

Case Study:

Conflict Mineral Compliance with Parts Solutions



e2v meets urgent customer need and protects business by reducing risks and enabling conflict mineral compliance

This global technology provider helped a customer comply with conflict-mineral regulations related to 548 electronic components from 60 companies in the supply chain – securing a £1 million contract renewal, avoiding a roadblock to future orders and preventing the loss of employee time (saving two months of work by a key employee).

CHALLENGE

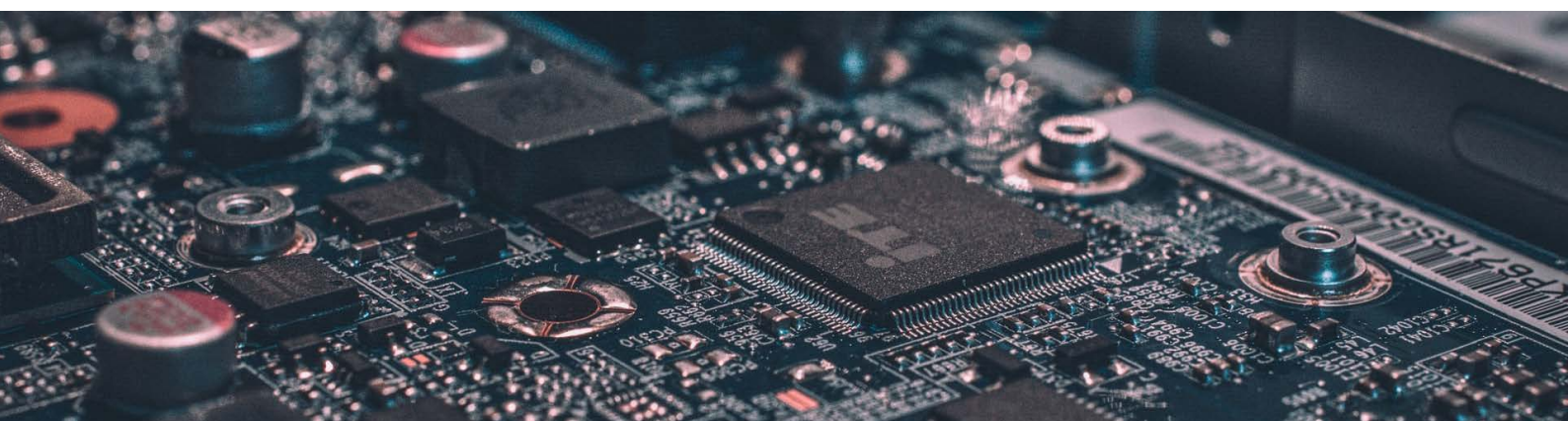
- Answer major customer's rush request for help complying with conflict mineral regulations in order to prevent loss of 6-year relationship
- Establish ability to answer other clients' inquiries about conflict mineral-free status of products
- Minimize administration time and disruption of e2v's daily operations

SOLUTION

Parts Solutions team consultation with Content Services for Conflict Mineral Compliance from Accuris

RESULTS

- Completed due diligence research into conflict mineral-free status of 548 electronic components from 60 different companies within supply chain
- Met customer's urgent needs and expectations to secure contract renewal of £1MM and avoid roadblock to future new orders
- Prevented loss of 2 months full-time work for in-house employee and avoided reduced performance on their primary job responsibilities
- Increased confidence in initial research and planning for response to future requests based on access to specialized tools, processes and know-how





e2v enables major client's conflict mineral compliance

Based in the United Kingdom, e2v is a global provider of innovative technology products that include radio frequency power solutions, hi-reliability semiconductors, and high-performance imaging solutions. This niche-market leader has contributed to many ground-breaking programs including Airbus A380, Boeing 787, European Space Agency Gala mission, and the Hubble space telescope upgrade project. With operations across Europe, the US and Asia, e2v's annual sales surpass £200MM; and it is listed on the London Stock Exchange.

"e2v's vision is to be the company most trusted to deliver advanced technology and vital services for critical systems ... Our largest customers have typically had a relationship with us for over 10 years, with many over 20 or more years. These relationships are based on trust in our abilities and our claims about our services, our products and about who we are as a company."

When one of their imaging division's largest clients requested assurance that e2v products they had purchased were not in violation of new conflict mineral regulations, e2v's leadership team immediately took notice. This client had worked with e2v for 6 years and renewal of its contract was worth more than £1MM. In addition, e2v's leaders recognized this might be the first of many similar requests. Failure to address this issue successfully could turn into a major roadblock to multiple renewals and new orders.

To demonstrate a deep understanding of this international issue, e2v needed to provide detailed reporting that address its customer's concern and honor its own corporate governance commitment "to consider the interests of the global community when conducting our business, ensuring that we function in an ethical and responsible way at all times"

Since the late 1990's, violent conflict and human rights abuses have claimed millions of lives in the Democratic Republic of the Congo (DRC). Much of the conflict is funded by trade involving four minerals and their derivatives – gold, tin, tantalum and tungsten – which often pass through various intermediaries before being purchased by global electronics companies.

