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International tin association (ITA) – responsible minerals initiative (RMI)

Assessment Criteria FOR TIN SMELTERS

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# Introduction

Note: Terms that are ***bold and italicized*** have specific definitions set forth in the Glossary at the end of this document.

The International Tin Association (ITA) and the Responsible Minerals Initiative (RMI) encourage the responsible sourcing of ***minerals f***rom ***Conflict-Affected an High Risk Areas*** (***CAHRAs)***, and, where relevant, ***ASM*** producers. To incentivize and improve supply chain due diligence in the tin value chain, ***ITA*** and ***RMI*** collaborated to issue these joint ***Assessment*** ***Criteria*** for tin ***smelter***s. This document sets forth the ***criteria*** for determining conformance with ***RMI*** and ***ITA*** program requirements, the OECD Guidance, as well as regulatory requirements on ***minerals*** due diligence.

These ***Assessment*** ***Criteria*** follow the five-step framework and 3T Supplement for risk-based due diligence from the [OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High Risk Areas, Edition 3](http://www.oecd.org/corporate/mne/mining.htm) (OECD Guidance), and also include additional regulatory requirements; currently Section 1502 of the [US Dodd-Frank Wall Street Reform and Consumer Protection Act](https://www.govtrack.us/congress/bills/111/hr4173/text) (Dodd Frank) and [Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2017:130:TOC) (EU Regulation). These ***Criteria*** also include additional requirements from Standard Setting Organizations for actions that are of importance in OECD Guidance implementation.

The ***criteria*** in this document are used by ***auditors*** to evaluate whether a ***smelter*** has implemented OECD-aligned supply chain due diligence adapted to the circumstances of its tin supply chain. ***Assesments*** carried out against these ***criteria*** are equivalent to Step 4 of the ***OECD Guidance***.

***Companies*** are expected to undertake relevant steps of their due diligence process on a continual and on-going basis and these activities are expected to result in progressively improved understanding of supply chain ***risks,*** ***risk management*** performance, and ***risk mitigation*** within reasonable timescales. ***Companies*** are expected to use good faith and reasonable efforts in their due diligence and are expected to adapt the nature and extent of their process to their individual circumstances such as ***company*** size, location, sector, and the likelihood and severity of identified ***risks. Companies*** are expected to proactively carry out due diligence and to react to changes of circumstances and ***risks*** in the supply chain.

Where appropriate, ***companies*** may cooperate with other ***companies*** or work via an industry program in **joint initiatives**, for example, to share costs, commercially confidential information, carry out ***Red Flag Review***s and / or ensure competent on-the-ground assessments of high-risk areas free from conflict of interest. Each ***company*** remains fully responsible for their own due diligence and should ensure all joint work is relevant for their own circumstances and supply chains, including the ***company*** actions in response to reported ***risks.***

The Responsible Minerals Assurance Process (***RMAP***) utilizes independent third-party ***assessments*** of ***company*** management systems and sourcing practices to validate conformance with ***RMAP*** requirements. The ***criteria*** in this document form the basis of the independent third-party ***assessments*** to determine a ***company***’s conformance in accordance with the ISO 19011:2018 ***audit*** standard. ***Companies*** can use the ***assessment*** results to support customer requests, meet regulatory requirements, and inform sourcing practices.

The ***ITA Code of Conduct*** for tin mining, ***smelting*** and ***recycling*** operations has 10 key Principles and a total of more than 70 Standards, of which Standard 7.3 covers responsible sourcing. The ***criteria*** in this document are the basis for third-party ***assurance*** of assertions made by ***companies*** in their due diligence reports through an ISAE 3000 ***assurance engagement*** which can be submitted to achieve third-party conformance with Standard 7.3 of the ITA Code. Stakeholders can use validated ***company*** due diligence reports in their own ***assessments*** of supply chain practices.

Adhering to these ***Assessment*** ***Criteria*** demonstrates conformance with:

* ***ITA Code of Conduct*** Standard 7.3
* ***OECD Guidance***
* Regulatory requirements for relevant national laws which reference the OECD Guidance
* ***Responsible Minerals Assurance Process***

***RMAP*** follows the **International Organization for Standardization (ISO) 19011:2018 auditing standard** in conducting an independent third party ***assessment***. ISO 19011:2018 is issued by the International Organization for Standardization and provides guidance on auditing management systems, including the principles of auditing, managing an ***audit*** programme and conducting management system ***audit***s, as well as guidance on the evaluation of competence of individuals involved in the ***audit*** process.

The ***assessment*** approach endorsed by the ***ITA*** for ***assurance engagements*** conducted to support compliance with the ***ITA Code*** is the **International Standard on Assurance Engagement (ISAE 3000).** ISAE 3000 is issued by the International Federation of Accountants (IFAC) and sets out guidelines for the ethical behaviour, quality management and performance of an ISAE 3000 engagement.

***Auditors*** shall apply professional judgment and obtain reasonable assurance that evidence is sufficient and appropriate when conducting the ***assessment***.

# LIMITATIONS

These ***assessment*** ***criteria*** do not cover all human rights, social, and environmental risks that ***smelter***s may be faced with as part of their responsible sourcing practices. A successful ***assessment***  must not be used to imply operating performance beyond the strict scope of these ***Assessment*** ***Criteria***, does not result in a material certification, nor does it determine that ***minerals*** or products are “conflict-free”.

A successful ***assessment*** utilizing these ***criteria*** can be used to demonstrate due diligence for ***mineral*** or other ***material*** sourcing in accordance with the ***OECD Guidance*** and relevant regulatory requirements. ***Companies*** may choose to utilize other ***assurance*** or **assessment** programs to demonstrate OECD-alignment and/or to demonstrate 100% recycled or scrap sourcing.

Requirements for information disclosure among supply chain actors, to ***auditors***, other stakeholders and the public take into account the protection of ***business confidentiality and other competitive concerns***. This includes price information and supplier relationships. Such information can be disclosed to a ***joint initiative*** and/or an ***institutionalized mechanism***, regional or global, with the mandate to collect and process information. Requirements for information disclosure take into account ***company*** participation in ***joint initiatives*** and the extent of information published by such initiatives.

Requirements also take into account participation of the ***company*** and/or its suppliers to the ***company*** in a ***joint initiative*** or ***institutionalized mechanism***, which, if such an initiative or mechanism has been independently confirmed to be aligned with the OECD Guidance, can be considered to be reasonably managing supply chain ***risks.***

# *Assessment* Scope

## *Companies/facilities* within the scope of the *assessment*

ELIGIBILITY CRITERION:

All individual ***facilitie***s within a ***company*** that meet the definition of a ***smelter*** or **refiner** are eligible to use these ***criteria***. Where a ***company*** or ***facility*** has more than one process, only those tin-related processes are included within the scope of the ***assessment*** process.

All ***company*** activities, processes and systems used to implement supply chain due diligence regarding tin ***minerals*** or other ***tin materials***, including the management system, ***risk management,*** and disclosure of information are in scope for the ***assessment***.

Where a ***company*** makes claims that operations are not covered by the ***assessment*** or due diligence, those claims must be verified.

The ***criteria*** in this document from the OECD Guidance are relevant for the circumstance of a ***primary smelter*** purchasing ***minerals*** from external third party suppliers, or located in a ***CAHRA***. Additional ***criteria*** of Standards Settings Organisations also apply to support OECD implementation or regulatory requirements. Relevant sections of these ***Criteria*** in addition to ***criteria*** from Standard Setting Organizations are applicable to ***primary smelters*** treating ***minerals*** from their own integrated operations to report on impacts of their own activities, as well as by other ***companies***, including but not limited to ***secondary smelters*** and ***refiners***, choosing to demonstrate due diligence relevant to their supply chains through RMI or ITA assessment processes.

Examples of operations that do not meet the definition of ***smelter***, and therefore are outside the scope of the ***assessment***, include but are not limited to the following examples:

* Materials treatment specialist: A ***smelter*** may send partly processed ***materials*** for external treatment and that treatment specialist would not be required to have been independently assessed provided that it does not perform ***smelting*** or ***refining*** processes. For example, a ***materials*** treatment specialist might receive ***materials*** from the ***smelter*** to remove hazardous contaminants (e.g., arsenic, radioactivity) as a service, and then return the treated ***materials*** to the ***smelter***. Such ***materials,*** if continually owned by the ***smelter***, do not require additional ***origin*** information on their return from the ***material*** treatment specialist, nor evidence of ***assessment*** of the ***materials*** treatment specialist.
* Trading ***companies: Companies*** trading in tin ***materials*** where there is no mechanical or heat treatment or other process performed, and the ***material*** traded on is in the same chemical and physical state as received.
* Recycler/Handler/Material recovery ***companies***: A ***company*** with the ability to mechanically process ***secondary material***s using means such as shearing, cutting, sawing, shredding, briquetting/compacting, shot/sand blasting (wheel abrade and pneumatic) and machining. Where a ***company*** performs a mechanical process outside the scope of the ***assessment*** in addition to other processes that are within scope, the ***facility*** as a whole must demonstrate conformance, as conformance is determined at the ***company*** level, not at the process level.
* ***Companies*** separating mixed ***ore***: An ***upstream*** ***company*** or ***facility*** mechanically separating ***minerals*** of different types prior to ***smelting*** of those ***materials***.

