

## PROGRESS REPORT

### Initiative Launch

The [Responsible Raw Materials Initiative \(RRMI\)](#), co-sponsored by the Electronic Industry Citizenship Coalition (EICC) and the Conflict-Free Sourcing Initiative (CFSI), was launched in November 2016 to promote the common goal of understanding and contributing to mitigating the salient social and environmental impacts of extraction and processing of raw materials in member supply chains. To see a full list of companies participating in the RRMI, including representatives across electronics and automotive industries, please visit the initiative website [here](#).

#### The RRMI aims to:

- Develop and amplify a coordinated downstream voice,
- Collaborate in the implementation of standards, tools and programs,
- Work with mid- and upstream efforts, and
- Facilitate dialogue with external stakeholders.

The RRMI has operationalized its efforts through a core working group and several sub-teams to support implementation. These sub-teams include Advocacy, Sensing and Prioritization, and two mineral-specific groups:

- Cobalt: focused on child labor risks related to cobalt mining in the Democratic Republic of the Congo (DRC)
- Tin: focused on social and environmental risks related to tin mining in Indonesia through the Tin Working Group (TWG)

### Engagements

Recognizing the importance of collaboration to streamline efforts and learning, RRMI representatives have sponsored or participated in multiple events in 2017, including:

- [EICC/CSR Europe Responsible Raw Material Workshop in Brussels, January 26](#)
- Responsible Cobalt Initiative (RCI) Meeting (observer) in Shanghai, February 17
- RESOLVE-hosted side meeting of Prospectors & Developers Association of Canada (PDAC) conference in Toronto, March 5
- CFSI/European Partnership on Responsible Minerals (EPRM) Responsible Sourcing Workshop in Brussels, March 23

In addition, the RRMI has continuously engaged with interested stakeholders in smaller settings, including meetings with upstream companies and associations as well as government officials such as the U.S. State Department and a delegation from the DRC government.

The RRMI will also have an active presence at the upcoming Organisation for Economic Co-operation and Development's (OECD) **11th Forum on Responsible Mineral Supply Chains** from May 2-4 in Paris.

## Programs and Tools

One of the primary roles of the RRMI is to facilitate the creation of infrastructure and conditions to enable companies to exercise due diligence in raw materials supply chains. The initiative considers due diligence to be an ongoing, proactive and reactive process and will work within the spirit of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (OECD Due Diligence Guidance) and the *OECD Guidelines for Multinational Enterprises*. Other standards, guidance and tools will be used as appropriate to address the specific risks and issues identified in the sensing and prioritization process.

### Below is the RRMI's support for participating companies' OECD Due Diligence:

- **Step 1, Strong Company Management System:** Senior Executives from RRMI member companies sign a Declaration of Support, accessible [here](#), to formalize management commitment to the responsible sourcing of raw materials. The Declaration of Support may be used as a first step for members to define the company policy on responsible raw materials supply chains.
- **Step 2, Identify and Assess Risks in the Supply Chain:** The RRMI will offer two distinctive tools to promote a common understanding of best practices and a means to consistently assess risks in the mineral supply chain:
  - A Standards Comparison of over 50 social, environmental and governance standards across approximately 25 issue areas and,
  - [A Risk Readiness Assessment \(RRA\)](#) tool for minerals and metals producers and processors to assess and communicate their practices against a performance benchmark "norm" across these issue areas. The RRA covers social, environmental and governance issues, including child labor, as well as conformance with the OECD Due Diligence Guidance. The RRA online platform is currently being tested by a select group of companies working with the RRMI before the rollout in late spring or early summer 2017.
- **Step 3, Manage Risks and Step 4, Audit:**
  - The RRMI will build out activities, tools and programs to assist member companies in the exercise of due diligence in their supply chains.

- The RRMI is exploring the potential to adopt audit/assurance systems to independently validate that upstream actors' sourcing practices are aligned with the OECD Due Diligence Guidance.
- RRMI actively engages with external stakeholders along the members' entire supply chains to build leverage, promote and support initiatives or programs to effectively manage risks.
- Step 5, Publicly Report on Due Diligence: The RRMI supports members' public reporting through activity and program summaries as well as through the RRA online platform. In the first phase of the RRA rollout, the RRMI will provide aggregated data to RRMI members on the management of risks in raw materials supply chains. In the second phase, the RRA will enable members to request and collect such information directly from supply chain actors.

## Sub-Teams

**Advocacy sub-team:** The RRMI Advocacy sub-team helps members identify, at an early stage, salient issues that require attention and develop strategies to address those collectively. Since launch the team has organized advocacy efforts across two distinct phases.

The first phase includes a focus on engagement with key stakeholders to provide an update on RRMI actions since launch. A priority focus has been on Amnesty International's (May/June 2017) update report on cobalt, helping RRMI members provide information on actions to address issues in cobalt sourcing. Discussions have also been launched with upstream actors (mining sector) to better understand alignment between sustainability commitments and actions. In parallel, the next phase of advocacy work will engage with governments to explore opportunities to focus funding on select mitigation work.

**Sensing and Prioritization sub-team:** The RRMI has identified two initial priority areas for immediate action, represented by the sub-teams on cobalt and tin. Going forward, the RRMI is developing a prioritization process to identify and focus on salient social and environmental issues in the raw material supply chains of our participants, based on concepts promoted in the UN Guiding Principles on Business and Human Rights (UNGP).

Initial research on raw materials supply chains and issues of concern will be compiled in a sensing and research platform to enable decision-making and share resources with RRMI members. In the first phase, the focus of the research covers risks related to cobalt mining in the DRC and, in particular, instances of child labor. The prioritization process will be based on the UNGP's concept of "salience," with the addition of other indicators such as materiality and exposure to regulatory or reputational risk associated with the mineral in RRMI industry supply chains.

### **Cobalt sub-team**

The cobalt sub-team is currently testing a standardized reporting template for member companies to engage with their suppliers to map the downstream cobalt supply chain. The tool is based on the Conflict Minerals Reporting Template (CMRT) of the CFSI. The cobalt sub-team intends to use the results of the mapping with the reporting template to include identified cobalt smelters in the rollout of the RRA in late spring or early summer.

In addition, the RRMI is exploring the potential to adopt an audit/assurance system to independently validate that cobalt upstream actors' sourcing practices are aligned with the OECD Due Diligence Guidance.

Finally, the RRMI actively engages with external stakeholders along the entire cobalt supply chain to build leverage, promote and support initiatives or programs to effectively manage risks related to child labor in cobalt supply chains in the DRC.

### **Tin sub-team**

The RRMI is focused on managing the transition of the Tin Working Group (TWG) international convening role from IDH to the RRMI. The transition is expected to be completed in April 2017.

The RRMI is exploring external funding opportunities for the TWG by the EPRM with a proposal currently under evaluation. Additional grant opportunities to fund project work are also being considered. Lastly, the RRMI will utilize input from the TWG members, 2013-2016 IDH project close-out activities, and RRMI/tin sub-team to identify short-term and long-term priorities and develop an accompanying multi-year strategic plan for the TWG in spring or early summer 2017.

The RRMI will continue to provide periodic updates on its efforts, including during the [OECD Multi-Stakeholder Forum on Responsible Mineral Supply Chains](#) in Paris, France May 2-4, 2017.

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