The first major legislation in the world intended to help end violent conflict in the DRC is the United States' Dodd-Frank Act. Starting in May 2014, Dodd-Frank directs the U.S. Securities and Exchange Commission to implement rules for US publicly-traded companies that require them to disclose whether they or their suppliers use minerals originating from DRC and be transparent about what efforts have been taken to ensure they do not contribute to the regional violence.



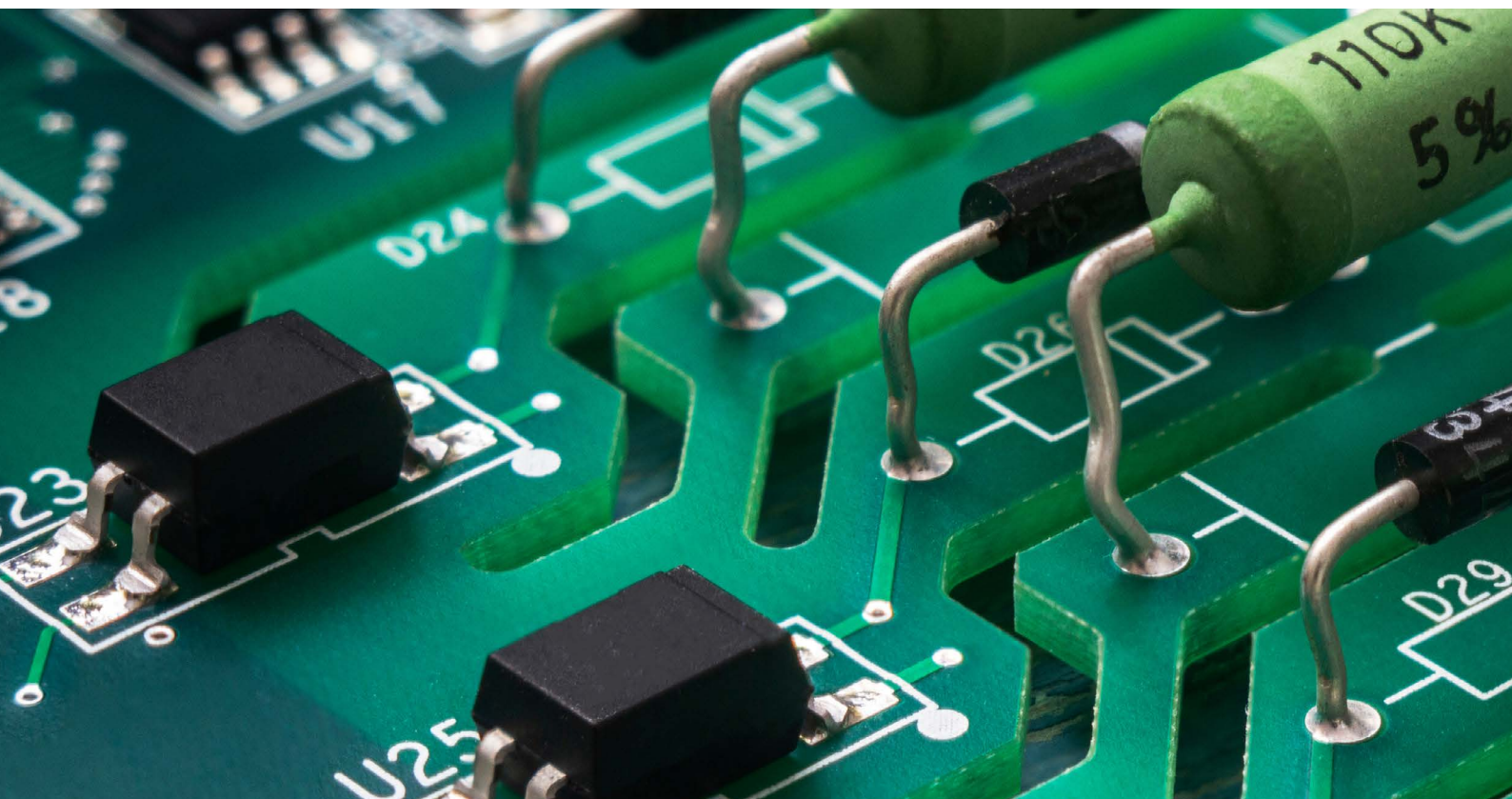
"This was make-or-break for us. It was critical for us to show the customer that we had the willingness to understand the regulation's requirements and the ability to help them ensure compliance ... Failure would mean this customer would turn to another supplier, and it would have been a consideration when we pursued future business opportunities, too."

-Nicholas Lamberet
Commodity Manager, e2v

ACTING FAST TO ADDRESS A CRITICAL CHANGE

"As an organization, e2v wasn't set up to respond to requests such as this in a reactive and autonomous manner," said Nicholas Lamberet, e2v Corporate Commodity Manager. "I took it upon myself and identified an existing partner that could support our service request – Accuris. I was already familiar with Accuris through our subscriptions to other services over the past years, so I knew they had the tools, processes and know-how to achieve our goal."