## *Materials* in scope

ELIGIBILITY CRITERION: All tin containing ***materials,*** physically received, held, and/or processed at an in-scope ***facility*** during the ***assessment period***, regardless of ***origin***, storage location and type, are included. This includes any ***materials*** received under ***toll contract***s.

***Materials*** outside the scope of the ***assessment*** are:

* ***Legacy material***, created in the current form on a verifiable date prior to 1 February 2013.
* ***Assay materials*** and other small quantities of ***materials*** when the aggregate amount received by the ***smelter*** over the ***assessment period*** is less than 0.3% of the total receipts over the same period.

# Conformance *Criteria*

Conformance ***criteria*** consist of the ***OECD Due Diligence Guidance Supplement on Tin, Tantalum and Tungsten*** and requirements from Standard Setting Organizations.

The OECD conformance ***criteria*** specify that steps to establish policies and management systems, conduct a ***Red Flag Review*** based on the collection of relevant supply chain information, and report on due diligence shall be implemented by all ***companies*** that meet the definition of a ***primary smelter***, regardless of the source of their ***minerals***. Steps to collect additional supply chain information, conduct an Annex II *Risk Assessment*, establish an on the ground *assessment* team to assist in reporting and managing identified ***risks***, as well as undergoing an independent third party ***assessment*** must be implemented by ***companies*** sourcing ***minerals*** known or suspected to be from a ***CAHRA.*** ***Smelters*** treating primary ***minerals*** from their own operations must take Steps relevant to activities related to their own operations.

The Standards Setting Organization requirements specify that, ***smelters*** treating only ***secondary materials*** must take steps in order to allow the ***company*** to describe in reasonable detail the due diligence measures used to reach the conclusion that all ***material*** inputs are secondary and disclose that conclusion. ***Smelters*** receiving any other ***material*** types such as non-secondary product must take steps to ensure the ***metal***producer has undergone an independent third party ***assessment*** and/or that any risk of association with sources known or suspected to be from ***CAHRA***s has been identified and acted upon. To conform with the Standards Setting Organization requirements, all ***companies***, regardless of their sourcing practices, type of materials, or ***origin*** of ***minerals*** must implement steps to establish policies and management systems, conduct a ***Red Flag Review*** based on the collection of relevant supply chain information, undergo an independent third party ***assessment,*** and report on due diligence.

## *OECD Guidance*: Step 1 – Establish Strong *Company* Management Systems (All *Companies*)

**OECD Step 1 Guidance Reference:**

***Companies*** *should:*

1. *Adopt and commit to a supply chain policy for* ***minerals*** *originating from* ***conflict-affected and high-risk areas.***
2. *Structure internal management to support supply chain due diligence.*
3. *Establish a system of controls and transparency over the* ***mineral*** *supply chain.*
4. *Strengthen* ***company*** *engagement with suppliers.*
5. *Establish a* ***company****-level grievance mechanism.*

**OECD Step 1A - Adopt and commit to a supply chain policy for *minerals* originating from *CAHRAs* (All *Companies*):** A ***company*** must have a policy, applicable to itself and its suppliers, which demonstrates that it is familiar with, and committed to, performing OECD-conforming supply chain due diligence on ***risks*** described in ***Annex II*** (see Box I). A policy may be developed at a ***company*** level that covers all ***facilities*** or at a ***facility*** level. The policy must also describe due diligence management processes and be adequate to be used by the ***company*** to assess itself and its suppliers’ activities.

A ***company*** must:

* Adopt a written supply chain policy.
* Include in the policy the standards against which the ***company*** will make assessments of itself and its suppliers’ activities.
* Ensure the policy and standards are consistent with those in the Annex II model supply chain policy or equivalent.
* Include in the policy a description of the management process for identifying and managing ***risks.***
* Include in the policy a commitment to the due diligence steps relevant to its supply chain and operations.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must:

* Have and implement a policy that covers all types of tin ***minerals*** and materials relevant to ***company*** activities.
* Ensure the policy is dated and signed by the responsible person.
* Have and implement a process for periodically reviewing the policy and updating as necessary.

**Box I. Risks included in the *OECD Guidance* Annex II Model Supply Chain Policy.** Note: Refer to the OECD Guidance document for all required information.

* Serious abuses associated with the extraction, ***transport*** or trade of ***minerals***:
	+ Any forms of torture, cruel, inhuman and degrading treatment;
	+ Any forms of forced or compulsory labor;
	+ The worst forms of child labor[[1]](#footnote-2);
	+ Other gross human rights violations and abuses such as widespread sexual violence;
	+ War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
* Direct or indirect support to non-state armed groups[[2]](#footnote-3).
	+ For example, financial or logistical support to non-state armed groups who illegally control, tax or extort benefits at mines, trading points, transportation routes or supply chain actors.
* Direct or indirect support to public or private security forces.
* Bribery and fraudulent misrepresentation of the ***origin*** of ***minerals***.
* Money laundering.
* Non-payment of taxes, fees and royalties to governments.

**OECD Step 1B – Structure internal management to support supply chain due diligence (All *Companies*):** A ***company*** must have a system in place which assigns responsibility for each relevant aspect of the ***company***’s due diligence management process to identified and accountable staff. The nominated staff must be competent and have authority and resources to implement the process, which must include organisational structures that ensure communication to employees and suppliers.

A ***company*** must:

* Assign responsibility for each part of the due diligence management process to appropriate staff
* Provide authority to staff at a senior level to oversee due diligence
* Ensure responsible employees have sufficient knowledge and experience of due diligence
* Allocate resources and staff for due diligence operation and monitoring
* Implement communication processes to ensure that ***critical information*** – including the ***company*** supply chain policy, management processes and information on ***risks*** – reaches relevant employees and suppliers.
* Put in place accountability for employees expected to perform due diligence

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must:

* Provide initial training and periodic refresher training to relevant employees on the need for due diligence, relevance to the ***company***, the policy and the due diligence management system.
* Maintain employee training records within ***company*** records.

**OECD Step 1C – Establish a system of controls and transparency over the *mineral* supply chain (All *Companies*):** The ***company*** must have a system in place which enables them to identify ***upstream*** actors in the supply chain to the extent necessary to allow a ***Red Flag Review*** of ***minerals*** and suppliers in Step 2A.

A ***company*** must:

* + Obtain and retain information for ***Red Flag Review***

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a company must:

