



RMI COVID-19 IMPACTS SURVEY #2 (Trends from Survey #1)

May 2020



RMI Coronavirus Survey Respondents Trend

Survey #1 Time period: April 6 – 13, 2020

53 respondents:

- 31% Tin
- 15% Tantalum
- 23% Tungsten
- 29% Gold
- 9% Cobalt
- 17% Other (Silver, Platinum, Palladium, Copper, Nickel, Molybdenum, Zinc)

Survey #2 Time period: May 4 – 15, 2020

61 respondents:

- 34.8% Tin
- 23.3% Tantalum
- 11.2% Tungsten
- 21.6% Gold
- 16.7% Cobalt
- 4.5% Other (Silver, Platinum, Palladium, Copper, Nickel, Molybdenum, Zinc)

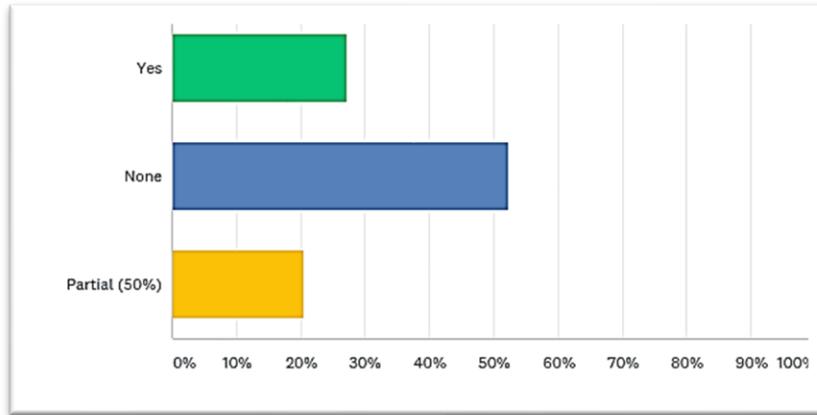
Trend: We saw an increase across the board in number of respondents, with Cobalt increasing the most with 7% from Survey #1 to Survey #2. This is in large part due to Survey #2 being translated into Chinese and distributed to Chinese-speaking SORs, in addition to the survey in English. RMI also extended the response time frame by an extra week for Survey #2.

If you have any questions, please contact [Gavin Wu](#).

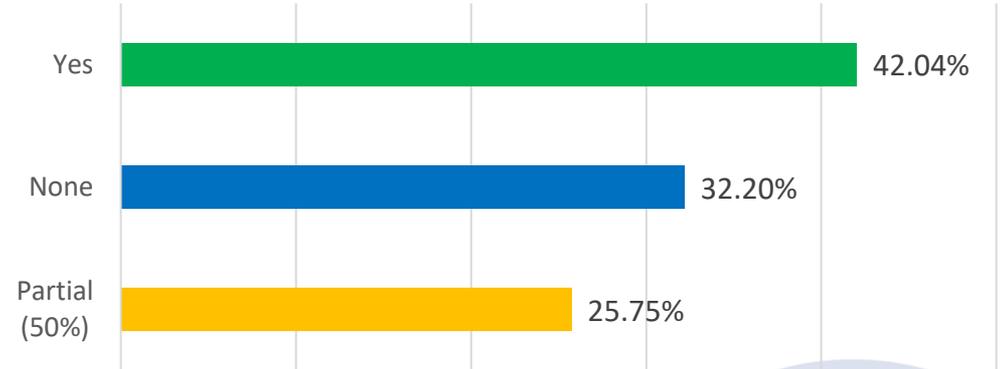


Q: Has the COVID-19 pandemic affected your raw material availability? (Trends)

Survey #1



Survey #2

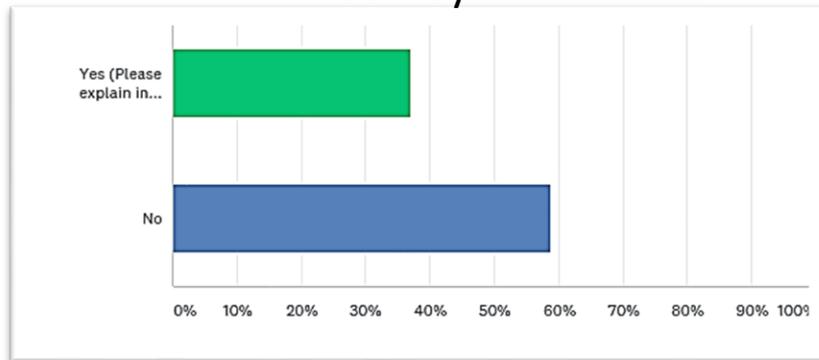


Trend: From Survey #1 to Survey #2, there was a **20% increase** from respondents saying their raw material availability has been effected.

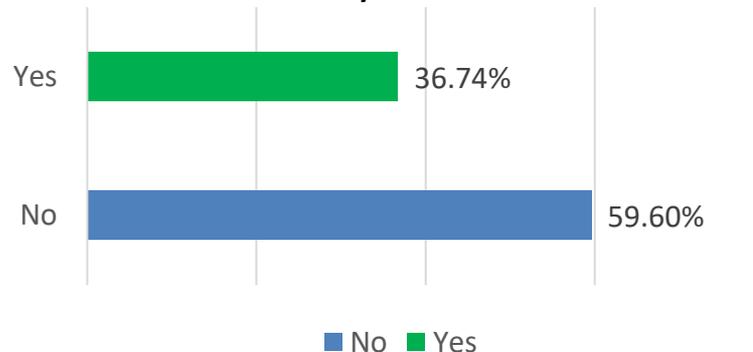


Q: Are you aware of impacts on Artisanal and Small-Scale Mining production and processing? Please explain. (Trends)

Survey #1



Survey #2



Trend: The percentage of SOR's which are aware of impacts on ASM production and processing did not change from the previous survey. However, we saw more respondents say that mines are closing and have very low production more so in Survey #2 than in Survey #1.

