



Online training session

Mineral supply chain due diligence for SMEs

Funded by the European Commission

Hosted by Levin Sources and Oeko-Institut

Making the best of today's training



Please mute your **microphone** and switch off your **camera** when you're not speaking.



Raise your **hand** when you want to intervene. If possible, the moderator will give you the floor.



Please use the **chat** function only when specifically requested/allowed and as explained by the moderators.

The meeting will be recorded and shared on the Due Diligence Ready! portal

Welcome and agenda

Time	Session	Facilitator / Presenter
15:00	Welcome and project introduction	Dr. Izabela Kosińska-Terrade, Senior Consultant, Oeko-Institut Maria Nyberg, Policy officer, DG GROW Raw Materials – Energy Intensive Industries
15:10	Introduction: Legislation and state of play	Tatiana Kakara, Policy Officer, European Commission – DG TRADE
15:20	Training content introduction and expectation settings	Rosanna Tufo, Senior Specialist Responsible Business and Development, Levin Sources
15:25	Practical deep dive on due diligence <ul style="list-style-type: none">• Due diligence in practice for SMEs: going from theory to practice and integrating due diligence in procurement and supply chain processes• Deep dive on RMI tools	Rosanna Tufo, Senior Specialist Responsible Business and Development, Levin Sources Anna Stancher, Senior Program Manager for Impact and Innovation, The Responsible Minerals Initiative (RMI)
15:55	Breakout sessions: exchange with peers	6 sessions
16:15	Q&A (in plenary room)	Dr. Izabela Kosińska-Terrade, Senior Consultant, Oeko-Institut
16:25	Reminder of available tools on the Due Diligence Ready! portal	Dr. Izabela Kosińska-Terrade, Senior Consultant, Oeko-Institut
16:30	End of meeting – enjoy your afternoon!	

EU tool to support responsible minerals and metals supply chains: Due diligence ready!

Maria Nyberg, Policy officer, DG GROW Raw Materials – Energy Intensive Industries

Due diligence ready!

https://ec.europa.eu/growth/sectors/raw-materials/due-diligence-ready_en



The screenshot shows the website header 'Internal Market, Industry, Entrepreneurship and SMEs' with navigation tabs for 'Single market and standards', 'Industry', 'Entrepreneurship and SMEs', 'Access to finance for SMEs', and 'Sectors'. A sidebar on the left lists 'Raw materials, metals, minerals and forest-based industries' and 'Due diligence ready!' (selected). The main content area features the text 'Due diligence ready!' and 'DUE DILIGENCE READY! Ensuring responsible minerals and metals supply chains' with a small line graph icon.



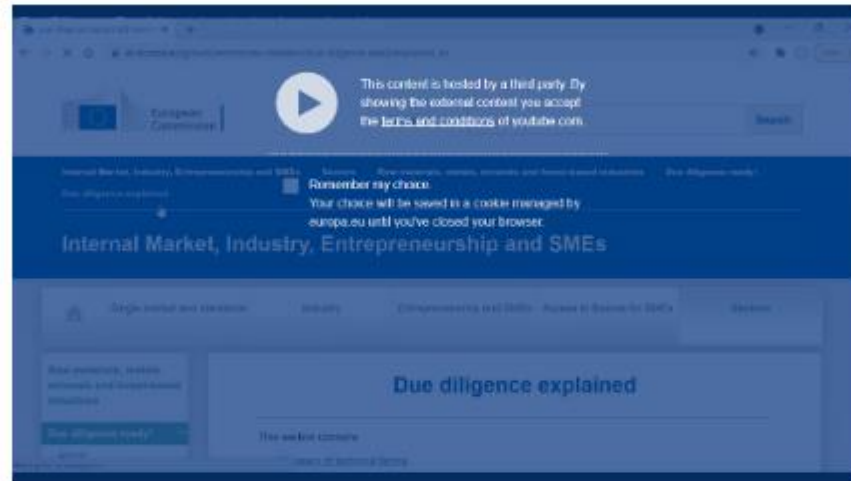
The infographic is titled 'Due Diligence Ready!' and 'CONFLICT MINERALS REGULATION EFFECTIVE FROM 1 JANUARY 2021'. It features a central illustration of a worker in a hard hat and safety vest, surrounded by icons of a truck, a ship, and a factory. To the right, a hand is shown drawing a chain of links, with the text 'IDENTIFYING, ASSESSING AND MANAGING RISKS IN THEIR SUPPLY CHAIN'. Above the chain, a periodic table highlights the elements Sn, Ta, W, and Au. A 'Watch on YouTube' button is located at the bottom.