* Obtain and retain available information regarding ***minerals,*** its ***origin***, ***transport***and ***transit*** in order to determine if the known or suspected ***origin*** of the ***mineral*** is a ***CAHRA***:
	+ Description of ***mineral*** type
	+ The stated ***mineral*** ***origin*** (location of extraction, country or regional mining area within a country)
	+ Quantities and dates of extraction, if available, expressed in volume or weight. Note: not all suppliers will have this information available
	+ Countries through which ***minerals*** have ***transit***ed (in sealed shipping containers)
	+ Countries through which ***minerals*** have been ***transport***ed (not in sealed shipping containers), or in which they have been reprocessed, repacked or handled
	+ ***Transport*** documentation from the ***origin***
* Obtain and retain available information regarding immediate suppliers, and any known ***companies*** further up the supply chain identifiable through general business dealings or public reports in order to determine if supplier activities relate to ***mineral*** trading associated with known or suspected ***CAHRA***:
	+ Name, addresses and type of business of immediate suppliers
	+ Aggregated lists of countries in which the supplier has shareholder or ***company*** interests
	+ Aggregated lists of countries of ***origin***, ***transport*** and ***transit*** of ***minerals*** from which suppliers have sourced over the last 12 months
	+ Declaration of the countries or areas determined by the supplier to be a ***CAHRA;***
	+ Declaration of individuals and entities that hold direct or indirect ownership stakes in the supplier against relevant national sanction lists[[3]](#footnote-4) and international law.
	+ If applicable, evidence of participation of the supplier in a ***joint initiative*** or ***institutionalised mechanism*** together with independent reports regarding the alignment of the initiative and/or mechanism’s standards with OECD Guidance, and performance of that supplier and the initiative and/or mechanism in implementing the OECD Guidance.
	+ Records of assessment of suppliers prior to entering into business with new suppliers, including assessment of ***risks.[[4]](#footnote-5)***
* The ***company*** must obtain and retain information on all out-of-scope or non-mineral tin containing ***materials*** eligible for ***assessment***, to the extent necessary, to validate that the original source of the tin is not known or suspected to be from a ***CAHRA***. The ***company*** must:
	+ For ***legacy material***, have sufficient documentation to demonstrate the ***materials*** were created in the current form and same chemical and physical state on a verifiable date prior to 1 February 2013.
	+ For assay materials, have documentation on the quantity of ***material*** received and a verification that this quantity is less than 0.3% of the total receipts over the same period, as well as information on the ***mineral*** source and supply chain relevant to the level of ***risk***.
		- For ***mineral*** assay samples received from ***CAHRAs*** from exporters participating in a ***joint initiative***, the ***company*** must obtain a declaration from the exporter and another party that such quantities are plausible, and taken from ***mineral*** batches traceable within that program.
	+ For ***by-products*** from non-3TG ***minerals,*** have a process to obtain and retain information to determine the point of separation from the primary ***mineral***.
	+ For ***materials*** received from ***supplying smelters,*** including slags, have and implement a process to obtain and retain the following information:
		- Name and address of the ***supplying smelter*** that produced the ***material.***
		- ***Supplying smelter*** contract and/or purchase agreement(s) containing description of ***materials***.
		- ***Transport*** documentation from the ***supplying smelter***
		- Information on the composition and physical form the ***materials*** received as well as the production date.
		- Records of the independent third-party ***audit*** reports of the ***supplying smelter*.** If the ***supplying smelter*** has not undergone an independent third-party ***assessment***, the following additional information must be collected:
			* Records identifying inputs used for the production of ***materials*** received from the ***supplying smelter*** together with information required for ***Red Flag Review*** in Step 2A***.***
	+ For non-secondary tin ***metal*** ***products*** unused for their primary purpose, have a process to obtain and have available the following information:
		- Description of the ***metal products***
		- Name and address of the immediate supplier
		- Name and address of the ***smelter***s who produced the **metal** in the ***metal product***
		- ***Transport*** documentation from the ***smelter***
		- Records of the independent third-party ***audit*** reports of the ***smelter***s***.*** If the ***smelter*** has not undergone an independent third-party ***assessment***, the following additional information must be collected:
			* Records identifying inputs used for the production of ***materials*** received from the ***smelter*** together with information required for ***Red Flag Review*** in Step 2A***.***
	+ For ***secondary materials***:
		- Name and address of the immediate supplier
		- Immediate supplier contract and/or purchase agreement(s) containing description of ***secondary material***
		- Information on the composition or physical form of the ***materials*** such as analysis data, photos, or explicit descriptions of the ***material.***
		- ***Transport*** documentation from the ***supplier***
* Calculate a ***mass balance*** as a means to substantiate the ***total material processed*** by the smelter, taking into account ***receipts***, ***inventory***, losses, and sales quantities. Any discrepancies observed during the ***mass balance*** calculation must be justified.

**OECD Step 1C1 to 1C4 – System of Controls and Transparency (Where the *Red Flag Review* confirms the need for Annex II *risk assessment* on *minerals* known or suspected to be from *CAHRA*s per Step 2B):** Where a ***company*** determines the need for a full Annex II risk assessment, based on the outcomes of their ***Red-Flag*** ***Review*** in Step 2A, the ***company*** must have in place a chain of custody or a traceability system that generates detailed information on the circumstances of extraction, export, reprocessing or trade. The ***company*** must have a system to store information for five years, including records of payments made by suppliers which constitute ***risks*** associated with those listed in Annex II. The ***company*** must also avoid use of cash and support the principles of EITI.

Such ***company*** must:

* Incorporate supply chain information disclosure requirements into written agreements and/or contracts with immediate suppliers whether international concentrate traders, ***mineral*** re-processors, or exporters. The disclosure requirements include:
	+ All taxes, fees or royalties paid to government for the purposes of extraction, trade, ***transport*** and export of ***minerals;***
	+ Any other payments made to governmental officials for the purposes of extraction, trade, ***transport*** and export of ***minerals***;
	+ All taxes and any other payments made to public or private security forces or other armed groups at all points in the supply chain from the point of ***ore*** extraction onwards;
	+ The ownership (including beneficial ownership) and corporate structure of the exporter, including the names of corporate officers and directors; the business, government, political or military affiliations of the ***company*** and officers;
	+ The mine of ***mineral*** ***origin***;
	+ Quantity, dates and method of extraction (***artisanal*** and small-scale or ***large-scale*** mining);
	+ Locations where ***minerals*** are consolidated, traded, processed or upgraded;
	+ The identification of all ***upstream*** intermediaries, consolidators or other actors in the ***upstream*** supply chain;
	+ Transportation routes;
	+ All export, import and re-export documentation.
* Obtain the information and retain it for five years.
* Make the information gained related to ***company*** due diligence standards and processes available to ***downstream*** purchasers, ***auditors*** and ***any joint initiative or institutionalized mechanism,*** regional or global, with the mandate to collect and process information on ***minerals*** from ***CAHRAs***, with due regard taken of ***business confidentiality and other competitive or security concerns***[[5]](#footnote-6).
* Avoid, where practicable, cash purchases for ***company*** transactions. Where cash purchases are unavoidable, the ***company*** must obtain verifiable documentation and preferably route the transaction through official banking channels.
* Support the implementation of the principles of the Extractive Industry Transparency Initiative (EITI) individually or through joint efforts and through company participation in appropriate reporting. This reporting is required only in an implementing country of EITI.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a company must:

* If applicable, record and identify which ***minerals*** purchased are from suppliers participating in a ***joint initiative*** or ***institutionalized mechanism*** and the type of information held by the initiative as a proxy for supply chain disclosure.
* If applicable, record the status of the supplier’s participation in a ***joint initiative*** or ***institutionalized mechanism*** at the time of the ***company*** transaction.
* If participating in a Step 4 ***audit,*** the ***company*** must disclose all information to the assessor of the ***company*** due diligence practices, but is not required to disclose all information to downstream purchasers due to business confidentiality and other competitive or security concerns.

**OECD Step 1D – Strengthen *company* engagement with suppliers (All *Companies)*:** The ***company*** must aim to establish positive long-term relationships with their immediate suppliers in order to increase leverage over the due diligence performance of those suppliers. The ***company*** must also communicate requirements to immediate suppliers, help build their capabilities, and consider measuring improvement over time.

A ***company*** must:

* Establish, where practicable, long term relationships with suppliers.
* Confirm that suppliers commit to a supply chain policy consistent with Annex II and the OECD Due Diligence Guidance
* Communicate to suppliers their expectations on responsible supply chains of ***minerals*** from ***CAHRAs.***
* Incorporate the company’s supply chain policy and due diligence management processes into commercial contracts and/or written agreements with suppliers, including the right to conduct unannounced spot-checks on suppliers and have access to their documentation.
* If carrying out Step 3 risk mitigation, formally identify and evaluate options for the ***company*** to support and build capabilities of suppliers to improve performance and conform to ***company*** supply chain policy.
* If carrying out Step 3 ***risk mitigation***, formally identify and evaluate measurable improvement plans with suppliers, with the involvement, if relevant and where appropriate, of local and central governments, international organisations and civil society when pursuing ***risk mitigation***.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a company must:

* Monitor the performance of the immediate supplier against the expectations set out in the contract with the ***company***.
* If applicable, record and identify which suppliers are participating in a ***joint initiative*** or ***institutionalised mechanism*** and what monitoring activities the initiative or mechanism implements.
* Follow and evaluate reports on suppliers produced by a ***joint initiative*** or ***mechanism***, if applicable.

**OECD Step 1E – Establish *Company* Level Grievance System (All *Companies*):** The ***company*** must have a mechanism allowing any interested party, including whistle-blowers, to voice concerns regarding the circumstances of extraction, trade and handling of ***minerals*** in or exported[[6]](#footnote-7) from a ***CAHRA*** in order to alert the ***company*** to possible ***risks.***  The mechanism may be provided through collaborative arrangements with other ***companies***, or by facilitating recourse to an external expert or body, such as an ombudsman.[[7]](#footnote-8)

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must:

* Provide a grievance/whistleblowing mechanism regardless of their sourcing practices, type of materials, or ***origin*** of ***minerals***.
* Record concerns received through the ***company*** mechanism and the results of follow-up
* If the ***company*** is using a collaborative mechanism, confirm that the mechanism is investigating reports and recommending appropriate ***risk management***.