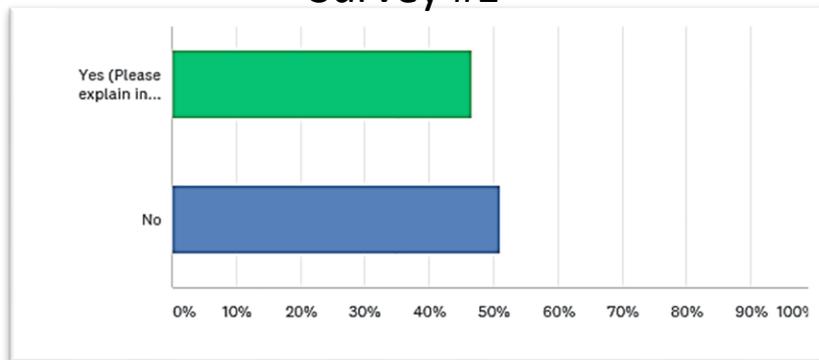
ASM Impacts Highlighted in Survey 2:

- Small-scale mine production and processing have been severely affected by the continuing impact of the outbreak. The shortage of labor force, especially the collapse in the market tin price and large fluctuations caused some mines to lose production and stop production.
- The outbreak has caused delays in progress, threatened the safety of human lives, and delayed production and processing.
- Number of artisanal activities is slowing down due to prohibition of mass gathering
- Mines are closing, in many cases country-wide. - There are no flights and ASM gold miners have no buyers.

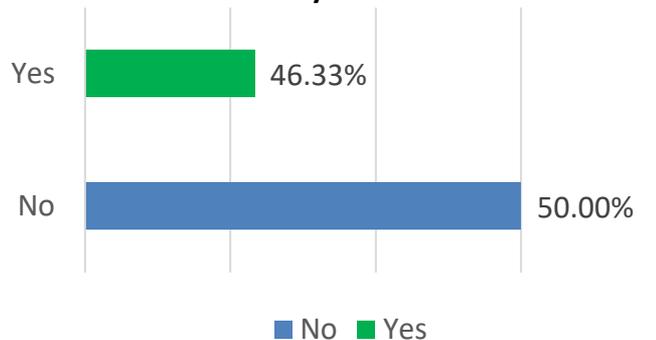


Q: Are you aware of impacts on Large Scale Mining production and processing? Please explain. (Trends)

Survey #1



Survey #2



Trend: The percentage of SOR's which are aware of impacts on LSM production and processing did not change from the previous survey. However, we saw more respondents say that mines are closing and have very low production more so in Survey #2 than in Survey #1.

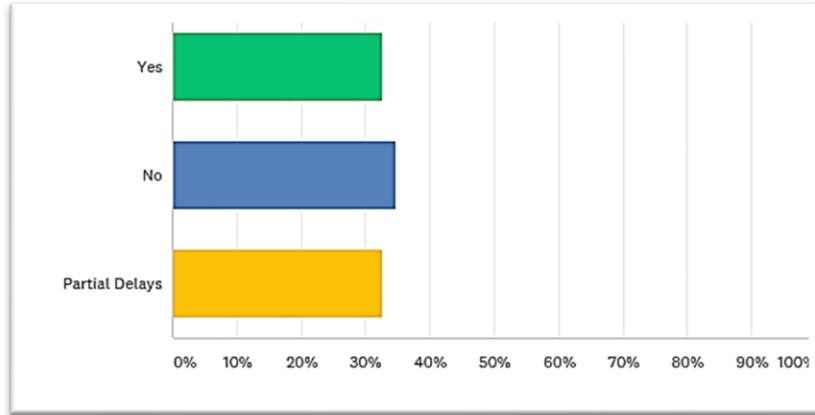
LSM Impacts Highlighted in Survey 2:

- Industrial mining activities still active, however due to lower LME price the mines activities are limited to reserve with better grade.
- Mines are closing. - Revenues of mines can be affected. - Some are closed due to government restrictions.
- Lockdown and/or health and safety concerns affect production and logistics. - The labor rate of the workers is not high.
- Limitation in movement/ work by local council or government makes it difficult to ensure a steady stream of supply to all level in the supply chain.
- Due to the impact of the outbreak, tin market demand to reduce the collapse of tin prices and volatility is large.

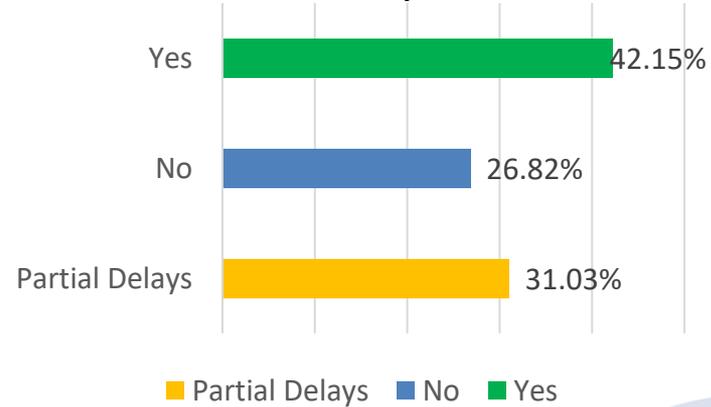


Q: Have you experienced any transportation delays to you or delays in shipping of materials? (Trends)

Survey #1



Survey #2



Trend: The percentage of SOR's which have experienced transportation delays rose 9% from Survey #1 to Survey #2.

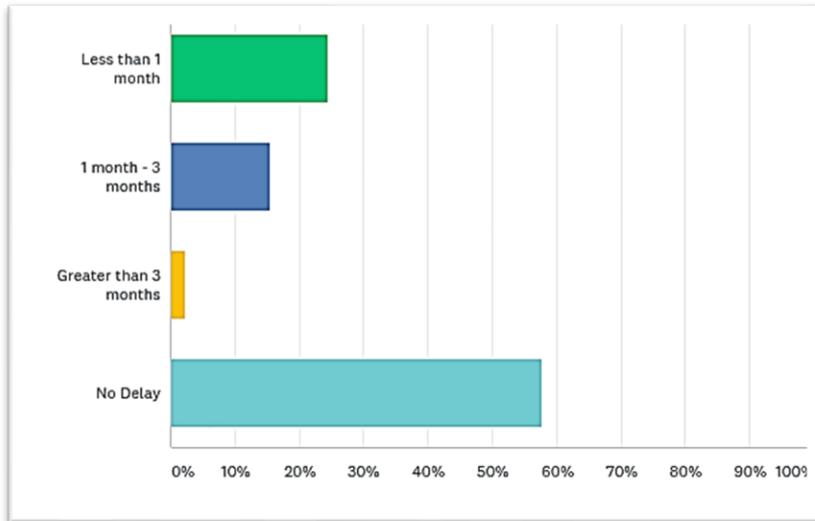
Types of Transportation Delays Highlighted in Survey 2:

- Reduced availability of domestic and international flights. -Uncertainties of vessel schedules. - Reduced frequency and increased costs
- Loading unloading activities must be arranged accordingly with Covid protocol, usually need more effort and more time.
- Significant delays in the arrival of clean wear and clean room masks (PPE)
- The source country of raw materials locked down the whole country, so raw materials cannot be shipped to the port in a timely manner, cannot be processed in time for export documents.
- Delays in export documents for raw materials, and significantly increased freight costs for products.

