

The 3Ps Checklist: Establish strong company management systems (OECD Step 1) through People, Policies and Procedures

What	Why	How (top tips)
1. People		
1. People	Guidance	Additional tips
A. Decide who has responsibility for due diligence	<p>There needs to be a lead person in charge of coordinating, setting up, driving forward and ensuring the implementation of due diligence. This person should have a senior role and be a good facilitator.</p> <ul style="list-style-type: none"> If decisions regarding due diligence require the involvement of different functions in the organisation or have implications for them (e.g. more than one person dealing with procurement, compliance, 	<ul style="list-style-type: none"> The role and responsibilities of the internal team include: <ul style="list-style-type: none"> Making sure all aspects of due diligence are done in accordance with policies. Responding to new risks or changes to risk statuses of existing suppliers and business relationships. Managing due diligence communications issues

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	<p>sustainability, communications, corporate, etc.), consider creating a working group that manages and monitors the due diligence process as well as discussing how to manage high risks. This will become the internal team composed by representatives of impacted departments (see more details in Step B)</p> <p>Ultimate responsibility should remain with one person who oversees the others' activities.</p> <p>By tasking a specific person and team with due diligence monitoring and decision-making, there is oversight of the whole process rather than just the segments of work each department has responsibility for, and it has an efficient centralised management structure.</p>	<ul style="list-style-type: none"> ○ Ensuring the company is ready for audit. ○ Reviewing proposed improvements to the management system. ○ Decisions about how to deal with unresponsive suppliers (disengage, create corrective action plan or continue as usual).

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<p>B. Appoint and train an internal team on the importance of due diligence and how to implement and manage the due diligence process</p>	<p>Effective conflict minerals due diligence requires coordination with multiple departments and areas of the business.</p> <p>This means that the whole team needs to understand the overall purpose of due diligence as well as the role they play in it.</p>	<ul style="list-style-type: none"> ● Organise an initial internal meeting with relevant departments, including purchasing, legal, compliance, sustainability, corporate affairs and engineering. <ul style="list-style-type: none"> ○ During this meeting you should discuss and agree upon the reasons why the company should do due diligence on its supply chains. For example, are there laws you must comply with? Or are you concerned about potential exposure to risks and impacts? And so on. ○ During this meeting, make sure you explore the commercial incentives behind this decision, and ensure that each department grasps the value and implications of due diligence in terms of their own responsibilities and activities. Having them see the business case is essential to getting them on board as the basis for changing their practices. ● Create a schedule and a process to hold regular meetings with the internal team to discuss issues, risks and actions to be taken

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		<ul style="list-style-type: none"> ○ Make sure you formally agree on the decision-making process for the meeting. ○ Keep regular minutes of each meeting, record decisions and save the document for record-keeping (minutes will likely be useful for audits later). You could use a Due Diligence Action Plan, which could be a reference document for the meetings, where you can discuss actions completed or not, reasons, and next steps ○ Record and save informal meetings where discussions are made around due diligence and risk assessment.
<p>C. Inform all relevant external stakeholders about the due diligence processes in place and what these mean for them</p>	<p>Many stakeholders will be affected by and play an important role in your due diligence processes.</p> <p>In order for them to collaborate most effectively with you, they need to know what these processes are and what the implications may be for them. Informing them about your plans and how these will</p>	<ul style="list-style-type: none"> ● Identify all the relevant stakeholders, their roles and responsibilities in the due diligence process and how they are impacted, directly or indirectly. Examples of stakeholders include the board, management, employees, business partners, suppliers, clients and relevant NGOs. ● Ensure relevant stakeholders are informed about your decisions and understand what these mean for them. You could start informing them once

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	<p>impact them gives them an opportunity to engage and collaborate, and feel that they are part of the process with you.</p>	<p>you have developed your due diligence policy and have a clear plan of action</p> <ul style="list-style-type: none"> • Consider carefully when you should inform the respective stakeholders – some may need to be told sooner or later than others. • Create key messages to explain your decision and how it will affect the stakeholders, and be prepared to spend time discussing and engaging with them, as some may not understand your reasons for taking certain measures. • You may also wish to publish something on your website about your efforts on due diligence, but only do this if you are committed to following through.
<p>2. Policies</p>		
<p>A. Create a supply chain policy for minerals</p>	<p>A supply chain policy is a public commitment to responsible practices along your supply chain that should be communicated both internally and</p>	<ul style="list-style-type: none"> • For drafting your supply chain policy, you can refer to the model supply chain policy in the OECD DDG Annex II.

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<p>originating from CAHRAs</p>	<p>externally. The policy defines common principles and standards against which the company assesses itself, as well as the activities and relationships of suppliers.</p> <p>It outlines:</p> <ul style="list-style-type: none"> • The issues that the company intends to address in its supply chain (for example money laundering, bribery or forced labour). • The risk management strategy of the company to address those issues. <p>This is the foundation of a clear and coherent management process to ensure risks are appropriately managed.</p> <ul style="list-style-type: none"> • In order to carry out effective due diligence, you have to communicate with your suppliers and make sure they themselves are also doing due diligence and 	<ul style="list-style-type: none"> • Internally <ul style="list-style-type: none"> ○ Get all impacted departments to review the policy before you finalise it, so they can check corporate and operational aspects relevant to their functions. ○ Make sure your policy is reflected in your standard operating procedures. The policy needs to be effective. ○ The policy needs to be written down and should have an effective date. It needs to be reviewed on a regular basis, to take changes of circumstances into account. • Externally <ul style="list-style-type: none"> ○ Your policy should be publicly available ○ You could also choose to develop a Supplier Code of Conduct or include commitments to this policy in supplier contracts and agreements to help communicate and transfer your commitments up your supply chain.