Due diligence ready? focuses on tin, tantalum, tungsten and gold but also includes all other minerals and metals such as battery raw materials.

Objectives

The 'due diligence ready?' portal will help you

- learn about the benefits companies can gain from performing due diligence on their supply chains
- understand, assess and mitigate risks and impacts in their supply chains related to responsible sourcing
- understand and implement the UECU due diligence guidance (UECU DDC) for responsible supply chains of minerals from conflict affected and high risk areas (CAHRAs) and learn how to do due diligence for responsible mineral sourcing (the OECD DDO applies to all minerals)



Free email advisory

Our free email advisory service, which started on 13 February 2023, offers expertise and guidance about implementing the regulation for SMEs that import 3TGs.

Available on a first come, first served basis in English, French, German, Italian, Polish, Portuguese and Spanish at inf@due.diligence.ready.eu

Informative leaflets

About the project

- Keep the Due Diligence Ready! portal updated
- Networking and contact with 7 selected Member States (Belgium, Germany, France, Italy, Poland, Spain, The Netherlands)
- SMEs advisory service and support

EU Conflict Minerals Regulation



Tatiana Kakara, European Commission (DG TRADE)

Minerals supply chain due diligence for SMEs: training session

Regulation (EU) 2017/821: main principles

- Key requirements **apply from January 2021**
- Mandatory due diligence **obligations for EU importers of tin, tantalum, tungsten and gold**
- **Global geographical scope**
- Focus of due diligence **efforts on the upstream**
- **Implementation by Member States** (cf. cooperation in the 3TG expert group)



Support tools, accompanying measures

- **List of Conflict Affected and High-Risk Areas (CAHRAs)**
- **Recognition of supply chain due diligence schemes**
- List of responsible **smelters and refiners** (“Whitelist”)
- **IT tools** (platforms for exchanging customs data and transparency in the downstream)
- **Other tools and measures** (guidelines on reporting, development cooperation etc.)

Review of the Regulation: process

- Review of the “functioning and effectiveness” of the Regulation in **2023 and every three years afterwards**
- **External contractor** selected in 2022 for carrying out a study
- Tentative **timeline**: final (contractor’s) study report in Q3 2023, Commission report in Q4 2023
- **Focus on the existing Regulation** (short period of implementation, several support tools not yet in place etc.)
- **Informing the EU co-legislators** along the process

Review of the Regulation: substance

The external study and the subsequent Commission report will cover:

- **Literature review**
- **Impact on the ground** (including in CAHRAs)
- **Impact in the EU** (including SMEs and the uptake of 3TG due diligence by downstream operators)
- **Accompanying measures** (e.g. due diligence schemes and the CAHRA list)
- **Side studies** (scope, risks covered, usefulness of thresholds, overlaps with other due diligence legislation etc.)

Thank you!

TRADE-RESPONSIBLE-SOURCING@ec.europa.eu ; tatiana.kakara@ec.europa.eu



Training introduction

Objectives of the training

- **Set the context** of the EU regulation looking at objectives, scope and state of play
- **Provide practical guidance** to SMEs to implement due diligence in their own companies
- **Focus recommendations** in the context of SMEs in Europe, who most likely have to deal with limited resources to implement due diligence practices
- **Remind companies of the tools available** in the sector to support, and that the DDR portal aims at collecting tools in one place for companies to access easily. Reminder of where companies can turn if they have questions: use the SME advisory service.

slido



What is your knowledge of minerals supply chain due diligence?

① Start presenting to display the poll results on this slide.

slido



What is your greatest challenge when conducting supply chain due diligence?

① Start presenting to display the poll results on this slide.

Practical deep dive on due diligence

Due Diligence requirement in EU regulation

- Minerals
 - Ores and concentrates containing tin, tantalum and tungsten
 - Gold
- Supply chain Due Diligence

“In the context of this Regulation, and as set out in the OECD Due Diligence Guidance, **supply chain due diligence is an ongoing, proactive and reactive process** through which economic operators monitor and administer their purchases and sales with a view to **ensuring that they do not contribute to conflict or the adverse impacts thereof.**”

“‘supply chain due diligence’ means the obligations of Union importers of tin, tantalum and tungsten, their ores, and gold in relation to their **management systems, risk management, independent third-party audits and disclosure of information** with a view to **identifying and addressing actual and potential risks linked to conflict-affected and high- risk areas to prevent or mitigate adverse impacts associated with their sourcing activities**”

Key definitions: Due Diligence

Due diligence is an **on-going, proactive and reactive process** through which companies can **identify, prevent, mitigate and account for** how they address their **actual and potential adverse impacts** as an integral part of business decision-making and risk management systems. Due diligence can **help companies ensure they observe the principles of international law and comply with domestic laws**, including those governing the illicit trade in minerals and United Nations sanctions.