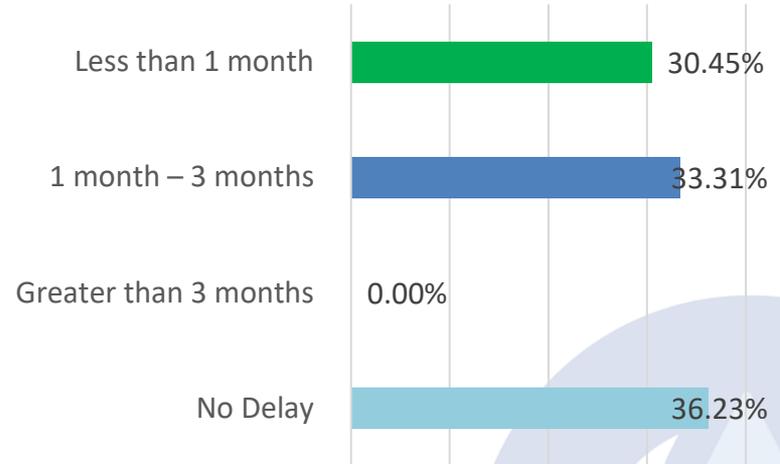


Q: What is the current delay in production to your customers? (Trends)

Survey #1



Survey #2

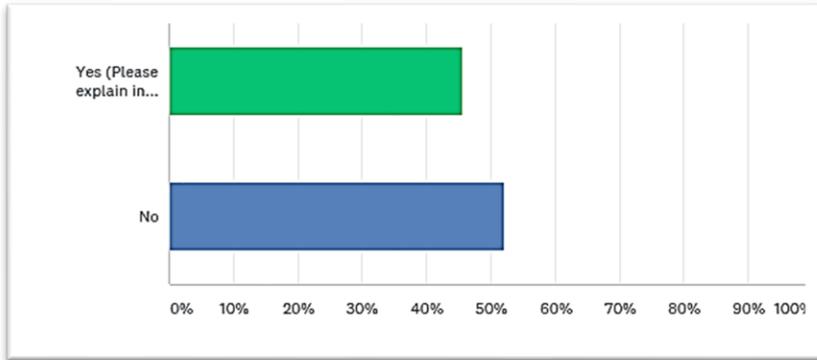


Trend: We saw a 19% increase in SOR's reporting delays to their customers from Survey #1 to Survey #2.

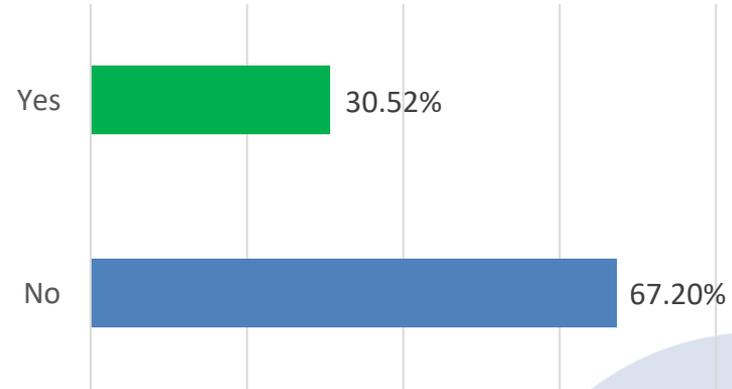


Q: Have you experienced operational impacts with staffing or supplies (e.g., PPE Supplies)? Please explain. (Trends)

Survey #1



Survey #2

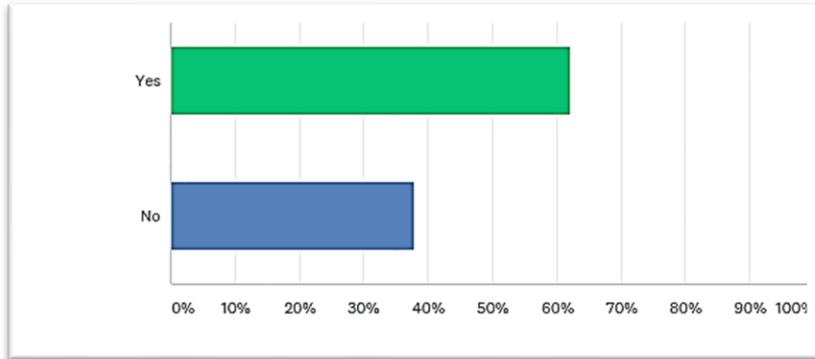


Trend: We saw a 15% decrease in SOR's reporting negative operational impacts. This is in part due to Survey #2 receiving more China-based SOR responses, where more SORs are reportedly ramping up operations.

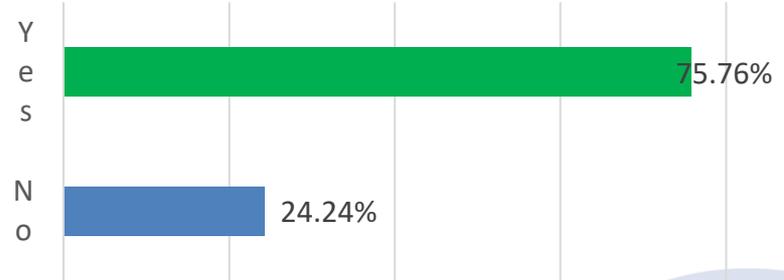


Q: In light of the COVID-19 pandemic, have your customers provided additional flexibility (i.e. delivery time) for your products/services? (Trends)

Survey #1



Survey #2

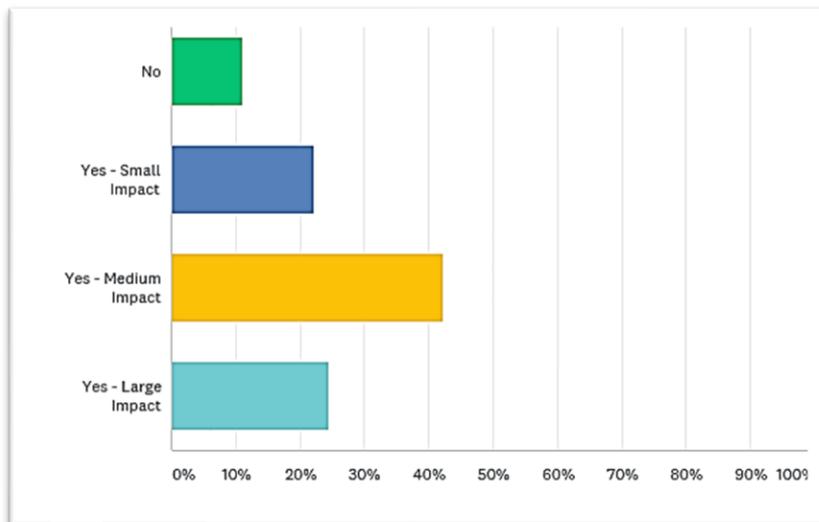


Trend: SOR Customers continue to be understanding and have provided additional flexibility for delivery time. This increased 13% from Survey #1 to Survey #2.

