



Responsible Business Alliance

Advancing Sustainability Globally



RBA AND RMI EU CONFLICT MINERALS REGULATION PREPAREDNESS

Important information for your company and for your suppliers to help meet regulatory requirements:

- The EU Conflict Minerals Regulation (CMR) will go into effect January 1, 2021, and will oblige EU importers of tin, tantalum tungsten and gold (3TG) over defined thresholds to source their minerals responsibly and to ensure that their supply chains do not contribute to funding armed conflict.
- The regulation obliges the Commission to regularly review the Regulation impact, including implementation of regulatory requirements by the EU importers and voluntary due diligence efforts by downstream companies, with a view on determining the need for further mandatory measures.
- The Responsible Business Alliance (RBA) and its Responsible Minerals Initiative (RMI) provide a wealth of resources, programs and tools for members and non-members, including downstream and upstream companies, to support their regulatory compliance and due diligence activities.
- The RMI underwent alignment assessment by the OECD in 2017 and applied in 2019 for EC recognition of its Downstream Assessment Program (DAP) and Responsible Minerals Assurance Process (RMAP) to help companies meet their due diligence obligations under the regulation. Final determination from the EC on the recognition is pending as of October 2020.

COMPANIES' OBLIGATIONS UNDER THE EU CONFLICT MINERALS REGULATION

Mineral Scope

The new regulation will apply directly to EU-based importers of tin, tantalum, tungsten and gold.

EU Importers (Upstream and Downstream)

- Upstream and downstream companies importing metal-stage products into the EU: must meet EU mandatory due diligence rules, including undergoing an assessment and reporting on their due diligence.
- Thresholds: Annex I of the regulation contains thresholds for the covered minerals; importers that do not meet these thresholds are not required by law to comply with the regulation but are nevertheless strongly encouraged to establish a due diligence strategy that takes into account the impact mining can have on communities.

Global Smelters and Refiners

- It will also impact smelters and refiners globally, as EU importers will be legally required to identify all the smelters and refiners in their supply chains and check whether they have the correct due diligence practices in place. Whenever EU importers find smelters and refiners' practices to be insufficient or associated with risks, regardless of whether the smelter and refiners themselves are based in the EU, they will have to manage and report on those risks.

Downstream Companies (Non-Importers)

- Downstream companies operating beyond the metal stage are expected to increase transparency about their due diligence efforts, and to that goal are invited to voluntarily publish due diligence reports on their websites (either stand-alone or as part of other annual company disclosures) and to participate on a voluntary basis in a transparency platform, initiated by the EU, where they will be able to share information on their due diligence for metals and minerals.
- The regulation obliges the Commission to review the Regulation by January 1, 2023, including an independent assessment of the proportion of total downstream EU economic operators with 3TG in their supply chain, which have due diligence schemes in place. The regulation review shall assess the adequacy and implementation of these due diligence schemes and the impact of the EU system on the ground as well as the need for additional mandatory measures.

ASSESSMENTS

Applicability: EU Mineral Importers (Upstream and Downstream)

- The following RMI tools will support EU minerals importers complying with their due diligence obligations as set out in Articles 3-7 of the EU CMR regulation.
- RMI Downstream Assessment Program (DAP) – assessment for downstream manufacturers, processors, traders, and other downstream companies importing minerals into the EU
- RMI Responsible Minerals Assurance Process (RMAP) – assessments for smelters and refiners

COMPANY REPORTING

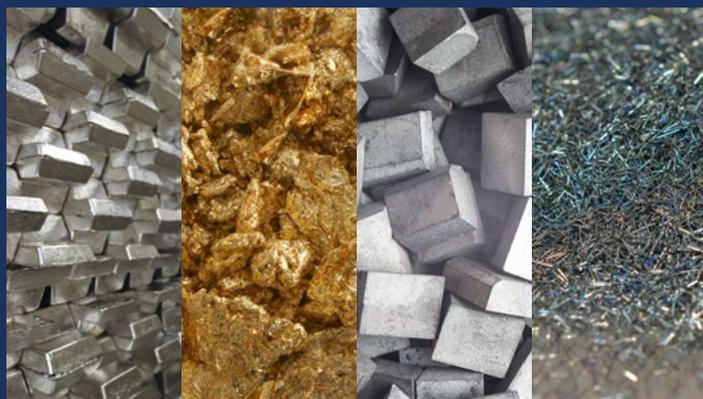
Applicability: All Companies, including downstream brands, upstream producers/processors, importers, smelters and refiners