## *OECD Guidance*: Step 2 – Identify and Assess *Risks* in the Supply Chain

**OECD Step 2 Guidance Reference:**

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

1. *Identify the scope of the* ***risk assessment*** *of the* ***mineral*** *supply chain*
2. *Map the factual circumstances of the company’s supply chains, underway and planned*
3. *Assess* ***risks*** *in the supply chain*

**OECD Step 2.A. – Identify the Scope of the *Risk* *Assessment* of the *Mineral* Supply Chain (All *Companie*s):** A ***company*** must review relevant information generated from Step 1 (excluding Step 1.C1 to C4) to conduct a ***Red Flag Review*** of locations of ***mineral*** ***origin*** and ***transit***, and supplier ***red-flag***s in order to determine the need for Annex II ***risk assessment*** targeted on ***minerals*** known or suspected to be from ***CAHRA*** (See Box II). The ***company*** must ensure that the scope of risk identification and ***assessment*** extends to all of the ***risks*** set out in Annex II and the recommendations in the Due Diligence Guidance.

***Companies*** may cooperate to carry out the requirements in this sectionthrough ***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***.

A ***company*** must have and implement a process to review information gathered in Step 1 (excluding Step 1.C1 to C4) to determine whether further steps of due diligence are triggered.

**Box II. OECD Red Flags**

***Red flag locations of mineral origin and transit:***

* *The* ***minerals*** *originate from or have been* ***transport****ed via a* ***CAHRA.***
* *The* ***minerals*** *are claimed to originate from a country that has limited known reserves, likely resources or expected production levels of the* ***mineral*** *in question (i.e. the declared volumes of* ***mineral*** *from that country are out of keeping with its known reserves or expected production levels).*
* *The* ***minerals*** *are claimed to originate from a country in which* ***minerals******CAHRAs*** *are known to* ***transit****.*

***Supplier red flags:***

* *The* ***company****’s suppliers or other known* ***upstream******companies*** *have shareholder or other interests in* ***companies*** *that supply* ***minerals*** *from or operate in a* ***red flag location*** *of mineral* ***origin*** *and* ***transit****.*
* *The* ***company****’s suppliers’ or other known* ***upstream******companies*** *are known to have sourced* ***minerals*** *from a* ***red flag location*** *of* ***origin*** *and* ***transit*** *in the last 12 months.*

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must:

* Design and implement a process to validate information on ***minerals*** received:
	+ Confirm that the type, weight, composition and quality of ***minerals*** received are consistent with accompanying documentation
	+ Confirm that information required for ***Red Flag Review*** as set out in Step 1C has been collected and/or provided by the immediate suppliers
	+ Investigate and address any discrepancies or inconsistencies identified during the above review.
* Design and implement a process to understand plausibility of ***mineral*** supply;
	+ Maintain a reasonable understanding of reserves, production and export statistics for all tin mining countries and/or regional mining areas within a country;
	+ Investigate and address any higher than expected volumes of ***mineral*** supplied from any area compared to the potential for production in that area;
* Design and implement a process to determine ***CAHRAs*** from which tin ***minerals*** may be produced:
	+ Recording the types of information and resources used by the ***company*** to identify ***CAHRAs***.
	+ Establishing a method or procedure to make a ***CAHRA*** determination.
	+ Establishing the frequency within which the ***CAHRA*** determination is reviewed and updated.
* Design and implement a process for ***Red Flag Review*** in which the ***company*** will make a comparison of the supplier and country of ***origin*** information gathered in Step 1C with the recorded results of the documentation check, the plausibility ***assessment,*** and the ***CAHRA*** determinations made by the ***company*** as above.

In performing the ***Red Flag Review*** the ***company*** must make a reasonable assessment of anomalies and likely ***risks*** and may conclude the outcome of the ***Red Flag*** ***Review*** to be:

1. ***Red flag locations and suppliers*** are not identified and no Annex II ***risk assessment*** is required;
2. ***Red flag locations and suppliers*** are identified but Annex II ***risk assessment*** is not justified as the review does not indicate a significant ***risk*** that the source of ***minerals*** is a ***CAHRA*** and this can be reasonably confirmed without on-the-ground investigation;
3. ***Red flag locations and suppliers*** are identified and Annex II risk ***assessment*** is necessary as the level of ***risk*** is unclear or the review indicates that;
	* The source of ***mineral*** is a ***CAHRA,*** or suspected to be a ***CAHRA*** rather than the stated ***origin***;
	* The supplier has trading activities relating to a ***CAHRA*** that could impact ***risks*** for ***minerals*** declared to be from non-***CAHRA*** sources.
* When Annex II ***risk assessment*** is required, the ***company*** must continue through the remaining steps of due diligence. This includes continuing with Step 2B, 2C, 3, 4, and 5 and obtaining extensive information on the supply chain to the mine of ***origin*** (Steps 1C1 to 1C4) and establishing an on the ground assessment team or engaging a ***joint initiative*** to understand local context, work with local stakeholders, suggest and monitor ***risk management*** and address grievances.
* The responsible person must record the findings of the ***Red Flag Review*** and report them to the senior management team.

The ***company*** must also review information received according to Step 1C on all other out-of-scope or non-***mineral materials*** for discrepancies or inconsistencies and record their determination of receipts as:

* ***Legacy material*** and assay samples verified to be out of scope
* ***Minerals*** produced as a ***by-product*** and their associated ***risks***
* ***Materials*** from ***supplying smelters***, and evidence of third party ***assessment*** of that ***smelter*** and whether ***minerals*** treated by the ***supplying smelter*** are from ***CAHRA***s
* Non-secondary ***metal products*** and evidence of third party ***assessment*** of the ***smelter*** producing the ***metal*** and whether ***minerals*** treated by that ***smelter*** are from ***CAHRA***s
* ***Secondary materials***

If the ***company*** identifies any ***risks*** that the ***material*** may be associated with ***minerals*** known or suspected to be from ***CAHRA***s then further steps must be taken as relevant and appropriate.

**OECD Step 2.B. – Map the Factual Circumstances of the *Company*’s Supply Chain(s), Underway and Planned (*Where Red Flag* Review confirms the need for Annex II *risk assessment* on *minerals* known or suspected to be from *CAHRA*s):** The ***company*** should establish a chain of custody or traceability system to obtain relevant information according to Step 1C1 to 1C4 in order to be able to identify and assess Annex II ***risks***. The ***company*** should work to understand the supply chain to the mine of ***origin*** and understand the context within the identified ***CAHRA***, including via on-the-ground assessment teams or a ***joint initiative*** while retaining individual responsibility for ***company*** actions and decisions.

A ***company*** must have and implement a process to:

* Understand the context of ***CAHRAs*** that have been identified in the company’s supply chain.
* Clarify the information on chain of custody, activities and relationships of all ***upstream*** suppliers obtained for the ***Red Flag Review*** in Step 1C.
* Identify the locations and qualitative conditions of the extraction, trade, handling and export of the ***mineral*** by implementing Step 1 C1 to C4 (i.e., a chain of custody or traceability system).
* Obtain and maintain up to date on-the-ground information for use in ***company risk assessment*** according to the OECD Guidance Appendix (See Box III).

***Companies*** can obtain information from on-the-ground assessment teams established by a ***joint initiative*** as long as the ***company*** retains responsibility for following and acting on recommendations from the team.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must:

* Understand the scope, competence, methodology and standards of the on-the-ground teams of any ***joint initiative*** used for the provision of information and recommendations for mitigation;
* Review ***critical information*** generated by the on-the-ground teams of any ***joint initiative***;
* Assess and record any gaps between the activities of the initiative and the guidance for upstream risk assessment;
* Have a process to implement ***company*** actions to obtain information identified to be outside the scope or activities of the ***joint initiative***.

***BOX III. Guidance for Upstream Risk Assessments***

***Create enabling conditions for an effective risk assessment:*** *The* **Company** *must ensure that on-the-ground teams are free from conflicts of interest and provide reliable and up-to-date evidence for use in the* ***company******risk******assessment****. The* ***company*** *must employ appropriate experts for the on-the-ground teams with relevant knowledge and skills, as well as high standards of professional care.*

***Establish an on-the-ground assessment team:*** *The* ***Company*** *must ensure that the assessment team consults with local governments, civil society and suppliers and has a community monitoring network to provide information. The* ***company*** *must ensure that the information maintained by the assessment team is shared throughout the supply chain, and, that the assessment team has the correct scope and adequate capacity to obtain first-hand facts on relevant circumstances; militarisation and serious abuses by public, private, or non-state armed groups. The assessment team must be able to put forward recommendations for risk management and respond to any questions from the* ***company****, as well as receive and address grievances of whistleblowers and interested parties.*

*If the* ***company*** *is a* ***smelter****, it must facilitate the work of the assessment team by allowing access to information gained by* ***company*** *due diligence processes, including access to records, and, providing a designated contact person.*

***Recommended Questions That Company Assessments Should Answer:*** *The* ***company*** *must ensure that their on-the-ground team provides information to enable the* ***company*** *to understand the context of the* ***CAHRA****, know suppliers and business partners, and understand the conditions of mineral extraction,* ***transport****, handling, trade and export in* ***CAHRA****. The* ***company*** *must take this information into account in the targeted Annex II risk assessment.*

**OECD Step 2.C. – Assess *Risks* in the Supply Chain (*Where Red Flag* Review confirms the need for Annex II *risk assessment* on *minerals* known or suspected to be from *CAHRA*s):** The ***company*** must cross-check the factual information available, including the facts provided by the on-the-ground assessment team or ***joint initiative***, against the ***company*** policy and standards and carry out a ***risk assessment***. These standards include national laws of the company’s own country and those of mineral **origin**, ***transit*** and re-export. The company must also take into account legally binding documents governing operations and business relations, as well as other relevant laws.