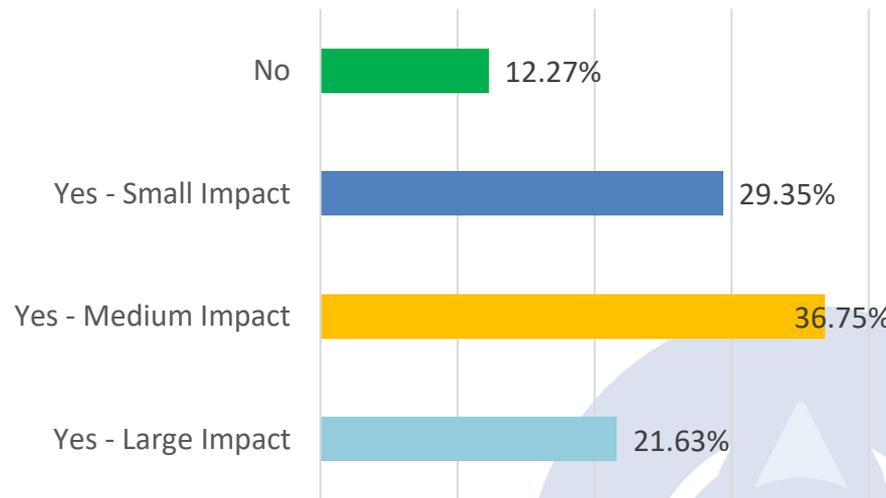


Q: Have you seen, or do you expect to see, a negative impact to revenue? (Trends)

Survey #1



Survey #2

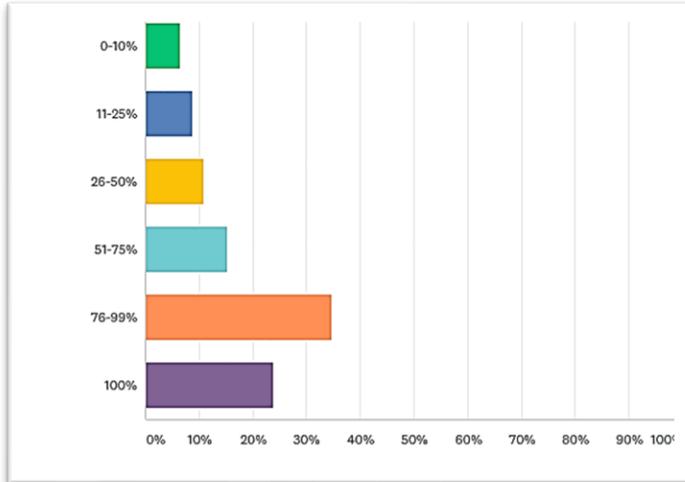


Trend: Although there was no percentage change of SOR's seeing negative impacts on their revenue from Survey #1 to Survey #2, we did see an increase of SOR's moving from the small impact category to medium impact category.

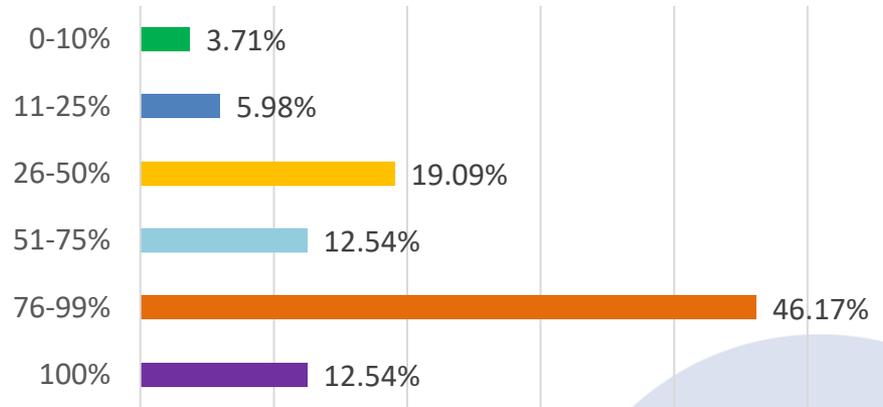


Q: What percentage of your operations is functioning as normal? (Trends)

Survey #1



Survey #2

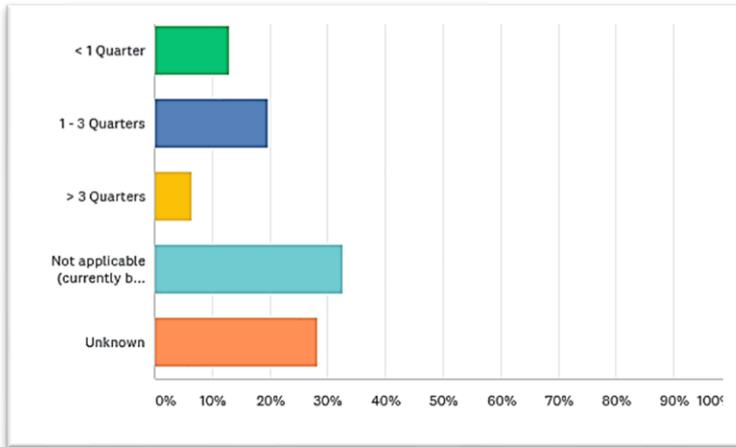


Trend: We did see a 12% increase of SOR's moving into the 76-99% category for operating as normal.