Source: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

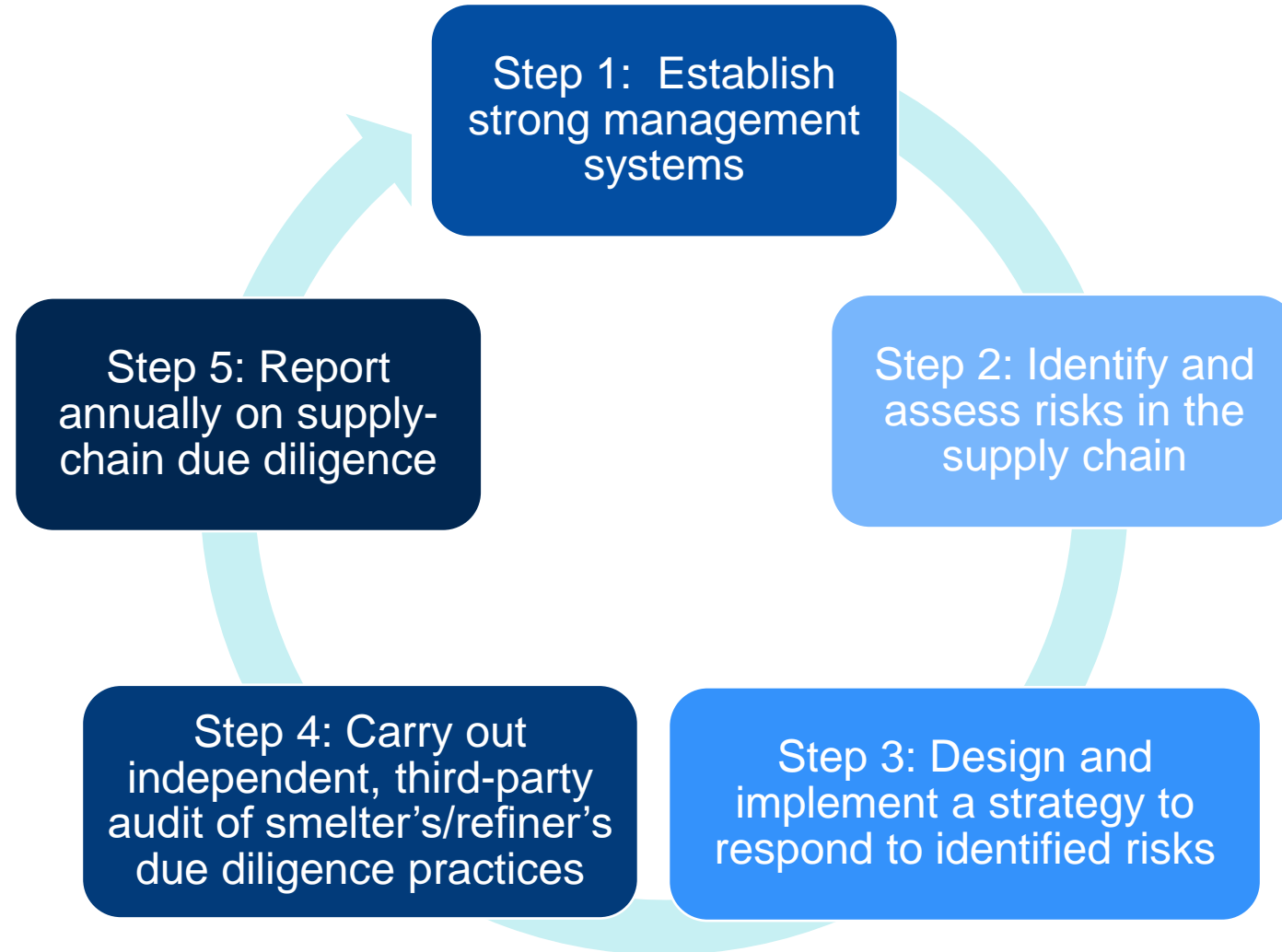
Key definitions: conflict affected and high-risk areas

The countries or areas considered to be conflict-affected or high-risk are those:

- ‘Areas in a state of armed conflict or fragile post-conflict as well as areas witnessing weak or non-existing governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses.’

Source: European Commission

Overview : OECD Due Diligence 5 steps



Step 2: Identify and assess risks in the supply chain

To identify and assess risks on the circumstances of extraction, trading, handling and export of minerals from conflict-affected and high-risk areas.