The scope of work for the project was complex and time was short. In order to gather the information required for the compliance reports, researchers would have to quickly obtain and document the conflict mineral-free status for 548 electronic components across 60 different e2v suppliers located around the globe.

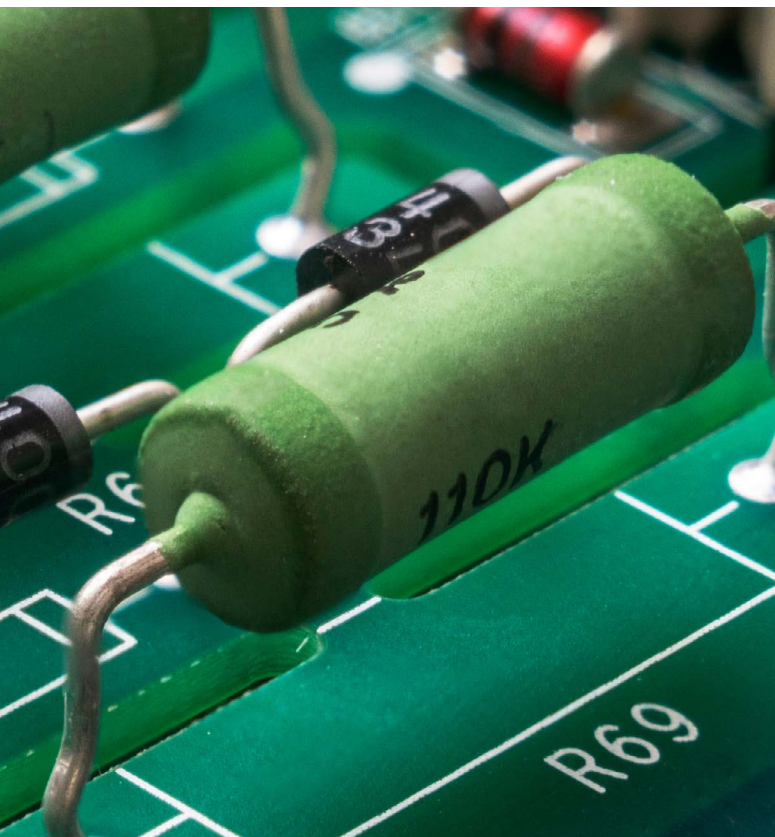


RAMPING UP THE GLOBAL PROJECT TEAM

"It was an easy decision to take a requisition to my management," said Lamberet. "When I put all of the requirements end-to-end, it was obvious that this project would take someone on our staff at least two months full time to complete and pull them away from their primary job responsibilities."

With limited internal resources and time, e2v leaders immediately agreed to outsource the work to Accuris in order to avoid potential disruption of daily operations and feel confident that e2v would meet this valued customer's expectations.

The project was truly global in scope. Lamberet is based in France, while his Accuris project manager and some colleagues worked from the US, and the Accuris support team worked from India. As a result, clear communications and effective data exchange were vital to successful completion of the task. Fortunately, Accuris already had a robust platform in place that enables smooth, instantaneous information transfer.



MANAGING THE WORKFLOW, MITIGATING THE RISK

Lamberet placed e2v's order with Accuris in September. With clear requirements outlined, the project was to be completed in full by the end of the year in order for e2v to respond positively to their client's request. "Our e2v account manager was very nervous about the project," Lamberet said. "They wondered how on earth all of the information could be pulled together quickly enough to meet the customer's deadline."

Lamberet ran the project for e2v in a timely manner, providing the Accuris project manager and team with the information that they needed and in a format that facilitated their research into the conflict mineral status of those 548 electronic components.

Accuris delivered the research results to e2v in four batches, starting at the end of September with the final report delivered on December 23 – a few days ahead of schedule. Throughout the process, the combined e2v-Accuris team held calls regularly to review and refine the data. Once Accuris delivered the complete data set in the required template, Lamberet used that data to consolidate e2v's response to the customer.

"This was make-or-break for us," noted Lamberet. "It was critical for us to show the customer that we had the willingness to understand the regulation's requirements and the ability to help them ensure compliance. Noncompliance was not an option. Failure would mean this client would turn to another supplier, and it would have been a consideration when we pursued future business opportunities, too."

TRANSFORMING RISK INTO OPPORTUNITY

In early January, e2v received confirmation from the customer that the information Lamberet had supplied, with help from Accuris, had met their requirements. «The client was pleased that we were able to complete its compliance requirement right on time,» said Lamberet. «It appears that we're well positioned now to continue growing our business with them – and to address similar concerns that other customers may have about conflict mineral compliance.»

As a result of this project and collaboration with Accuris, e2v has established the foundation for a database that can be leveraged whenever clients ask for help with conflict mineral compliance. This may prove useful as other jurisdictions – e.g. the European Union – consider adopting conflict mineral legislation of their own. If that happens, it appears that e2v is already ahead of its competitors on this front.

For more information, visit: www.accuristech.com



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