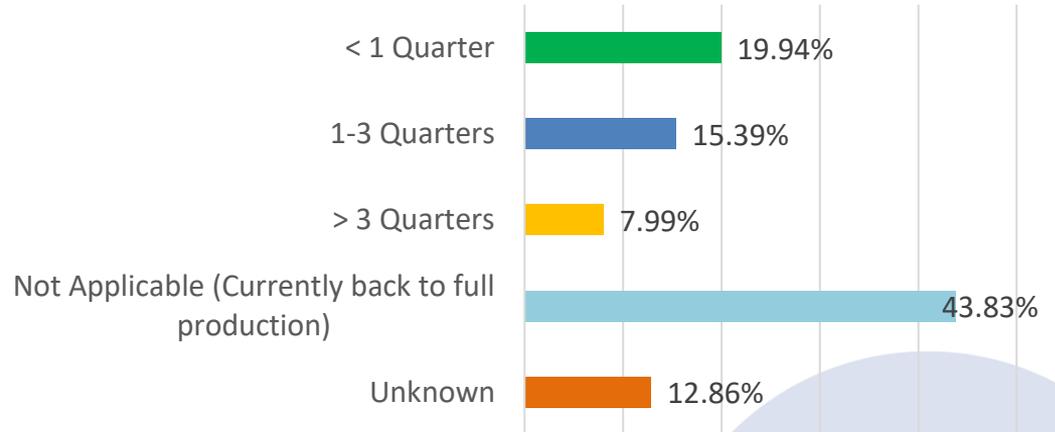


Q: When do you expect to be back to full production? (Trends)

Survey #1



Survey #2

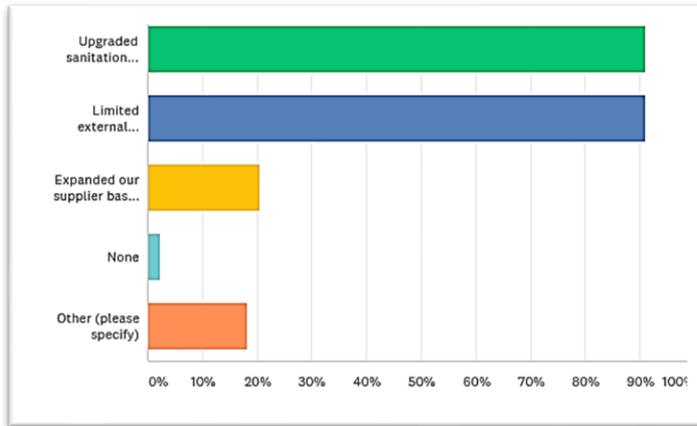


Trend: There was an approximate increase of 11% of SOR's operating at full capacity from Survey #1 to Survey #2.

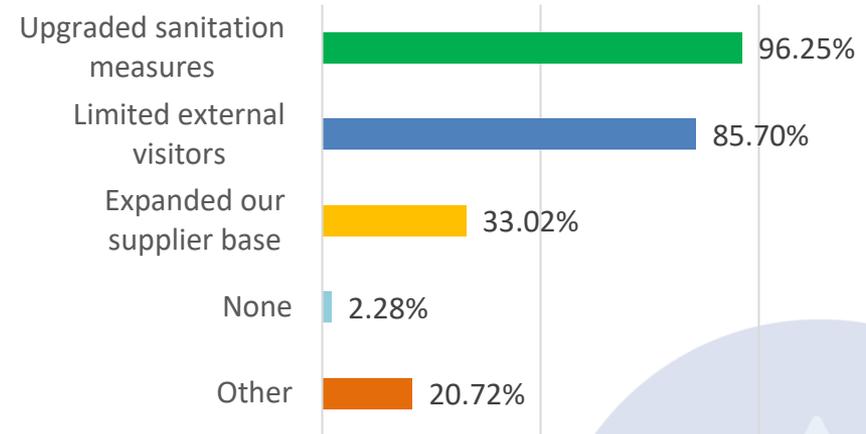


Q: Which policies have you put in place because of COVID-19 (select all that apply)? (Trends)

Survey #1



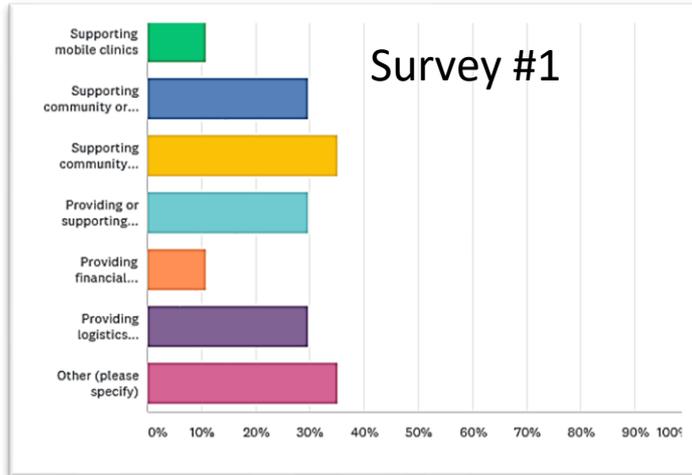
Survey #2



Trend: Upgraded sanitation measures continue to rank the highest at 96% amongst COVID practices with SOR's; however, there was also an increase of more non-essential workers working from home and for those who have returned to work there are new operating procedures to ensure social distancing on the production floor.

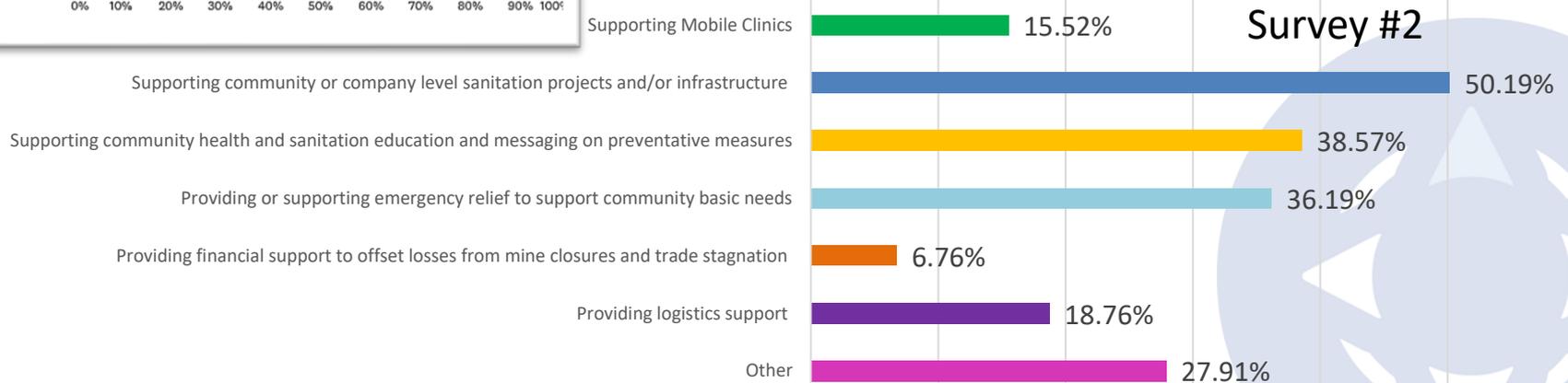


Q: What activities is your company engaged in to assist with COVID-19 response for upstream actors (mine and trading operations), mining communities, or supply chain partners? (Trends)