OECD Due Diligence Guidance – Annex II

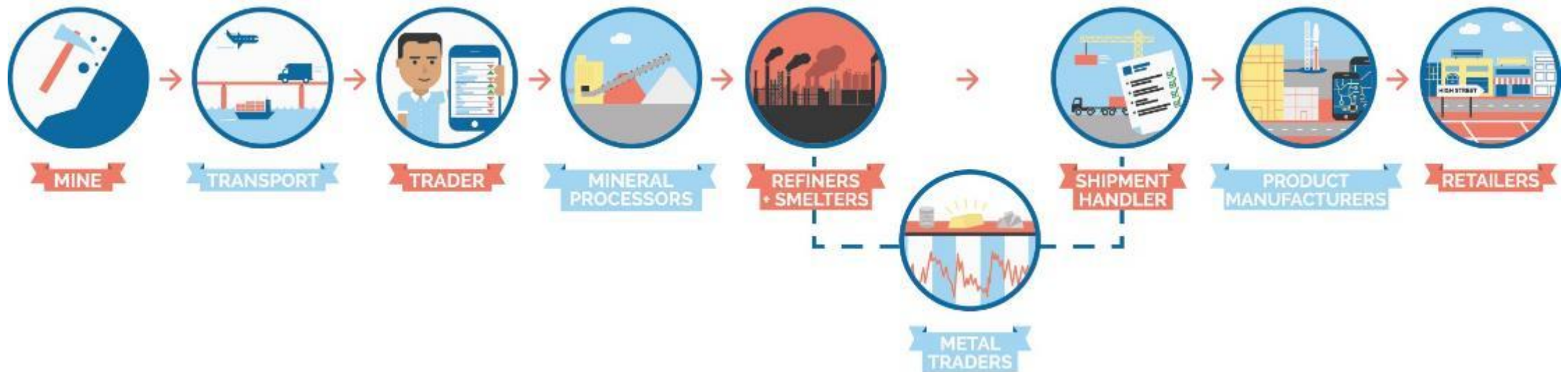
- Serious abuses associated with the extraction, transport or trade of minerals
- Direct or indirect support to non-state armed groups or private/public security forces
- Bribery, fraud, money laundering, terrorism financing

Broader risks defined by:

- Supply chain operating context
- Internal policies on environmental, social and governance risks and impacts for suppliers
- Customers' requirements
- Other applicable regulations or sector standards

Where does your company sit in the value chain and where are the minerals produced and processed?

Supply chain mapping



- Where does my company sit in the supply chain (Upstream or downstream)?
- Who is my tier 1 supplier?
- Can I identify the origin of the material or the smelter / refiner, in my supply chain?

Risks (and impacts) identification

Identify high-level risks which are linked to:

- Location (production or transit)
- Supply-chain tier (mining, transport, refining, etc.)
- Sector- / Commodity-specific

Based on tier 1 suppliers, pay attention to:

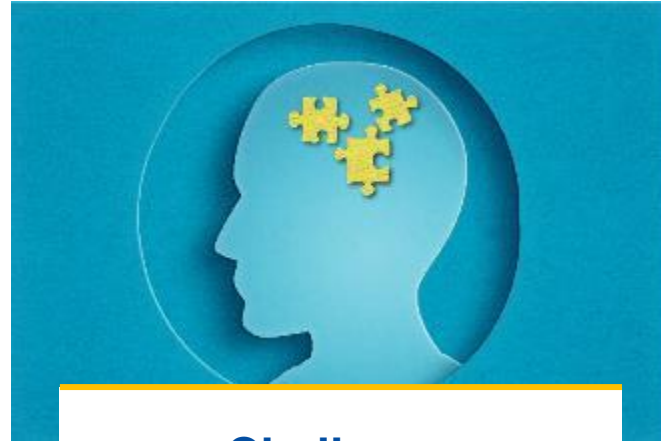
- Operations scope (integrated supply chains, outsourcing, etc.)
- Supplier management systems reliability
- Operating context (including community, environmental considerations)
- Commercial relationship and potential leverage (influence)

Step 2: Identify and assess risks in the supply chain – Case Study



Company

Electronics manufacturer
(downstream enterprise)



Challenge

Engaging suppliers on due diligence (costs vs. benefits)



Solution

- Onboard supplier on the importance of due diligence, including incentives considerations
- **Self-assessments**, sharing of policies and code of conduct, **audits**
- Due diligence on each supplier; where red-flags or weak performance are identified, suppliers are **supported** to address their weaknesses



Step 3: Design and implement a strategy to respond to identified risks

- To **evaluate and respond** to **identified risks** in order to **prevent or mitigate adverse impacts**.
- Companies may **cooperate** to carry out the recommendations in this section through joint initiatives.
- However, companies retain **individual responsibility for their due diligence**, and should ensure that all joint work duly takes into consideration circumstances specific to the individual company.