A ***company*** must design and implement a process to use all relevant available information obtained in Step 2B in a comparison with:

* The principles and standards of the ***company*** supply chain policy referencing Annex II
* National laws of the countries;
	+ where the ***company*** is domiciled or publicly-traded (if applicable);
	+ from which the ***minerals*** originate; and
	+ of ***transit*** or re-export.
* Legal instruments governing ***company***/***facility*** operations and business relations, such as financing agreements, contractor agreements and supplier agreements
* Other relevant international instruments such as the OECD Guidelines for Multinational Enterprises, international human rights and humanitarian law.

If the outcome of the comparison identifies any reasonable inconsistency between factual information and their standard, that is an identified ***risk*** with potential adverse impact to which Step 3 applies.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must record the outcome of the risk assessment, including any identified ***risks t***o the ***company*** supply chain.

## *OECD Guidance*: Step 3 – Design and Implement a Strategy to Respond to Identified *Risks* (Where *Red Flag* *Review* confirms the need for Annex II *risk assessment* on *minerals* known or suspected to be from *CAHRA*s)

**OECD Step 3 Guidance Reference:**

***Companies*** *should:*

*A). Report findings to designated senior management.*

*B). Devise and adopt a* ***risk management plan****.*

*C). Implement* ***the risk management plan****, monitor and track performance of* ***risk mitigation*** *efforts and report back to the designated senior management of the* ***company*** *and consider suspending or discontinuing engagement with a supplier after failed attempts at mitigation.*

*D). Undertake additional fact and risk assessments for* ***risks*** *requiring mitigation or after a change of circumstances.*

***Companies*** may cooperate to carry out the requirements 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***.

**OECD Step 3.A. – Report findings to designated senior management.** The ***company*** must ensure that all ***risks*** identified during Step 2 are reported to a senior manager with designated responsibility for due diligence.

A ***company*** must have and implement a process to ensure that on an ongoing basis, an outline of information gathered and the actual and potential ***risks*** identified in the supply chain risk assessment are reported to senior management with designated responsibility for due diligence.

**OECD Step 3.B. – Devise and adopt a risk management plan.** The ***company*** must develop a plan to manage identified ***risks*** taking into account the options of continuing trade, suspending trade while managing ***risks***, or disengaging from trade if ***risks*** are not manageable. The ***company*** should determine a ***risk management*** strategy appropriate for their own circumstances by reviewing their supply chain policy. If the ***company*** is not disengaging then it must constructively engage with stakeholders to promote progressive improvement to eliminate negative impacts over a reasonable timescale. This must include consulting with affected suppliers, local authorities, civil society and third parties and providing them with ***assessments*** and plans for discussion. The ***company*** must ensure that the plan for ***risk mitigation*** has actions from which the outcomes are measureable.

A ***company*** must have and implement a process to:

* Maintain a risk management plan explaining possible company strategies in response to risks which include:
	+ continuing trade throughout the course of measurable risk management efforts;
	+ temporarily suspending trade while pursuing ongoing measurable mitigation efforts;
	+ Disengaging with a supplier in cases where mitigation appears not feasible or unacceptable.
* Review identified ***risks*** against the ***company*** policy to determine the relevant ***risk management*** strategy according to the ***risk management plan.***
* When mitigating ***risks***, include in the ***risk management plan*** a description of means to achieve progressive improvement within reasonable timescales.
* In order to support progressive improvement, build and/or exercise leverage over the actors in the supply chain who can most effectively and most directly mitigate the ***risks.***
* Consult with suppliers and affected stakeholders to agree on the strategy for ***risk mitigation*** in the ***risk management plan*** including qualitative or quantitative measures of improvement.
* Publish the supply chain risk assessment and ***risk management plan*** with due regard to ***business confidentiality and other competitive concerns*** (refer to Step 5).

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must have and implement a process to review identified ***risks*** reported by the on-the-ground team or ***joint initiative*** in order to confirm:

* + ***risk mitigation*** measures recommended are appropriate for the ***company*** plan
	+ there is direct engagement with affected stakeholders to pursue mitigation
	+ progress is reviewed on-the-ground against the recommended actions
	+ whether additional responses or actions by the ***company*** are needed, including disengagement, suspension or to increase leverage on suppliers or other stakeholders.

**OECD Step 3.C. – Implement the risk management plan.** The ***company*** must, in cooperation with the stakeholders mentioned in 3B, ensure that the ***risk mitigation plan*** is implemented, and its progressive success monitored. The ***company*** may wish to establish community networks to assist with this monitoring. Once the senior manager responsible for due diligence receives updated information on the management of identified ***risks*** they must confirm or re-consider the ***company*** strategy as appropriate.

A ***company*** must:

* Have and implement the ***risk management plan***
* Monitor and track performance of ***risk mitigation*** in cooperation and/or consultation with local and central authorities, ***upstream*** ***companies***, international or civil society organisations and affected third parties.
* Report back to designated senior management and consider suspending or discontinuing engagement with a supplier after failed attempts at mitigation.
* Consider establishing a community monitoring network.
* Support ***risk mitigation*** activities that result in significant and measureable improvement towards eliminating the identified ***risks*** within six months from the adoption of the ***risk management plan.*** If there no such measurable improvement by the supplier within six months, the ***company*** should suspend or discontinue engagement with the supplier for a minimum of three months.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must have and implement a process to review the progress and results of mitigation of identified ***risks*** by the on-the-ground team or ***joint initiative*** in order to confirm:

* + direct engagement with affected stakeholders to pursue mitigation has continued
	+ whether a community monitoring network is in place (if established)
	+ the results of mitigation six months from the identification of any ***risk***
	+ whether additional responses or actions by the ***company*** are needed, including disengagement, suspension or to increase leverage on suppliers or other stakeholders.

**OECD Step 3.D. – Undertake additional fact and risk *assessment*s for *risks* requiring mitigation, or after a change in circumstances**. A ***company*** must conduct on-going monitoring, and after the implementation of the ***risk management plan*** and/or following any change in the ***company*** supply chain information gathering, and cross-checking against ***company*** standards must be repeated (Step 2B-2C).

## *OECD Guidance*: Step 4 - Carry Out Independent Third-Party *Audit* of *Smelter*’s Due Diligence Practices (*Where Red Flag Review* confirms the need for Annex II *risk assessment* on *minerals* known or suspected to be from *CAHRA*s or for Regulatory and/or Standard Setting Organization Requirements)

**OECD Step 4 Guidance Reference:**

***Companie****s should carry out independent third-party* ***audit****s of* ***smelter/refiners’*** *due diligence practices.*

**OECD Step 4.A - Plan an independent third party *audit* of the *smelter*’s due diligence for responsible supply chains of *minerals* from *CAHRAs*.** The ***company*** must allow a independent third-party ***audit*** of its due diligence which covers all the ***company***’s relevant processes, information, assessments and plans related to ***minerals*** known or suspected to be from ***CAHRAs*** as described in these ***criteria***.

The ***company*** must ensure that the ***audit***:

* Is carried out to required ***audit*** principles, by competent ***auditors*** who may be monitored through performance indicators.
* Is adequately prepared with samples of relevant documentation reviewed.
* Includes on-site investigations of suppliers to the ***smelter***, as well as meetings with the on-the-ground assessment team and consultations with local authorities, civil society and experts.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must undergo an ***audit*** of all activities, processes and systems used by the ***smelter*** to conduct supply chain due diligence, regardless of their sourcing practices, type of materials, or ***origin*** of ***minerals.***

**OECD Step 4.B – Implement the *audit* in accordance with the *audit* scope, *criteria*, principles and activities**. A ***company*** must undergo an ***audit*** according to the scope, ***criteria***, principles and activities described in Step 4A.