Trends: There was a significant increase from Survey #1 to Survey #2 in which SOR's engaged with their upstream actors to provide the following assistance:

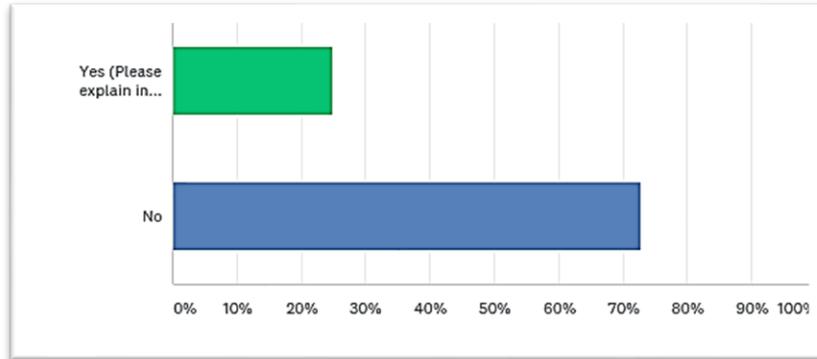
- Supporting mobile clinics increased on 10% to 15%
- Supporting community or company level sanitation projects and/or infrastructure increased from **29% to 50%**
- Supporting community health and sanitation education and messaging on preventative measures increased from 35% to 38%
- Providing or supporting emergency relief to support community basic needs increased from 29% to 36%



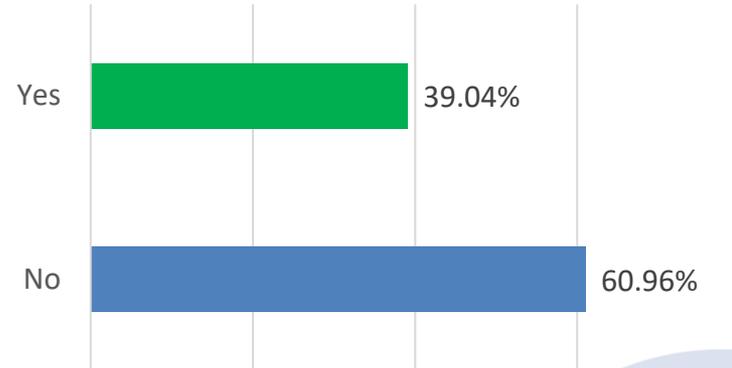


Q: Have you had any impacts on your due diligence and responsible sourcing efforts? (Trends)

Survey #1



Survey #2



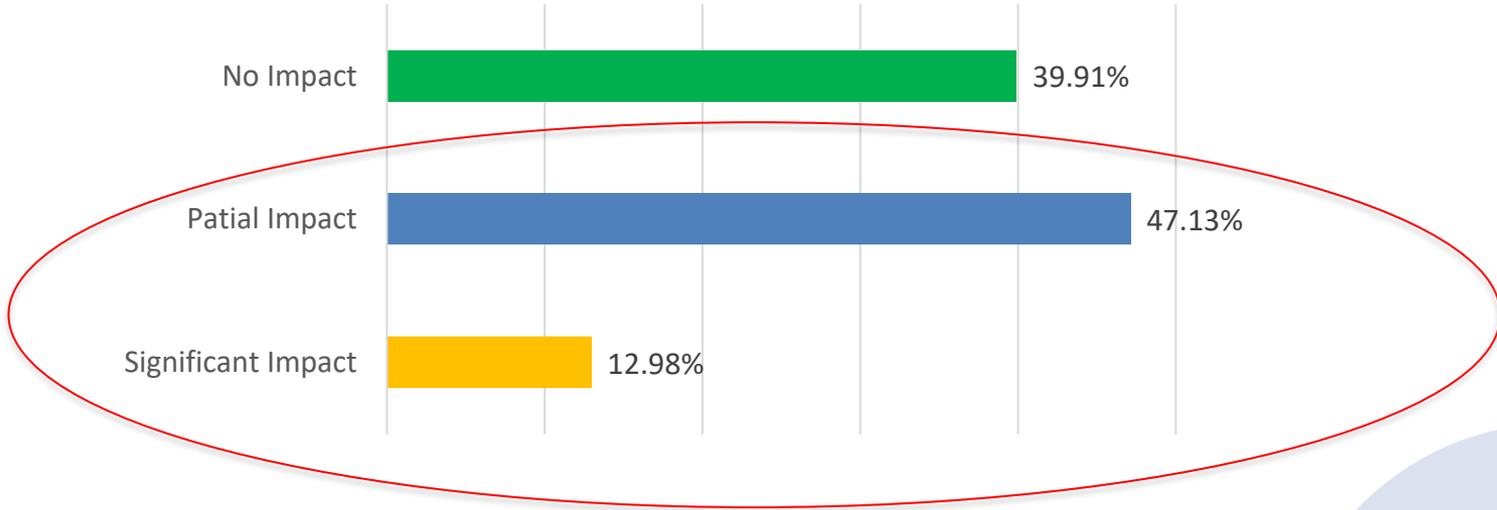
Trend: There was a **14% increase** with SOR's reporting they have had impacts on their own due diligence and responsible sourcing efforts from Survey #1 to Survey#2.