Do the risks identified relate to a tier 1 supplier or are further upstream?

Considerations on designing and implementing a strategy to respond to identified risks

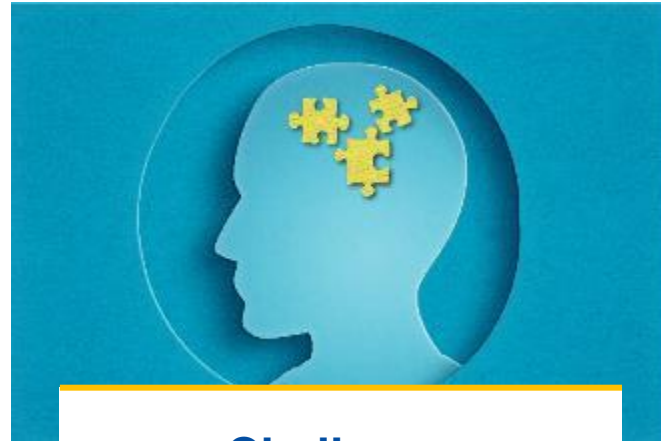
- Risks related to tier 1 supplier
 - Agree action plan with tier 1 supplier
 - Monitor and follow up risk management
- Risks further upstream
 - Work with peers and tier 1 suppliers (and potentially beyond)
 - Who are the stakeholders who have influence on a given risk
 - Define action plan

Step 3: Design and implement a strategy to respond to identified risks



Company

Electronics
manufacturer
(downstream enterprise)



Challenge

Promoting informed risk management and engagement vs. disengagement strategies (when pressured by CSO, customers, etc.)



Solution

- Do own due diligence on supplier / supply chain, including visit to better scope the level of risks
- If an audit has been done on the supplier (e.g., smelter), follow up on the corrective action plan to identify what the company is doing to address identified gaps
- Justify continuous engagement based on due diligence outcomes and continuous engagement vs. relying on third-party schemes only

The Responsible Minerals Initiative Tools to support EUCMR compliance

June 2023



Formerly the
Conflict-Free Sourcing Initiative

The Responsible Minerals Initiative Tools to support EUCMR compliance

June 2023



Responsible Minerals Initiative

The RMI is an initiative of the Responsible Business Alliance (RBA).

The RMI's **mission** is to provide companies with tools and resources to make sourcing decisions that improve regulatory compliance and support responsible sourcing globally.



450+ MEMBERS
(mines to
consumer-facing
brands)



120+ COUNTRIES
in which members'
products are
manufactured and
minerals are
processed



