OECD’s role is to clarify due diligence expectations in line with the Guidance and to convene global stakeholders to foster convergence and avoid duplication of efforts.
Addressing conflict and serious human rights abuses in mineral supply chains

- Exploitation and trade of mineral resources is a source of growth, but can be associated with significant adverse impacts, including:
  - Serious human rights impacts (e.g. child labour, forced labour)
  - Money-laundering, conflict/terrorist financing & sanctions violations
  - Bribery

- **Global issue** (Africa, Asia, Latin America, Europe)

- Affects **all mineral resources** (tin, tantalum, tungsten, gold, cobalt, precious stones, coal, oil & gas, etc.)

- For mining, affects to **different extent ASM and LSM**

**Example: artisanal gold from the Democratic Republic of the Congo**

- Informally and/or illegally mined
- Estimated annual output: ~15 tonnes (low estimate)
- 98% estimated to be smuggled out; 65% of mines recorded presence of illegal armed groups
- Estimated market value: $570 million
OECD Due Diligence Guidance for Responsible Mineral Supply Chains

Objective

✓ To provide clear, practical guidance for companies to ensure responsible operations and sources of supply:

- **No** support to non-state armed groups, **No** “serious abuses”
- **Prevent & mitigate** support to public security forces, bribery, tax evasion, money-laundering and fraud in supply chains
- **Strengthen** internal controls, due diligence systems, engagement with suppliers (e.g. supplier upgrading)

Method and scope

✓ 5-step risk-based due diligence process, applies to all mineral resources & all companies throughout the entire mineral supply chain that potentially contribute to conflict, serious abuses, bribery, tax evasion and money laundering through mining or mineral sourcing practices

Principles

✓ **Progressive improvements** over time and **good faith and reasonable efforts** promoting constructive engagement with suppliers

✓ **Global scope** - intended to enable investment and trade in conflict-affected and high-risk areas, i.e. no blacklists, no embargoes, no protectionism
Responsible mineral supply chains
Global support for OECD Due Diligence Guidance (2011)

**Political**
- OECD Council Recommendation (2011)
- EU Parliament; CSR strategy + Commissioners statement on raw materials
- China-OECD Programme of Work

**Industry & Consumer**
- Consumer campaigns and civil society (e.g. Amnesty Int’l, Global Witness, Human Rights Watch, PAC, Enough Project)
- Industry: EICC (electronics), AIAG (automotive), AIA (aerospace) LBMA, RJC & WGC (gold & jewellery), CCCMC (China), and DMCC (Dubai)

**Legal & regulatory**
- Section 1502 of U.S. Dodd-Frank Act conflict minerals reporting
- EU regulation on responsible mineral supply chains
- Legal requirement in DRC, Rwanda, Burundi & Uganda
- Conflict Minerals Bill in Canada
- Relevant legislation on modern slavery & child labour (e.g. UK & US)
- AQSIQ China national standard & decrees (forthcoming)

OECD-benchmarked industry audits cover ~85-90% of total refined gold production

OECD-benchmarked industry audits cover ~93% Ta, ~75% Sn, ~60% W production
**Countries**

Technical support & research for country implementation

**Capacity**

Assess alignment & boost capacity on due diligence

**Impacts**

Assess & enhance impact of responsible mineral sourcing efforts

**Beyond 3TG**

Support implementation of OECD Guidance beyond 3TG

**Activities**

- **EU countries** *(launch)*
- **Monitoring Adherents** *(launch)*
- **China** *(cont’d)*
- **India** *(launch)*
- **Colombia** *(cont’d)*
- **West Africa** *(cont’d)*
- **Central Africa** *(cont’d)*

Alignment assessment for CFSI, LBMA, RJC, DMCC & iTSci

Assisting London Metals Exchange to develop standard for listed companies

Training programmes in producing countries

Measuring cost/benefit analysis of due diligence

Scoping framework & indicators for measuring results

OECD-World Bank platform for artisanal & small-scale mining

Law enforcement coordination (FATF, WCO, national authorities)

Portal for Supply Chain Risk Information (BETA version)

Demand-driven support to programmes & initiatives to implement OECD Guidance

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Increasing engagement / cooperation with other international organisations

- Law enforcement / customs
- Transparency / government capacity building initiatives
- Formalisation of ASM & combating child labour

Organisations involved:
- World Customs Organization
- INTERPOL
- UNICRI
- FATF
- OECD
- UN
- EITI
- IGF
- Minamata Convention on Mercury
- The World Bank
- Global Environment Fund
Responsible mineral supply chains

*Highlights - last 20 months*

Policy & law

- EU – Input to EU institutions on EU regulation for responsible mineral supply chains
- China – Advice to Chinese authorities & industry to support alignment of national standards with OECD Guidance, Responsible Cobalt Initiative
- India – fostered Government & industry commitments, Guidelines under development
- Colombia – Government commitment, exchange of letters, changes underway

Reports & Tools

- Colombia gold baselines: [Overview](#), [Antioquia](#), [Chocó](#)
- [Alignment assessment pilot tool & methodology](#) & report
- [Practical actions to address worst forms of child labour](#)
- [Frequently Asked Questions on ASM](#)
- [Portal for Supply Chain Risk Information](#) (Risk Portal)

Outreach Events

- [Latin American Workshop on Responsible Mineral Supply Chains](#), 1-2 December 2016, Bogotá, Colombia
- [Workshop on sustainable development of artisanal & small-scale mining in West Africa](#), 1-3 March 2017, Abidjan, Côte d’Ivoire
- West Africa Forum, Ouagadougou, 3 November 2017, Burkina Faso

Cooperation & partnerships

- Partnerships with World Bank (ASM); initial engagement with Interpol, FATF & WCO (Law Enforcement)
- Partnership with Autorite de Liptako & GIABA (Law Enforcement)
- Initial participation in Kimberley Process Certification Scheme for diamonds
- Engagement with London Metals Exchange
For further information on the OECD’s work on Responsible Business Conduct

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

FAQ on sourcing gold from artisanal and small scale miners

Gold industry and sector initiatives for the responsible sourcing of minerals (2014)

Mineral supply chain and conflict links in Eastern Democratic Republic of Congo

Report on due diligence in Colombia’s gold supply chain

OECD Council report on the implementation of the due diligence guidance