Impacts highlighted in Survey 2:

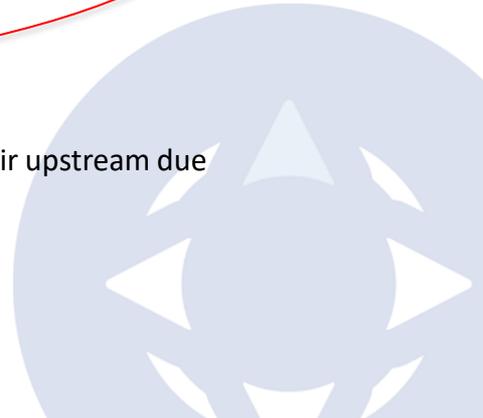
- Audit delayed, restriction on own assessment travel
- Postponed audits and on-the-ground visits to ASM mine sites due to travel restrictions
- A lot of training has stopped.
- Difficulty connecting with suppliers and cannot access the mines because of shit downs



Q: If sourcing from CAHRA's, what has been the COVID impact on upstream due diligence? (Survey #2) NEW QUESTION

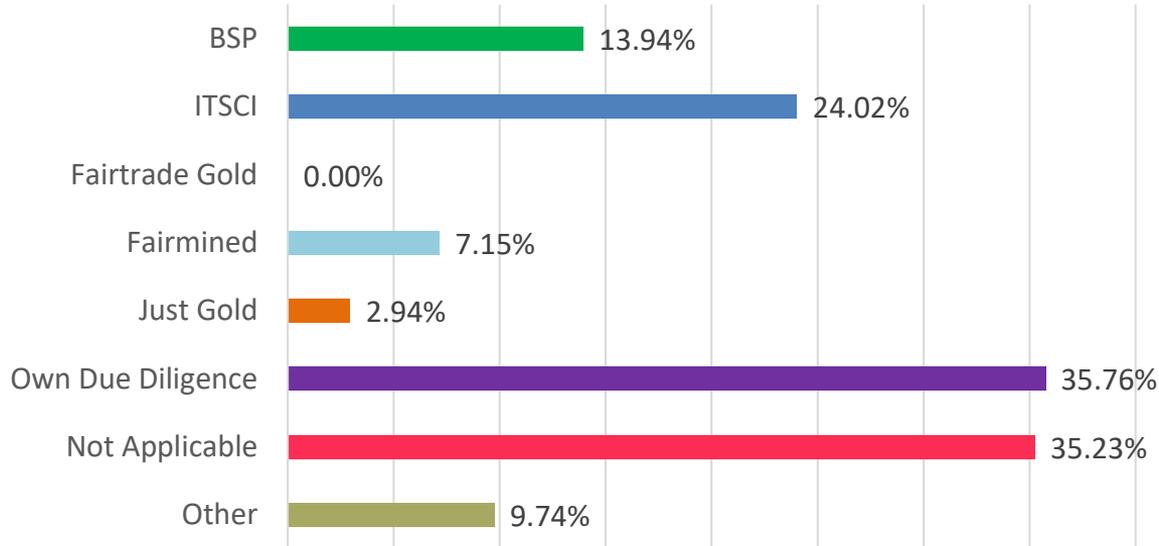


60% of SOR's which are sourcing from CAHRA's have reported that COVID has had an impact on their upstream due diligence. While 39% of SOR's have not experienced an impact thus far.





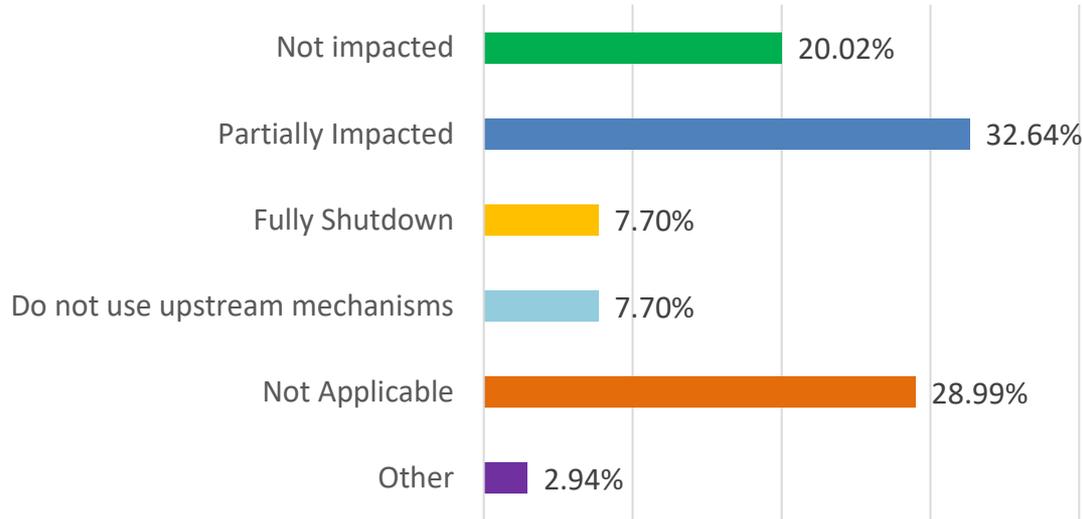
Q: Which upstream assurance mechanisms are using for your upstream due diligence, if any? Please select all that apply. (Survey #2) NEW QUESTION



Approximately 36% of SOR's reported conducting their own due diligence. While 24% of SOR's reported utilizing ITSCI and close to 14% BSP for 3Ts upstream due diligence (for a combined 38% of SOR respondent). Fairmined and Just Gold were reported to be utilized by a little over 10% of SORs for their gold upstream due diligence.



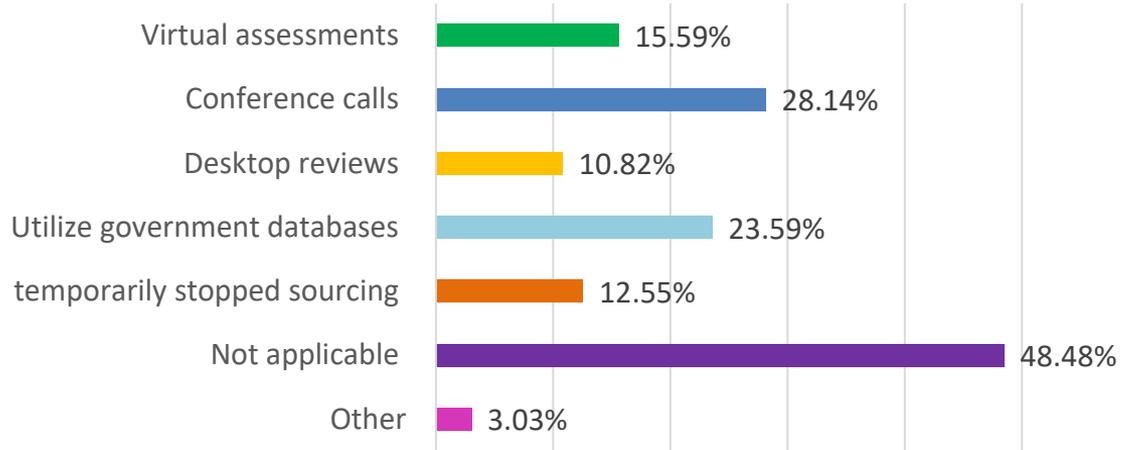
Q: How are these assurance mechanisms impacted by COVID? (Survey #2) NEW QUESTION



Approximately 40% of SOR's reported that their upstream assurance mechanisms have been impacted by COVID. While 20% have reported not experiencing an impact to date.