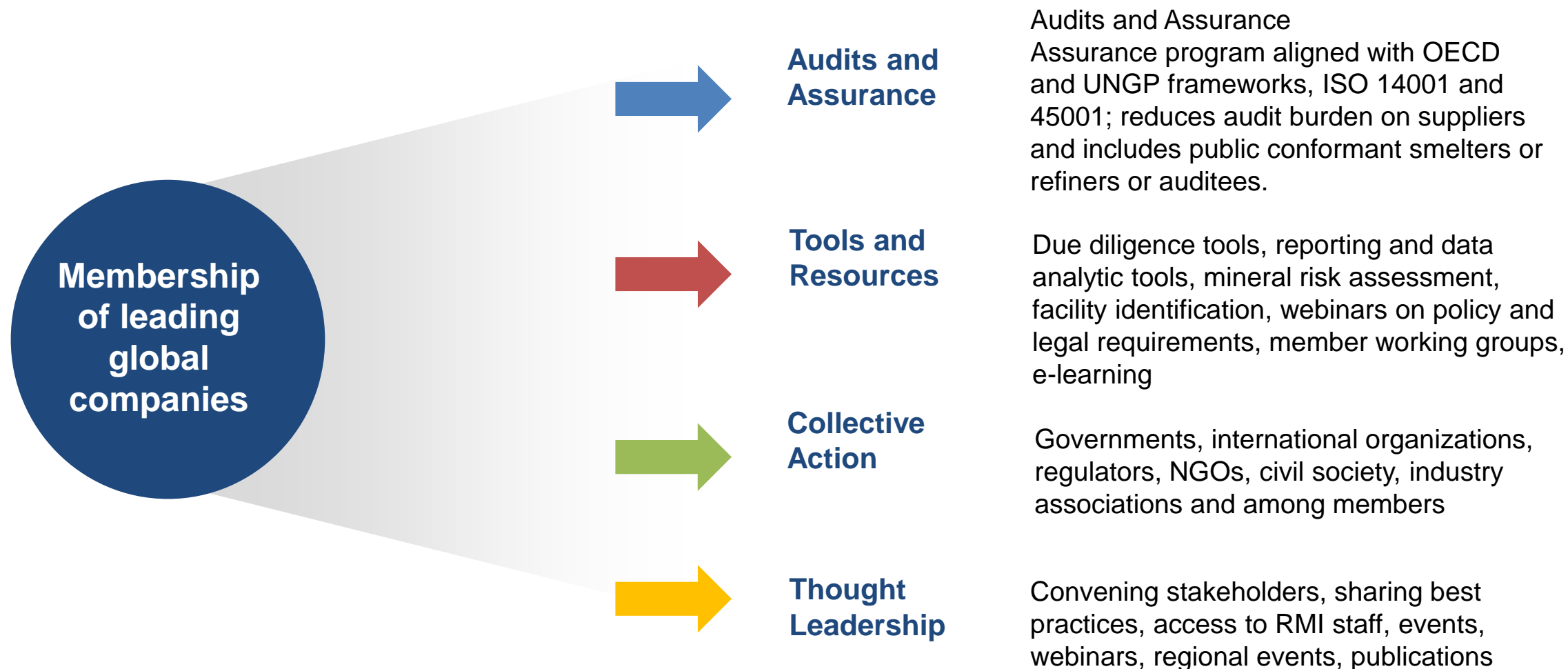
30+ INDUSTRIES

MEMBERS





How RMI supports minerals due diligence and responsible sourcing





Formerly the
Conflict-Free Sourcing Initiative

RMI tools to support compliance with EUCMR



CMRT



It allows companies in scope of EUCMR to:

- Collect information on **SoRs** (Smelters and Refiners) of 3TG in their supply chain
- Collect information on **country of origin** of the minerals sourced by the SoRs
- Collect information on the **due diligence practices** applied by the suppliers

Advantages:

- It is one and the same template used by all downstream companies – **harmonizes data collection**
- It prepopulates data on SoRs known to RMI and – **reduces workload**

Where to find the template?

The CMRT can be accessed [here](#).

Good practices:

- Roll-out the template in your supply chain well ahead of time
- Use the [RMI guidelines](#) to learn and explain how to complete the template step by step



Minerals Grievance Platform*



The RMI [Minerals Grievance Platform](#) (MGP) identifies allegations associated with mineral supply chains. It identifies if the company in scope of the allegation participates in an industry initiative (RMI, RJC, LBMA) and works towards a resolution of the case.

Companies can visualize the allegations and use this as an early warning system to support risk assessment in their supply chain.

The Minerals Grievance Platform

An online cross-industry platform designed to screen and address grievances linked to minerals supply chains

[PUBLIC SUBMISSION FORM](#) [LOG IN](#)

Grievances

Grievance Title	Participating Smelter or Refiner	Status	Count
Illegal Central African Gold in Refiner X Supply Chain	Refiner X #CID-XXX-1 Rwanda • Gold	On-going	45
Tungsten Financed Conflict in East Asia	Smelter T #CID-XXX-2 Indonesia • Tungsten	Unresolved	44
Bribery Allegations Levelled Against Supplier of Smelter Y	Smelter Y #CID-XXX-3 Chile • Tin	Unresolved	45