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	<p>implementing risk-sensitive sourcing practices.</p> <ul style="list-style-type: none"> ● A supply chain policy is a good tool to achieve this, as it demands commitment from suppliers and can help you influence their own business practices. ● Once your suppliers show commitment to adhering to your policy, you should develop measurable improvement plans with them to manage risks. You can also involve local and central governments, international organisations and civil society, if relevant and appropriate. 	<ul style="list-style-type: none"> ○ If you have the opportunity, you can also assist suppliers with capacity-building. For example, you could invite them to training that you organise for your own company.

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3. Procedures		
<p>A. Establish a system of transparency, information collection and control over the supply chain</p>	<ul style="list-style-type: none"> • In order to conduct effective due diligence, you need to know your supply chain and all the actors involved. This will allow you to identify possible risk points in the supply chain. • For this you should design and implement a system to help you collect supply chain information, which will be the basis for your risk identification and assessment in Step 2 <ul style="list-style-type: none"> ○ Review your existing system and record the information you currently have: for example information and documentation on transactions like form, type, physical description, weight, reference number for each input and output ○ Identify missing information (Data required is detailed in Step 1, C of the OECD Guidance). ○ Design Excel questionnaires or use existing publicly available templates (like CMRT if you need 	<p>Traceability or chain-of-custody system</p> <ul style="list-style-type: none"> • Establish a traceability or chain-of-custody system that will help you map the actors and mineral flows in your supply chain. Examples of traceability and chain-of-custody solutions can be seen in the programmes run by iTSCi and Better Mining. A number of traceability systems are also available in the market and you can learn more about them in the Due Diligence Toolbox available on the Due Diligence Ready! platform. If the cost of these is too high, consider reaching out to your clients and suppliers to discuss how the financial burden can be shared in pursuit of compliance. • You may consider the option of a data management system that automates the process of due diligence by collating all the data on suppliers and risks. There are many companies that offer such data management solutions and that can help you collect, aggregate and report due diligence data. You can find a list of IT data

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	<p>to identify smelters and refiners, or the LBMA toolkit)</p> <ul style="list-style-type: none"> Once you have more insight on your supply chain, you could start establishing a traceability or chain-of-custody system. 	<p>management suppliers in the Due Diligence Toolbox.</p> <ul style="list-style-type: none"> There are also data management systems that combine material and legal compliance (e.g. RoHS and REACH).
<p>B. Collect information in order to identify your suppliers, countries of transit and origin of the material</p>	<p>Identifying your suppliers at the different tiers of the supply chain, as well as the countries of transit and origin, is necessary for awareness of your entire network and to identify the risks that could be involved at each stage of the supply chain (“red flags”).</p> <p>It also enhances your ability to understand and manage your supply chain and the risks involved, enabling more informed and strategic decision-making.</p> <p>To collect information, you should use the system you developed in the previous</p>	<ul style="list-style-type: none"> When trying to identify your suppliers and map your whole supply chain, it is easiest to start from the ones that you are in closest contact with and, through them, work backwards down the chain. Due diligence is a progressive process and you might not be able to map your entire supply chain in year one. The goal is to show progressive improvement, and you should work over time to improve the information you have about your supply chain. For example, over year one you might be able to map only tier one, but you might learn more about tier two over the second year, and so on. Build yourself a checklist of the documents you need from your suppliers as the basis for doing

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	<p>steps (either Excel questionnaires or a traceability/chain-of-custody system).</p>	<p>business with them. Get these, review, and don't be afraid to ask questions until you are satisfied with the answers.</p> <ul style="list-style-type: none"> ● For the smallest companies, risk identification can be done through supplier surveys and checklists, or through meetings with your suppliers, supplemented with documentation.
<p>C. Create a grievance mechanism</p>	<p>A grievance mechanism allows stakeholders to voice concerns regarding risks in your supply chains. It is an essential part of the OECD DDG.</p> <p>Having a grievance mechanism in place is essential to allow any interested party such as affected persons or whistle-blowers to raise concerns about the activities or impacts of your company or other supply chain actors..</p> <p>An effective grievance mechanism allows you to identify and respond to risks in a</p>	<ul style="list-style-type: none"> ● The grievance mechanism should include the following elements: <ul style="list-style-type: none"> ○ Accessible to all, e.g. by offering the possibility of addressing the complaint via email, mail, phone and in person (note that different cultures and/or literacy levels can affect grievance channel preferences). ○ Be clear who the whistle-blower is corresponding with and how their grievance will be handled. ○ Respond to grievances in a timely manner, e.g. establish a fixed time frame to respond, give

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	<p>timely manner and to show your commitment to due diligence.</p>	<p>feedback on a first assessment, address/resolve the complaint and report the resolution to the complainant.</p> <ul style="list-style-type: none"> ○ Deal with grievances and complaints in a transparent and objective manner. ○ Ensure whistle-blower protection by guaranteeing anonymity if applicable. ○ Make sure that the complaint leads to a response or corrective action. ● A grievance mechanism may also be established in collaboration with other companies or industry associations. ● For an example, please refer to the RMI, iTSCi Whistleblowing Policy and Procedure, or Intel's Supplier Ethics Expectations. ● Keep a clear record of grievance details, the progress status of the problem and the resolution outcome.

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		<ul style="list-style-type: none">• Ensure you implement a process to undertake Root Cause Analysis of issues reported, at an individual but also aggregated level. It will help you identify trends and prioritise corrective actions. You can also use this analysis to report on issues.