Q: If you are utilizing upstream due diligence mechanisms and where there have been impacts on upstream due diligence, are you exploring alternative ways of continuing to gather and verify that information? Please select all that apply (Survey #2) NEW QUESTION

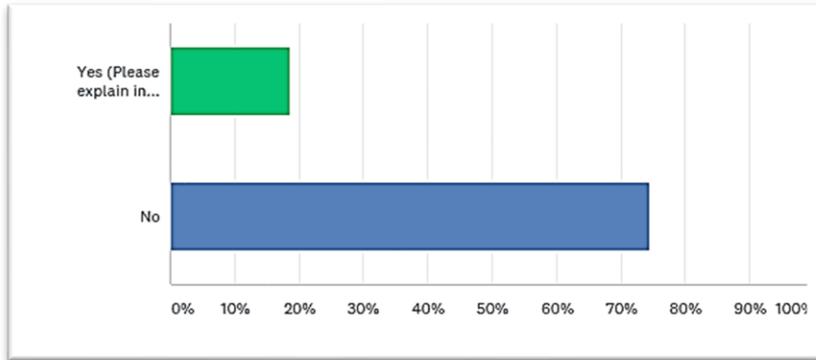


In terms of alternative ways to continue to gather and verify this information, 23% of SOR's are reporting relying on government databases. Another 28% are having conference calls, and 10% are doing desktop reviews, while 15% of SOR's reported moving to virtual assessments. 48% of SOR's have not sought out alternative ways to gather this information yet.

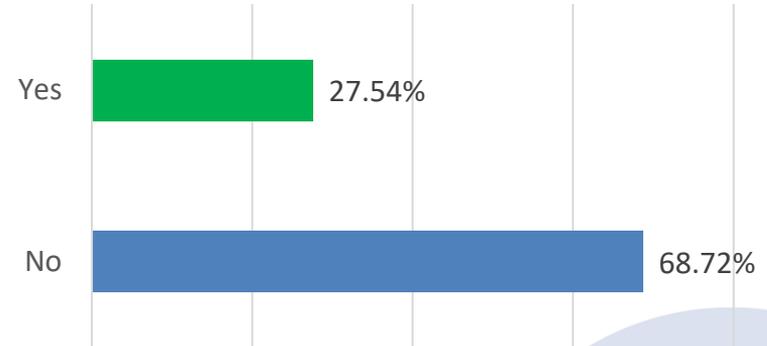


Q: Have you requested or are you seeking RMAP reschedule due to COVID-19? Please explain. (Trends)

Survey #1



Survey #2



Trend: There was a **9% increase** with SOR's reporting they will seek RMAP audits to be rescheduled or pushed back from Survey #1 to Survey#2. Bringing the total of SOR's seeking reschedules to 27%,



Q: What other resources (expertise, networks, financial) would be helpful to support vulnerable populations in the mineral supply chain? (Trends)

Survey #1

- Awareness and information campaigns.
- **Financial support** would be helpful to the populations in the mineral supply chain.
- **Financial help** with the lack of sales of raw material, and experts to train miners in to taking health and sanitation measures for POST Covid-19 work.
- **Medical equipment's** for the hospitals in small cities.
- Keep mine price stable.
- Supply **masks**.
- Network action (if any possible)
- Enhancement of **medical technicians**, hygiene medical facilities, and hospitals Life security for unemployed and declining income.

Trends: Financial support and health/medical support are the constant themes for both surveys.

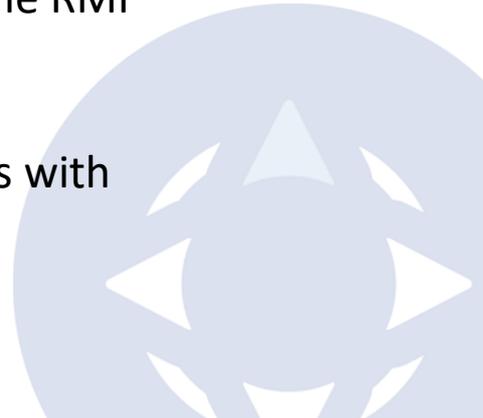
Survey #2

- **Financial support** for the ASM inside the mine boundary and for community.
- Avoiding boycotts triggered by excessive DD expectations that are applied in a blanket fashion and are not risk-based.
- A positive understanding view on ASM supported by help and training to continuously improve OHSE performance.
- Support on **health programs**.
- It is necessary to secure **financial livelihoods** to vulnerable upstream companies.
- Continue sourcing from ASM especially if this is their main source of income.
- All mines **need financial support** since they have stopped producing for the past month.
- Seek government or industry subsidy funds.
- Internet



Next Steps for COVID-19 Survey Results

- One more follow up Survey will be sent in June 2020.
- The surveys will have a 2 week turn around time.
- We will continue to track impacts and trends over time.
- We will be sharing the survey results and trends information on the RMI plenary calls.
- RMI has a new dedicated page for COVID resources. Presentations with survey results will be posted there. It can be found [here](#).





RMI Call to Action

During this trying time, the RMI encourages companies to take actions that will support their upstream supply chain partners and help safeguard critical due diligence activities and systems, this includes:

- Reach out to see how your supply chains are doing and open the lines of communication with suppliers
- Support supply chain partners – maintain supply chain due diligence expectations and offer support to address issues
- Support small and medium-sized enterprises in mineral supply chains through loan guarantee programs and grants
- Support efforts of on-the-ground initiatives ([IMPACT](#), [iTSCi](#), [BSP](#), [Artisanal Gold Council](#), etc.) by allocating funding to maintain due diligence processes and investments
- Support community health and sanitation projects in mining communities
- Foster the sustainable inclusion of responsible ASM projects into global supply chains
- Activate humanitarian and emergency response networks to reduce the potentially devastating impacts of COVID-19 on ASM communities. Please see resources on COVID-19 impact on ASM below for more information.
- Ensure a balance of maintaining integrity and flexibility in due diligence efforts during this period, taking into account government virus containment and mitigation measures, and impacts or delays to on on-the-ground risk assessments and audits
- Help support auditees' assessments and upstream due diligence efforts by contributing to the RMI's Audit Fund and Upstream Due Diligence fund. For more information please visit our [Foundation webpage](#).