



Responsible mineral supply chains

OECD Portal for Supply Chain Risk Information

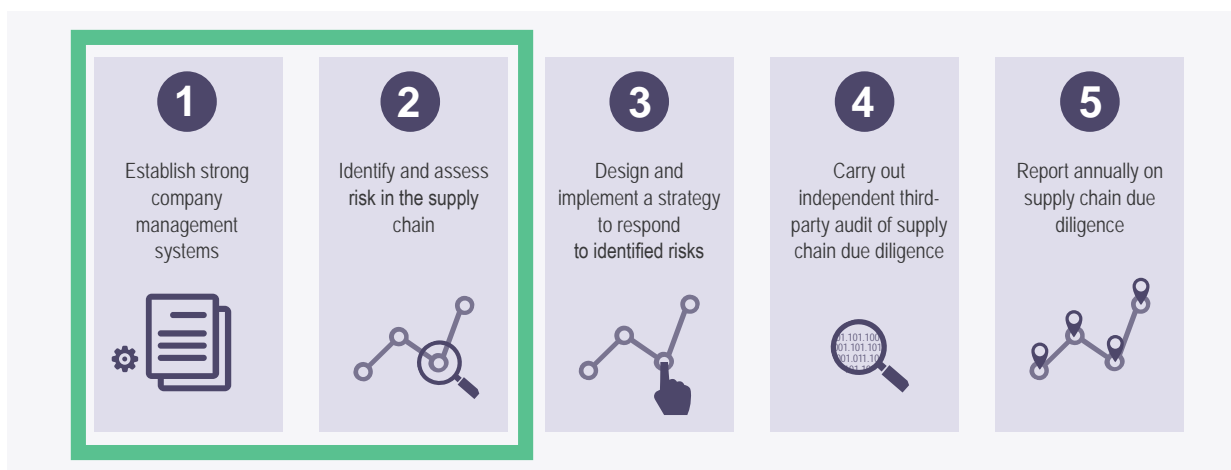
April 2018 - Risks of contributing to conflict financing, human rights abuses, and financial crime are regularly reported across different mineral supply chains. The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals addresses risks in all mineral supply chains and in all geographies. As implementation of the Guidance expands, stakeholders are asking for tools to help identify these risks. This is the motivation for developing the OECD Portal for Supply Chain Risk Information. The Portal will help companies understand risks in their supply chains and to prioritise those risks to enable a more efficient and effective due diligence process.

The Portal will support implementation of steps one and two of the 5-Step due diligence process. These steps are structured around the actions companies should take to identify the factual circumstances involved in the extraction, transport, handling, trading, processing, smelting, refining and alloying, manufacturing or selling of products that contain minerals originating from conflict-affected and high-risk areas.

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas clarifies how companies can identify and manage risks throughout the entire mineral supply chain, from miners, local exporters and mineral processors to the manufacturing and brand-name companies that use these minerals in their products.

Risks include human rights abuses, contributing to armed conflict, and financial crime in supply chains. The Guidance helps companies to cultivate transparent mineral supply chains and promote sustainable corporate engagement in the mineral sector. It is applicable to all minerals and global in scope. Companies sourcing or using minerals in their operations are expected to ensure their supply chains are clean and transparent.

The Portal supports implementation of Steps **1** and **2** of the 5-step framework in the Due Diligence Guidance



These steps enable the identification and assessment of any actual or potential risks by evaluating the factual circumstances against standards set out in the company's supply chain policy (see the Model Supply Chain Policy in Annex II of the OECD Due Diligence Guidance).

The Portal will provide companies with a rationalised compilation of mineral-specific supply chain information and authoritative sources for further reading on country-level risk information to help initiate or bolster implementation of due diligence. It will be a practical, easy-to-use source of information that will help users gain an initial understanding of risks relating to their supply chains and identify where those risks are most prevalent. A beta version is expected to go online by early 2019.

Structure of the OECD Portal for Supply Chain Risk Information

Supply chain information

The main industrial uses for the mineral (as well as the intermediate and end products, as feasible); the structure of the supply chain, indicating the various steps of production/processing/trade, and a typology of the actors involved at each step; world production, trade and consumption data, as well as prices (where available); artisanal and small scale mining data (where available); and information on existing supply chain initiatives or programmes associated with the natural resource that could help companies implement specific aspects of due diligence.

Country-level risk information

Contextualised, country specific information on the risks identified in Annex II of the OECD Due Diligence Guidance. Information will be presented in the form of links and excerpts of authoritative reports from international, regional and non-governmental organisations. This will include risks of serious human rights abuses, child labour or forced labour, sexual violence, conflict and insecurity, and financial crime (corruption, money laundering, tax evasion).

Third party reports of risk

The primary purpose of the Portal is to assist companies in carrying out due diligence by providing information about Annex II risks that could lead those companies to ask further questions and conduct a thorough review of what is alleged to have occurred. As such, the Portal will provide links to publicly available third party reports of Annex II risks related to particular mineral supply chains. While the individual facts of some reports may or may not be true, the nature of the reports is deemed sufficient to suggest that enhanced due diligence by a company may be warranted.

These reports will be sourced from:

- Governments, particularly government agencies
- International and regional organisations, such as the United Nations, European Union and the African Union
- International financing institutions
- Companies and industries and expert evaluations
- Research institutes and conference papers
- The media, where articles are dated and authors identifiable
- Civil society, where reports are dated and authors identifiable

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