*This is an RMI member-only tool

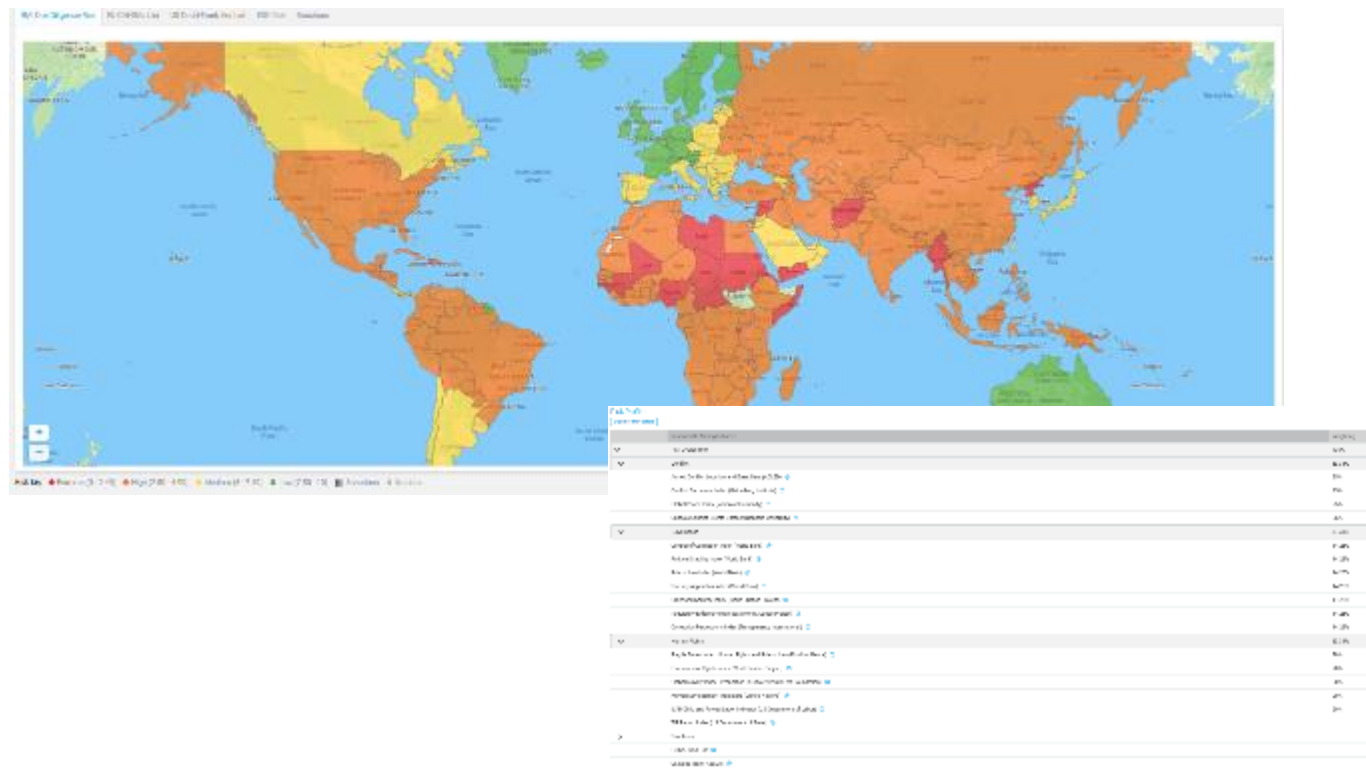


Global Risk Map*



The Global Risk Map is a risk assessment tool to identify and compare governance, human rights, and conflict risk indices across geographic regions.

The methodology and data sources are aligned with the EU guidelines for the identification of CAHRAs.



The RMI Global Risk Map allows to visualize also:

- US Dodd Frank list of Covered Countries
- EU CAHRA list
- Additional ESG risk indexes

*This is an RMI member-only tool



Public List of Facilities



It is a [publicly available list](#) of all facilities that have been audited by RMI with a standard based on OECD Guidelines for Responsible Minerals Sourcing

Search Again													Download Data
METAL	FACILITY ID	STANDARD SMELTER NAME	SUPPLY CHAIN LEVEL	STATE/ PROVINCE/ REGION	COUNTRY LOCATION	COMPANY WEBSITE WITH CM POLICY	DUE DILIGENCE REPORT	ASSESSMENT SUMMARY REPORT	ASSESSMENT STATUS	OPERATIONAL STATUS	ASSESSMENT SCHEME	RMI C RECORD	
1	Gold	CID002708	Abington Reldan Metals, LLC	Pinch Point	Fairless Hills, Pennsylvania	UNITED STATES OF AMERICA	Link	Report	Link	Conformant	In Operation	Responsible Minerals Assurance Process, Gold Standard	
2	Gold	CID000035	Agosi AG	Pinch Point	Pforzheim, Baden-Württemberg	GERMANY	Link		Link	Conformant	In Operation	RJC Code of Practices 2019	Yes
3	Gold	CID000019	Aida Chemical Industries Co., Ltd.	Pinch Point	Fuchu, Tokyo	JAPAN	Link	Report		Conformant	In Operation	Responsible Minerals Assurance Process, Gold Standard	
4	Gold	CID002560	Al Etihad Gold Refinery DMCC	Pinch Point	Dubai, Dubayy	UNITED ARAB EMIRATES	Link	Report	Link	Conformant	In Operation	Responsible Minerals Assurance Process, Gold Standard; RJC Code of Practices 2019	Yes



Public List of Facilities



You can use the list to support your due diligence on SoRs:

- Check if an SoR in your supply chain, e.g. the SoR which you identified through the CMRT, has been audited and found conformant to the standard
- Check when the SoR was audited and how long the audit will be valid
- Download a summary of the audit report

In addition, RMI members can request access to the full audit report through a dedicated digital platform.