The ***company*** must:

* Allow ***auditors*** access to ***company***/facility sites and all documentation and records of supply chain due diligence.
* Facilitate ***auditor*** contact with a sample of immediate suppliers.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must:

* Ensure access to any physical location, staff/personnel, suppliers or documentation relevant to the scope and completion of the ***audit***.
* Have documentation, records, and evidence available before or during the on-site ***audit.***

## *OECD Guidance*: Step 5 – Report Annually on Supply Chain Due Diligence (All *Companies*)

**OECD Step 5 Guidance Reference:**

***Companies*** *should annually report or integrate, where practicable, into annual sustainability or corporate responsibility reports, additional information on due diligence for responsible supply chains of* ***mineral****s from* ***conflict-affected and high-risk are****as.*

**OECD Step 5 – Annually report or integrate, where practicable, into annual sustainability or corporate responsibility reports, additional information on due diligence for responsible supply chains of *minerals* from *CAHRAs*.**

**OECD Step 5.A.1.** **(All *companies*)** The ***company*** must publically report annually on their due diligence in their supply chains and measures being taken to manage ***risks.*** The ***company*** report must generally describe the ***company*** policy, management structure and controls, as well as a description of the type of information that the ***company*** has recorded and how this has improved its due diligence.

All public information published must take into account due regard of ***business confidentiality and other competitive concerns*** including price information and supplier relationships. Confidential information would for example include information on ***company*** suppliers, customers, tonnage and capacity.

A ***company*** must publish the following information in an annual due diligence report:

* ***Company*** Management Systems (all companies):
	+ Describe the ***company***’s supply chain policy
	+ Explain the management structure responsible for due diligence
	+ Describe the system used by the company to gather information necessary for red-flag review.
	+ Explain how information obtained for ***Red Flag Review*** has strengthened the ***company***’s due diligence efforts
	+ Describe the ***company***’s record-keeping system
	+ Describe methods for disclosing relevant information to ***downstream*** actors

**Where *Red Flag Review* confirms the need for Annex II *risk assessment* on *minerals* known or suspected to be from *CAHRAs*, for regulatory reasons or otherwise voluntarily**

If a targeted Annex II risk assessment (Step 2C) has been required on ***minerals*** known or suspected to be from a ***CAHRA***, the ***company*** must also describe additional management systems and outline the methods of, and type of information provided by, the on-the-ground assessment team as well as an explanation of how the ***company*** performs risk assessment. The ***company*** strategy for responding to ***risks*** must also be outlined, including any training of suppliers, the involvement of stakeholders and the ***company*** efforts to monitor ***risk*** management activities.

The following additional information must be published:

* + Describe the ***company***’s system for controls and transparency of the supply chain to gather information required for Annex II risk assessment.
	+ Describe methods for disclosing relevant information to mine of **origin** to downstream actors or to a ***joint initiative*** or ***institutionalized mechanism.***
	+ Describe how the ***company*** publicly supports the principles of the Extractive Industry Transparency Initiative (EITI) individually or through joint efforts and through ***company*** participation in appropriate reporting. This is required in an implementing country.
* ***Company*** risk ***assessment*** in the supply chain:
	+ Publish the methodology and results of the risk assessment and the supply chain management plan with due regard taken of ***business confidentiality and other competitive concerns*** (Refer to Step 3B)
	+ Outline the methodology, practices and information yielded by the on-the-ground assessment
	+ Explain the methodology of ***company*** supply chain risk assessments
* ***Risk*** management:
	+ Describe the steps taken to manage ***risks***, including a summary report on the strategy for ***risk*** ***mitigation*** in the ***risk*** ***management plan,*** and capability training, if any, and the involvement of affected stakeholders.
	+ Disclose the efforts made by the ***company*** to monitor and track performance.

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must publish its annual due diligence report regardless of their sourcing practices, type of materials, or ***origin*** of ***minerals***. A ***company*** does not need to publish information already made available by a joint initiative, so long as that information is referenced in the ***company***’s report.

**OECD Step 5.A.2.** – A ***company*** must publish the following information with due regard taken of business confidentiality and other competitive concerns including price information and supplier relationships:

* ***Audit*** Report

**Standards Setting Organization Requirements:** In order to meet additional programmatic or EU requirements, a ***company*** must publish its:

* ***Assessment*** Summary Report, inclusive of the name of the ***audit firm***.[[8]](#footnote-9)
* Supply Chain Policy[[9]](#footnote-10)

# ANNEXES

## Annex I: Definition of Terms and Acronyms

**Annex II:** Annex II of the OECD Guidance document. Annex II is titled “Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.”

**Artisanal or Artisanal and Small-Scale Mining (ASM):** Formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and ***transport***ation. ASM is normally low capital intensive and uses high labor-intensive technology. “ASM” can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners.[[10]](#footnote-11)

**Assessment:**  An evaluation of an organization, system, process, enterprise, or project in comparison to benchmarks established by the entity being assessed, typically resulting in a report containing an opinion about the accuracy of statements presented to the assessor, or quality of performance. Assessments are conducted in a flexible manner in terms of assessor qualifications, assessment methods, evidence and performance benchmarks/expectations.

**Assurance Engagement:** The process that the assessor (***audit firm***) and assessed entity (***company***) undertake to validate a claim (company report) regarding due diligence performance against these ***Criteria***. The ***audit firm*** assesses the ***company*** report to establish if claims are truthful and accurate based on appropriate evidence held by the ***company*** and produces an ***audit firm*** report, including findings and a conclusion, according to the ISAE 3000 assurance standard.

**Audit:**  A formalized systematic evaluation of an organization, system, process, enterprise, or project against ***criteria*** established independent of the audited entity, typically resulting in a report containing specific findings. An audit covers information and situations within a specific time period (“***Assessment Period***”) and reflects conditions encountered at the time of the audit, frequently referred to as “a snapshot in time.” Audits involve standardized principles of ***auditor*** competence, reasonable assurance, evidence sampling and materiality/significance.

**Auditor/Audit firm:** Carries out an ***assessment*** against the ***assessment*** criteria on the ***company***.

**Assessment period:** The period of time covered by the ***transaction review***, typically one year.

**Business confidentiality and other competitive concerns**: Information regarding supplier relationships as well as factors that may affect price or competition such as capacity, trading routes, material sources and other information normally protected by competition law.

**Byproduct(s):** Tin produced during the processing of other metal ores. The origin of a non-3TG mining byproduct is the point of separation from the ***primary material.***

**Chain of custody or a traceability system:** A process to collect detailed information on the supply chain as specified in Step 1, C1 to C4.

**Company:** A legal business entity with overall management responsibility of operations and administration of at least one ***smelter***. A company can consist of a single ***smelter*** ***facility*** and business type (smelting) or multiple ***facilities*** and business types (in addition to smelting).

**Conflict Minerals:** Cassiterite, columbite-tantalite, gold, wolframite, or their derivatives, or any other ***minerals*** or their derivatives determined to be financing conflict in the ***Covered Countries.***

**Conflict-affected and high-risk areas (CAHRAs):** Conflict-affected and high-risk areas where Annex II risks are likely to exist. They are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.[[11]](#footnote-12)

**Covered Countries:** The Democratic Republic of the Congo (DRC) and its nine adjoining countries as outlined in Section 1502 of the Dodd Frank Act, namely Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

**Criteria**: The program requirements against which an auditor evaluates companies to assess the company’s level of conformance in an ***assessment***.

**Critical Information:** Any and all information related to the ***smelter***’s due diligence and that is necessary for all parties involved, specifically employees and suppliers, to effectively carry out the tasks and responsibilities assigned to them as part of the company’s due diligence.

**Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd Frank Act):** A federal statute in the United States that was signed into law on July 21, 2010. Section 1502 requires issuers with ***conflict minerals*** that are necessary to the functionality or production of a product manufactured by such entity to disclose annually whether any of those ***materials*** originated in the Democratic Republic of the Congo or an adjoining country.
<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

**Downstream:** The ***minerals*** supply chain from ***smelters/refiners*** to retailers.

**Extractive Industry Transparency Initiative (EITI):** A standard to promote the open and accountable management of oil, gas and mineral resources the implementation of which takes place in countries signed up to the EITI.

**Facility:** A singular location of a ***company***.

**Identification of upstream actors:** A process to identify known immediate suppliers and ***companies*** further upstream which are identifiable through general business dealings or public reports to the extent necessary to enable ***Red Flag Review***.

**Immediate supplier:** The ***company*** which has a contract with and supplies ***material*** to the ***smelter*** and is immediately before the ***smelter*** in the supply chain, which may be suppliers such as a mining entities, traders, other ***smelter***s, or ***downstream*** users.

**Institutionalized mechanism**: A body established at the industry’s initiative, supported by governments, and in cooperation with relevant stakeholders with the mandate to collect and process information on ***minerals*** from ***conflict-affected and high-risk areas***. The institutionalized mechanism may implement or oversee ***audits***.

