

- **Industry Standard – Technology and Communications, Electronics Manufacturing Services and Original Design Manufacturing (EMS & ODM)**
  
- **TC101-05 (Auditing)**
  - **Comment:** The metric proposes measuring the number of supplier facilities audited against the total number of tier 1 facilities. The EICC (now RBA) formula for determining how many suppliers to audit annually, however, is based upon the number of “high-risk” facilities (as revealed in self-assessment questionnaires) as opposed to the total number of suppliers. That ratio would be a better indicator of the breadth of a reporter’s audit program as many larger EMS and ODM companies have hundreds or thousands of Tier 1 suppliers within their top 80% by spend and most are lower risk (due to small amount of spend, location or commodity).
- **TC101-07 (Product Lifecycle Management)**
  - **Comment:** This section of the standard (TC101-7 through TC101-09) misapprehends the relationship between EMS and ODM companies and the brands who are their customers. The management activities contemplated by these indicators, namely elimination and/or reduction of declarable substances, product certification and material recovery are largely handled by the brands to the exclusion of the EMS/ODMs. While in some cases the EMS/ODM might provide services that facilitate these product certification and material recovery are largely handled by the brands to the exclusion of the EMS/ODMs. While in some cases the EMS/ODM might provide services that facilitate these types of operations, more often that is not the case. The net result is that gathering the data required to make these calculations is either impossible or extraordinarily difficult.
- **TA03-02-01 (Critical Materials)**
  - **Comment:** There are at least two issues with this proposed indicator. First, because the list of critical materials is so long and conflates conflict minerals with rare earth and other groups of materials, the utility of this metric is diminished. For example, tantalum is widely used in capacitors and resistors and virtually every electronic product will have one or more of those components and often hundreds. Indium is now widely used in semiconductors and rare earth materials are found in batteries. In other words, if the list is taken as whole, most EMS/ODM companies would report that most of the products they manufacture contain one or more of these materials. Second, some of these materials are not regularly declared by suppliers because of the minute amounts used. When you combine that fact with the numbers of products manufactured by many EMS companies (numbering in the thousands) you have created a very substantial reporting burden.