The RMI is in the process of obtaining recognition for its 3TG standards and audits under the EUCMR.

When the recognition will be achieved, we expect SoRs audited by RMI to be included in the forthcoming whitelist of the EU.



RCOI*



Reasonable Country of Origin Inquiry (RCOI) is a report generated by RMI for its member companies. The report provides aggregated data on:

- Country of origin reported by the SoRs audited by RMI
- Data that is validated by third party auditors
- Indication of whether the source is high risk, low risk
- Recycled or scap

This helps you to know the country of origins of minerals that are sourced responsibly i.e. from SoRs that have successfully passed an audit.

*This is an RMI member-only tool



Public Reporting



Companies in scope of EUCMR are expected to report annually on their due diligence practices.

RMI has developed [step-by-step guideline](#) to help companies draft their report in line with OECD expectations (Step 5 report).

In addition, a [short guiding document](#) how to prepare for compliance with EUCMR is provided on the RMI website.

This is a simple document that can be shared with your suppliers.

If you need to report on your supply chain and are part of RMI, we recommend:

- First list the SoRs that you have identified in the CMRT
- Then list the countries of origin that are identified in the RCOI report for your minerals in scope



Material Insights



To get an overview of 3TG supply chain and of risks associated with those materials, you can access [Material Insights](#).

This platform has a public interface and an RMI member only section with additional information.

You can also use this platform to learn about other metals, beyond 3TG.

Gold (Au)

Gold is the most malleable and ductile of all elements. While jewellery accounts for approximately half of the global gold demand, it is also an important metal in electronics and is used as a semiconductor, printed circuit and electrical contact.

China is the leading producer of gold, although Australia holds the largest share of global reserves. China is also the world's largest consumer of gold. Switzerland reportedly refines over half of the world's gold. Gold is associated with a large range of ESG issues.

According to TDI's ESG data, gold is strongly associated with reports of pollution, community rights violations, violence and conflict, labour rights, child labour, corruption, and non-payment of taxes. This is due to a variety of reasons, including the fact that approximately 15-20 percent of gold is produced through artisanal and small-scale mining, which is largely unregulated and – in the most extreme cases – subject to influence from organised criminal or non-state armed groups.

Main Uses and Attributes

Gold has many uses, making it a highly valuable metal. It is used in jewellery, metalwork, as a financial instrument including currency reserve (for example, bullion or coins), and in computer processors.¹

Gold has long been used in electronics; its use in electronics including semiconductors, printed circuits and electrical contacts is common.² Gold also has medical use as it is used for dental fillings and in medicine including radiography.³

The usefulness of gold derives from the diversity of its special properties.

Key Countries

TOP PRODUCER



China

TOP RESERVES



Australia

Supply Chain Risk

TDI assesses Gold for key risks affecting the security of supply, and for its association with artisanal and small-scale mining.

Overall Supply Chain Resilience Risk



Strength of Association with ASM



VERY LOW MODERATE VERY HIGH

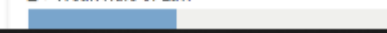
Country Governance Risks

Gold's association with countries experiencing:

Violence and Conflict



Weak Rule of Law





RMI's mission is to provide companies with tools and resources to make sourcing decisions that improve regulatory compliance and support responsible sourcing globally, especially from conflict-affected and high-risk areas.

Contact:

Fabiana Di Lorenzo, RMI Senior Director

fdilorenzo@responsiblebusiness.org

Anna Stancher, Senior Program Manager

astancher@responsiblebusiness.org

BREAK OUT SESSION

(15-20 minutes)

You will be automatically brought into your group.

At the end, you will be automatically brought back to the main session.

Introduction to the breakout session

- You will be split into break out rooms
- 1 person from the project team will be available to support the discussion
- Take the opportunity to engage with peers and discuss the following questions:
 1. What are the top 5 challenges of implementing minerals supply chain due diligence from the perspective of an SME (and not only)?
 2. What are practices which have worked in implementing minerals supply chain due diligence?

Q&A

Reminder of available tools on
the Due Diligence Ready!
portal



Reminder: SMEs email advisory service

Available on a first-come, first-served basis in English, French, German, Italian, Polish, Portuguese and Spanish at

info@due-diligence-ready.eu

Reminders of tools available on the Due Diligence Ready Platform

- **Visit:** https://single-market-economy.ec.europa.eu/sectors/raw-materials/due-diligence-ready_en
- **Languages:** English, French, German, Italian, Polish, Portuguese and Spanish



Intro

About the EU regulation and due diligence (FAQ)



Training material



List

of tools and templates

Thank you