**Inventory (whether calculated or declared):** Stocks of ***ore, secondary material***, and finished ***product***, work in progress ***materials*** not calculated in stocks, and similar ***material***.

**ISO:** International Organization for Standardization.

**ISAE:**  ISAE 3000 (Revised) provides a standard for undertaking ***assurance*** engagements of non-financial information. It was developed by the International Auditing and Assurance Standards Board (IAASB) and provides a suitable mechanism for ensuring ***assurance*** engagements are conducted by qualified persons and are reported adequately and consistently.

**ITA:** International Tin Association Ltd.

**ITA Code of Conduct:** 10 principles supported by 70 standards covering governance, economic, environmental, health and safety, human rights and social issues relevant to tin mining and processing that ITA members are expected to commit to and report against.

**Joint initiative:** An industry-wide initiative enabling cooperation between companies, on responsible supply chain management meeting the due diligence principles, standards and processes of the OECD Guidance which may assist in establishing a system of controls over the supply chain to build leverage, overcome practical challenges and effectively discharge the due diligence recommendations contained in the OECD Guidance. The joint initiative may establish suitably qualified and independent on-the-ground assessment teams, including to report on ***risks***, recommend ***risk management***, engage stakeholders and measure progress as well as having information systems jointly accessible by ***companies.***

**Large Scale Mining (LSM):** All formal operations characterized by substantial capital, heavy equipment, high technology and a significant workforce (large and medium in size) not meeting the ***ASM*** definition.

**Legacy Material:**

* European Union: Created in the current form on a verifiable date prior to 1 February 2013.
* Dodd Frank Action Section 1502: Created in the current form on a verifiable date prior to 31 January, 2013.

**Mass balance:** Method by which ***companies*** verify the quantity of ***material*** received and in inventory during the ***audit period*** matches that expected from the transaction records, taking into account the possible error margin of inventory, stock, and loss estimation.

**Material(s):** Any tin-containing materials that are not ***minerals,*** including ***slag***s, ***metal products*** or ***secondary materials***.

**Metal(s):** A general terms meaning any form of tin which has been extracted from ***minerals*** or ***secondary materials***, smelted and is ready to be used for its primary purpose.

**Metal product(s):** Metals in any unalloyed, alloyed or chemical form which may be used as a semi-finished or finished good, including forms of tin listed in EU Regulation 2017/821: Annex 1:B as ‘metals’ such as oxides, hydroxides, chlorides, unwrought tin bars, rods, profiles, wires and other articles.

**Mineral(s):** Cassiterite ore in any physical form.

**OECD Guidance:** General term for the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains on ***Minerals*** from ***Conflict-affected and high-risk areas***, and the Supplement on Tin, Tantalum and Tungsten. <http://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>

**Ore:** A naturally occurring solid ***material*** originating from geologic deposits and from which a ***metal*** (tin) can be extracted. In the case of tin, ore refers to naturally-occurring tin oxide also known as cassiterite.

**Origin:** The country, or regional mining area within a country, from which the ***ore*** was extracted from the ground.

**Primary Material: *Mineral ore***, including concentrated ***ore***, **which** is the primary source of ***metals***.

***Red Flag* Review:** A comparison of the supplier and ***origin*** information gathered in Step 1C (excluding 1C1 to 1C4) with the recorded results of documentation check, plausibility ***assessment,*** and ***CAHRA*** determinations.

**Refiner / refining:** Process that removes impurities or other unwanted ***material*** from the tin ***metal*** output from the ***smeltin***g plant or other forms of impure tin ***metal*** such as secondary alloys and produces fully refined tin of various grades.

**RBA:** Responsible Business Alliance.

**Receipts:** All ***material*** received during the ***audit period***. To be used as part of the ***mass balance*** calculation.

**Risk:** Adverse impacts which may be associated with extracting, trading, handling and exporting ***minerals*** from ***conflict-affected and high-risk areas***.

**Risk Management Plan:** A plan under Step 3 of the OECD Guidance to manage identified Annex II ***risks*** taking into account strategy options of continuing trade, suspending trade while managing ***risks***, or disengaging from trade if ***risks*** are not manageable.

**Risk Mitigation:** Actions under Step 3 of the OECD Guidance intended to reduce the adverse effects of ***risks*** described in Annex II of the OECD Guidance.

**RMAP**: Responsible Minerals Assurance Process, the ***smelter*** ***assessment*** program under the ***RMI***.

**RMI**: Responsible Minerals Initiative.

**Secondary Materials:** Commonly referred to as recycle/scrap. Recycled metals as defined by the ***OECD Guidance***, and referenced by the U.S. Securities and Exchange Commission are 'reclaimed end-user or post-consumer products, or scrap processed metals created during product manufacturing including: excess, obsolete, defective, and scrap metal materials which contain refined or processed metals that are appropriate to recycle in the production of tin. As defined by the ***OECD Guidance***, minerals partially processed, unprocessed, or byproducts from another ore (for example, slags) are not recycled or secondary materials. See Annex II of this document for additional examples.

**Slag: *Material*** generated during smelting that may be discarded or may be re-processed for recovery of additional metalcontent.

**Supplying smelter:** When a ***smelter*** receives ***material*** from another entity, the supplying ***smelter*** is the last point in the supply chain in which the ***material*** was processed. Trading ***companies*** and other pass-through segments of the supply chain are not supplying ***smelter***s.

**Smelter:**

*Primary smelter:* ***Companies*** with one or more ***facilities*** treating tin containing ***ore*** concentrates in order to produce tin ***metal***.

* *Secondary smelter:* ***Companies*** with one or more processes with the ability to treat ***secondary material***s[[12]](#footnote-13) by reduction[[13]](#footnote-14) for the production of crude or higher grade tin ***metal*** or tin product.

A smelter as referred to within this document may operate as either one or both types of business operation unless specified in the document.

**Total material processed:** With respect to the ***mass balance*** calculation, this refers to total ***meta***l content of the ***materia***l processed by the ***company*** during the ***audit period***. This includes primary materials, ***secondary materials***, and internal recycle/reclaim, whether the auditee’s own ***material*** or ***material*** received for toll processing.

**Tolling or Tolling Contracts:** A transaction where ***materials*** are processed by a ***smelter*** on behalf of a client who retains ownership of the agreed to metals and/or volume of those ***materials***.

**Transit:** Shipping of goods between ***origin*** and final destination, including through countries and across international borders, without discharging the cargo.

**Transport:** Movement of goods from one location to another.

**Upstream:** The ***mineral*** supply chain from the mine to ***smelters/refiners***, includes ***artisanal or small-scale producing enterprises***, rather than individuals or informal working groups of ***artisanal miners***.

## Annex II: Secondary Materials / Tin Material Types

Tin has many hundreds of uses both as the metal, and as organic and inorganic compounds. Tin containing material may therefore arise from hundreds of sources and cannot be specifically described. As an indication, secondary materials and sources may include, but are not limited to those described below:

