Risk Readiness Assessment

Increasingly, downstream companies seek to better understand the social, environmental and governance risks in their supply chains. Assessing risks in raw material extraction and processing, and industry’s ability to appropriately manage such risks, remain challenging due to the size and complexity of international mineral supply chains and the absence of a standardized approach to risk management.

The landscape of standards, voluntary initiatives, and certifications for responsible mining and mineral processing is growing increasingly fragmented and complex. Upstream producer (mining/mineral extraction) companies are confronted with and often asked to respond to numerous due diligence sourcing policies and questionnaires from direct and indirect customers and investors. The result is inconsistency in risk assessment results and unnecessary administrative and cost burdens causing survey- and audit-fatigue. The Risk Readiness Assessment (RRA) streamlines processes by facilitating the flow of accurate, relevant information between upstream producers and downstream users, and offers a platform for constructive engagement on important environmental, social and governance risks.

What is the Risk Readiness Assessment?

The Risk Readiness Assessment is:

- A self-assessment and self-reporting tool for minerals and metals producers and processors to communicate their risk management practices and performance using benchmarked industry norms;
- A tool to help downstream users obtain accurate and relevant information on risk management practices in the upstream supply chain to inform their sourcing policy;
- A recognition of existing initiatives and standards commonly used in the materials value chain. The tool is based on the comparison of 50+ standards across 31 risk areas;
- A set of benchmarked norms representative of best risk management practice in each risk area as identified across all 50+ standards included in the comparison.

The Risk Readiness Assessment is NOT:

- A new compliance requirement for companies;
- A new third-party audit or certification system;
- A manual survey where the user is unable to see results;
- Limited to a particular supply chain, mineral, or tier level.

How does the Risk Readiness Assessment help companies understand and act on risks in mineral supply chains?

The tool provides a standardized solution that is free to complete, easy to use, and can be voluntarily shared with all actors in the minerals supply chain to facilitate the flow of accurate
and relevant information on environmental, social and governance performance. It offers the following benefits:

The RRA creates improved linkages in mineral supply chains that will translate into:
- Better understanding of risks and responsible practices in mineral supply chains;
- Improved communication of responsible sourcing expectations to upstream actors;
- Improved awareness and understanding of upstream risk management practices by the downstream;
- Improvement of environmental, social and governance practices.

How will the data be used by the EICC?

The data generated by use of the tool will by anonymized and aggregated to inform:

- Advocacy efforts with stakeholders;
- Identify areas of high performance;
- Identify risk areas for common industry foci (e.g., targeted training, capacity building);
- Engage with standard-setting bodies to work towards the strengthening and, where appropriate, harmonization of standards.

Going forward, the tool will be available for individual companies to use to inform their mineral due diligence and sourcing policies.

For more information about the RRA, contact Leah Butler at butler@eiccoalition.org