Article 7 of the EU CMR requires EU-based minerals importers to annually report publicly, including on the internet, on their supply chain due diligence policies and practices for responsible sourcing.

Downstream companies operating beyond the metal stage do not have mandatory obligations under the regulation; however, they are expected to use reporting and other tools to make their due diligence more transparent. The RMI recommends its downstream members voluntarily report on their due diligence efforts, both through their own corporate channels and the EU Transparency Platform.

In addition to participating in the EU's Transparency Platform for Downstream Companies, companies can use the following RMI tools to improve transparency:

- [RMI Public Due Diligence Report Writing Guidance](#)
- [RMI-GRI Responsible Mineral Sourcing Reporting Toolkit](#) (includes detailed explanation of reporting requirements under existing regulation (EU and U.S.))



CAPACITY-BUILDING AND TRAINING

Applicability: All Companies

Capacity-building and training are not direct legal obligations under the EU CMR; however, in alignment with the broader intent of the regulation, they help support companies' preparedness to meet reporting and assessments requirements, and enhance companies' overall responsible mineral sourcing practices.

- Capacity-Building
 - RBA and RMI Technical Assistance for member companies
 - RMI Free Technical Assistance for current and prospect auditees
- Training: [RBA Academy](#) recommended RMI eLearning courses:
 - [Responsible Mineral Sourcing](#)
 - [Introduction to the OECD 5-Steps](#)
 - [Identifying Conflict-affected and High-risk Areas \(CAHRAs\)](#)
 - [Risk management for low-risk sources](#)
 - [Risk management for high-risk sources](#)
 - [RMI Responsible Minerals Assurance Process - Basic Due Diligence](#)

OTHER RELEVANT RESOURCES AND TOOLS

- General
 - [RBA Roadmap for European Due Diligence](#)
 - [RBA Practical Guide to Implementing Responsible Business Conduct Due Diligence in Supply Chains](#)
- Risk Assessment and Management
 - [RMI Resources for Identification of Conflict Affected and High-Risk Areas \(CAHRAs\)](#)
 - [RMI Country Risk Assessment Map](#)
 - [RMI Risk Readiness Assessment Platform](#)
 - [RMI Grievance Mechanism](#) and [Minerals Grievance Platform](#)
- Supply chain mapping
 - [CMRT](#): The Conflict Minerals Reporting Template (CMRT) is a free, standardized reporting template developed by the RMI that facilitates the transfer of information through the supply chain regarding mineral country of origin and the smelters and refiners being utilized.
 - [RMI Member Smelter Database](#) and Public Smelter Lists
 - [3TG Smelter and Refiner Reference List](#)
 - [Conformant Smelter and Refiner Lists](#) (including: RMAP summary audit reports, company due diligence reports, company supply chain policies)
 - [Conformant downstream companies](#) (including: DAP summary audit reports)

PRACTICAL STEPS COMPANIES CAN TAKE TO GET STARTED:

1. Map your mineral supply chain and assess risks
2. Evaluate if EU Importers are part of your business and/or supply chain
 - if EU Importer(s) in scope of the regulation is part of your business, undergo a DAP or RMAP assessment (as applicable)
 - if sourcing from EU importer(s) in scope of the regulation, verify if they have undergone an assessment; if they have not, encourage them to undergo DAP or RMAP assessment
3. Publicly report on your due diligence efforts
4. [Join RMI](#) to receive further support and guidance in your minerals due diligence journey

FOR MORE INFORMATION, PLEASE CONTACT:

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