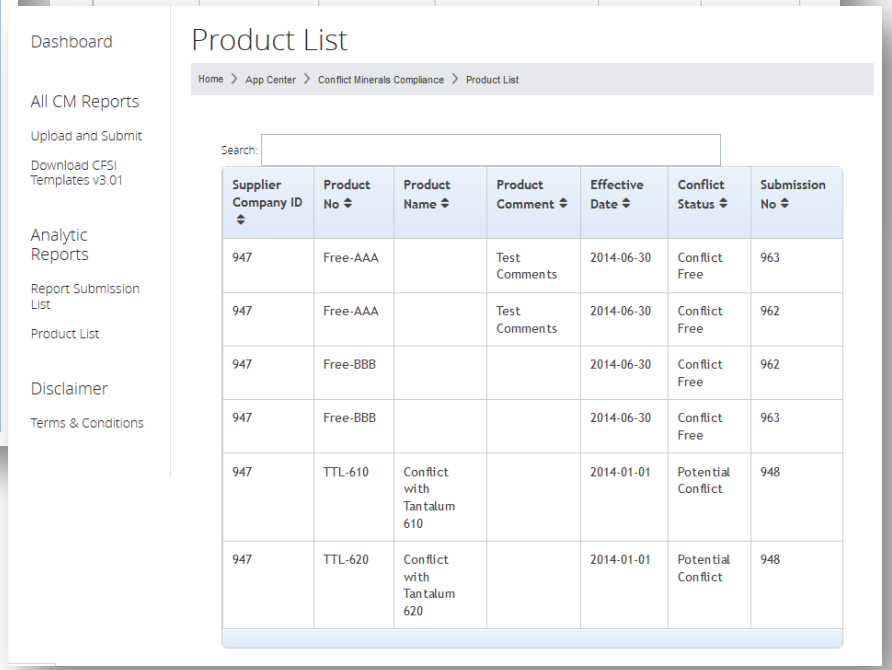


Declaration Status Reports





Brand Company ID	Supplier Name	Declaration Scope	Description of Scope	Effective Date	Conflict Status
951	Conflict Free Supplier 5003	User Specific	Conflict Free throughout production process	2014-09-03	Conflict Free
902	Conflict Free Supplier 5003	User Specific	Conflict Free throughout production process	2014-09-03	Conflict Free
951	Supplier 777	Product Level		2014-06-30	Conflict Free
902	Supplier 777	Product Level		2014-06-30	Conflict Free



Supplier Company ID	Product No	Product Name	Product Comment	Effective Date	Conflict Status	Submission No
947	Free-AAA		Test Comments	2014-06-30	Conflict Free	963
947	Free-AAA		Test Comments	2014-06-30	Conflict Free	962
947	Free-BBB			2014-06-30	Conflict Free	962
947	Free-BBB			2014-06-30	Conflict Free	963
947	TTL-610	Conflict with Tantalum 610		2014-01-01	Potential Conflict	948
947	TTL-620	Conflict with Tantalum 620		2014-01-01	Potential Conflict	948

Summary of Conflict Minerals Compliance Operations

Suppliers

- Build a Company Profile on ecVision Community
- Download and complete CFSI template
- Upload and share to brand(s)
- Receive notice of acknowledgement (approval or rejection)

ecVision®

Summary of Conflict Minerals Compliance Operations

Brand

- Invite unlimited number of suppliers
- Request completion of CFSI Template Form
- Review suppliers' submissions
- Request suppliers for additional actions

EU Voluntary Proposal

- Government considered the burden and cost to business first
- Scope of source country loosely defined
- Following OECD guidance closely
- Traceability still a major concern
- Optional compliance

ecVision®

Organisation for Economic Co-operation and Development

ecVision®

"Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars ...

High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence.

Such areas are often characterised by widespread human rights abuses and violations of national or international law."

Not really optional…

- Many companies are already bowing to the pressure from NGOs, customers or just complying with the Dodd Frank Act.
- Companies' actions are largely driven by the bottom line: if the cost of compliance is less than the lost business and reputational damage that comes with non-compliance, organizations will choose compliance.

2014 Reports

ecVision®

J.CREW

Acknowledged they or their suppliers may have obtained metals from mines in a region known to use mining to fund armed militias.

Stated they haven't figured out if their products are in the clear.

The Walt Disney Company

jcp

Listed an array of goods that have components difficult to trace.

Is it effective?

- Spotlight on the role of the minerals in everyday goods
- Impact on the ground
- Less economically viable to fund armed groups from minerals

ecVision®

Contact Information

ecVision®

Reach_Us@ecvision.com