1. Manufacture of tin tubes, foils, and other similar forms. Producers of tin and tin alloys, lead, copper (e.g. brasses, bronzes, gunmetal, Babbitt metal, etc.), zinc, titanium, aluminum, steel, cast iron and a variety of other metal alloy manufacturers.
* Melting drosses, skimmings, ashes and runouts from the casting processes
* Refining and spent dross and refining slag (dross produced in liquid form)
* Off-cuts, or out of specification or contaminated material
* Gas cleaning sludge and dust
* Water treatment sludge
* Filter dust or similar materials (e.g. tin oxides)
1. Manufacturers of alloy - components, powders or final products, for a range of industries such as automotive, electrical and electronics, plumbing and building, radiator manufacturing, bearings, brazing, coins, printing, model making, jigging and fixturing, ammunition, dental, ornamental items, toys and jewelry, and for various types of general engineering.
* Ashes, drosses, skimmings and runouts from the anode casting melting dross
* Contaminated or waste metal
* Out of specification or contaminated material
* Metallic blocks or items as off-cuts of casting failures
* Runners and risers from casting processes
* Scrap wire, strip, stampings, trimmings, turnings, pieces, cuttings, dust, powder, etc.
* Machining, grinding and polishing waste, ball mill fines
* Gas cleaning sludge and dust
* Water treatment sludge
* Filter dust or similar materials (e.g. tin oxides)
* Copper slags and refractory slags from the copper alloying or other alloying industries.
1. Printed circuit board manufacturers and other industrial solder users of any kind of lead, lead-free, high temperature or other solders
* Solder dross
* Spent anodes
* Return solder products (e.g. bar, paste, spheres, preforms, wire)
* Contaminated solder pot material
* Waste solder paste
* Spillings and drippings
* Filter dust or similar materials (e.g. tin oxides)
1. Users of tin metal or chemicals in the plating industry, for example, manufacture of components for automotive, electrical, electronic, medical and general engineering industries, etch resist material as well as canning and other types of packaging. Plating may be pure tin or tin alloy coatings such as tin-nickel, tin-zinc, tin-copper, tin-lead or any other combination of materials producing the required final properties. Tin plating may be applied to almost any other metal alloy, including but not limited to steel and copper and their alloys.
* Ashes, drosses, skimmings and runouts from the anode casting process
* Spent anodes
* Plating sludges from any hydro-metallurgical or electrolytic tinning process
* Plated off-cuts or reject items
1. Hot tinning and solder dipping operations as well as thermal spray coating processes in general engineering, electrical and electronic and other product manufacture
* Drosses
* Contaminated metal
* Filter dust or similar materials (e.g. tin oxides)
* Overspray
1. The glass manufacturing, forming, and coating industries using tin metal and/or compounds
* Metal and drosses from glass float processes
* Metal and drosses from sputtering targets
* Filter dust or similar materials (e.g. tin oxides)
* Spent sputtering targets
1. Manufacturers and users of tin chemicals in a very wide range of industries such as brake pads, fire retardants, foams, polymers, rubbers, ceramic pigments, glazes, conductive films, crystal glasses, mirrors, textiles, wood and other preservatives, food additives, soaps, toothpastes and cosmetics, veterinary products, cements, mercury sorbants, fluxes and anti-sludge agents
* Tinny sludge from tin chemical or pharmaceutical manufacturing processes
* Other waste or reject tin containing materials
* Any other type of residue, drosses, skimmings as a byproduct of production
* Filter dust or similar materials (e.g. tin oxides)
1. Tin or tin compounds used as catalysts for polymerization, alkylation, esterification, oxidation, hydrogenation and use in gas sensors, as well as reducing agents activators, sensitizing agents, passivation, and stabilizers during a manufacturing process.
* Tinny sludge from manufacturing processes
* Other waste or reject tin containing materials
* Any other type of residue, drosses, skimmings as a byproduct of production
1. De-tinning operations for recovery of tin from any type of plated or coated general items, for example tin-coated copper alloy or steel
* Tin bearing sponge
1. Operators reclaiming any tin containing metals and items manufactured from them, such as organ pipes, wires, pewter plates and vessels, costume jewelry, candlesticks, light fittings, clocks, kilt pins
* All forms of materials
1. Copper recovery operations using pyro-metallurgical and/or other relevant processes
* All forms of materials, including copper slag or dross
1. Lead refiners or similar processors recovering tin as drosses, stannates and other materials from, for example, battery and other lead based alloys
* All forms of materials, including lead slag or dross
1. Recovery of end of life scrap and other wastes from any semi-finished or final products related to the above processes, for example electrical or electronic equipment, automobiles, heat exchangers, plumbing, ships, aircraft, packaging, building demolition, infrastructure replacement and any consumer product
* All forms of materials, which might include any kind of metal process arising from these types of non-smelting production facilities
1. Recovery of end of life engineering components of tin compounds and minerals, such as tin oxide bricks
* All forms of materials

Any forms of tin which have been extracted, smelted and then used for their primary purpose and are no longer used for such purpose are capable of being recycled. Tin containing secondary materials suitable for recovery may arise from practically any type of metal, polymer, ceramic, glass, rubber, chemical production, use or recovery plant as well as numerous types of industrial and consumer products. Note that residues such as ashes, drosses, skimmings and other forms of similar material mentioned above may be 100% oxidic, 100% metallic or any combination of the two, with or without organic contamination or moisture.

## Annex III: Effective Date & Revision History

This revision of the document replaces all prior versions and is in effect as of the date identified on the cover page as the “Effective Date.” For those audits already scheduled prior to the “Effective Date,” the smelter will have the option of conducting their audit using either the prior or current versions of the Criteria. All audits scheduled after the “Effective Date” must use the most current version of the Criteria, which is identified by the “Publication Date” on the cover page of each revision.

Revision History

Rev XX May 2019 – Converted document from a Standard to an Assessment Criteria document; modified document sequence to follow OECD 5 Steps; separated assessment criteria into OECD, RMI, ITA, and regulatory requirements; added reference language from each step of the OECD Due Diligence Guidance Supplement on Tin, Tantalum and Tungsten; eliminated guidance and procedural language intended for smelter or auditor use; deleted terms in Glossary that are not used in the document, added terms/definitions; aligned all definitions with OECD, EU Regulation, and DFA Section 1502; deleted Annexes no longer necessary due to document restructure; addressed 2018 comments from Alignment Assessment; incorporated interpretive concurrence from OECD.

Rev 12 October 2017 – Revised program names from “Electronic Industry Citizenship Coalition (EICC)” to “Responsible Business Alliance (RBA)”, and “Conflict-Free Sourcing Initiative (CFSI)” to “Responsible Minerals Initiative (RMI)”.

Rev 12 June 2017 – Revised program name from “Conflict Free Smelter Program” to “Responsible Minerals Assurance Process”, aligned with OECD Guidance five step framework and ISO management systems requirements, expanded definition of high-risk countries to include global scope for conflict-affected and high-risk areas, re-categorized country levels from a numeric category (e.g. Level 1) to Low-Risk and High-Risk, revised review of transactions to focus on the audit of management systems and processes, removed requirement for chain of custody documentation for low-risk sources, removed procedural aspects, clarified origin determination requirements, consolidated document examples for high-risk sources including data points and aligned with OECD Guidance requirements, improved definitions for companies in scope, reformatted.

Rev 21 November 2013 - Reformatted, reorganized and improved language of the entire document. Added several new introductory sections (Purpose, Scope, Definitions, etc.). Enhanced tin and tantalum smelter definitions. Added an Applicability and Origin Determination Process Flow. Shifted to a document expectation focus versus a document type focus. Added a document expectation table. Added a Level 1 document sampling methodology. Added allowances for supplying smelters, but also new startup smelters as well as transitional smelters trying to get into the audit program. Removed tungsten to a separate protocol. Removed the requirement for auditors to conduct an internal lot traceability exercise (from finished product to incoming lots). Changed the tantalum initial audit period to by one year.

Rev 21 December 2012 – Merged tin, tantalum and tungsten protocols into one 3T's document. Separated the audit procedure into a separate document. Major reorganization of the content from prior document revisions. Removal of the list of smelters. Addition of secondary materials sampling procedure. Merger of formal level 2B and Level 3 country expectations into a new Level 3, and renaming of Level 2A countries to Level 2. Major realignment of Level 3 documentation requirements with the OECD guidance. Establishment and revision of documentation expectation dates for stocks (legacy materials) and partially-processed and byproduct materials (for example, slag).

Rev 15 September 2011 (Sn), 09 Aug 2011 (W), 15 Jan 2011 (Ta) - initial release of protocols.

1. See ILO Convention No. 182 on the Worst Forms of Child Labour (1999). [↑](#footnote-ref-2)
2. This includes direct or indirect finance or benefit to armed groups as defined in the Securities and Exchange Commission 17CFR Parts 240 and 249b (SEC Final ***Conflict Minerals*** Rule). To identify non-state armed groups, ***companies*** should refer to relevant UN Security Council resolutions. [↑](#footnote-ref-3)
3. Must include at a minimum United Nations sanctions lists, US Department of Treasury OFAC Sanction Lists, and European Union EEAS’ Consolidated List of Sanctions. [↑](#footnote-ref-4)
4. Such risk may be reported by a joint initiative. [↑](#footnote-ref-5)
5. This includes price information and supplier relationships. Such information can be disclosed to an ***Institutionalized mechanism***, regional or global, with the mandate to collect and process information on minerals from ***conflict-affected and high-risk areas***. [↑](#footnote-ref-6)
6. ‘Exported from’ required under the EU Regulation [↑](#footnote-ref-7)
7. The mechanism may be industry-wide system [↑](#footnote-ref-8)
8. The ***audit firm*** name is required under the EU Regulation. The Assessment Summary Report may be published via an industry-wide mechanism. [↑](#footnote-ref-9)
9. With due consideration of business confidentiality and other competitive concerns. [↑](#footnote-ref-10)
10. OECD Guidance for Responsible Supply Chains on Minerals from Conflict-affected and high-risk areas, Third Edition [↑](#footnote-ref-11)
11. OECD Guidance for Responsible Supply Chains of minerals from Conflict Affected and High-Risk Areas, Third Edition [↑](#footnote-ref-12)
12. A ***company*** classified as a secondary ***smelter*** may not in the normal course of business treat cassiterite but does have the capability to do so. [↑](#footnote-ref-13)
13. Recyclers of solder dross and similar oxide based materials with the capability to perform reduction to metallic tin would be classified as a secondary ***smelter***. [↑](#footnote-ref-14)