Publication: November 19, 2013
Effective date: November 22, 2013

Conflict-Free Smelter Program (CFSP)
Supply Chain Transparency Smelter Audit Protocol for Tungsten
Conflict-Free Smelter Program (CFSP) ...........................................................................................................1
Supply Chain Transparency Smelter ................................................................................................................1
Audit Protocol for Tungsten ..................................................................................................................................1
I. FOREWORD ......................................................................................................................................................3
II. INTRODUCTION .............................................................................................................................................3
III. PURPOSE .......................................................................................................................................................4
IV. APPLICATION ................................................................................................................................................5
V. DISCLAIMERS ................................................................................................................................................5
VI. TERMS, DEFINITIONS AND REFERENCES .................................................................................................6
VII. SCOPE ........................................................................................................................................................9
B. Timing ..........................................................................................................................................................9
VIII: CONFLICT MINERALS POLICY COMPLIANCE REQUIREMENTS .........................................................11
IX: MASS BALANCE (M/B) COMPLIANCE REQUIREMENTS .............................................................................12
X: MATERIAL TYPE AND ORIGIN VERIFICATION COMPLIANCE REQUIREMENTS ......................................13
ANNEX 1: MATERIALS CLASSIFICATIONS .......................................................................................................19
ANNEX 2: Secondary Material Examples ..........................................................................................................22
ANNEX 3: Level 2 Country Documentation Expectations – additional details ...................................................25
ANNEX 4: Level 3 Country Documentation Expectations – additional details ....................................................26
ANNEX 5: ASM Sources ...................................................................................................................................29
REVISION HISTORY ........................................................................................................................................30
About the Conflict-Free Sourcing Initiative (CFSI) ..........................................................................................30
I. FOREWORD

This and other related protocols were developed to meet an emerging need for downstream companies to demonstrate reasonable country of origin (RCOI) and validate smelter procurement processes with respect to four "conflict minerals": tin, tantalum, tungsten and gold. The audit against this protocol is a key component of the Conflict Free Smelter Program (CFSP). The CFSP, developed by the EICC and GeSI in 2010, is a voluntary initiative in which an independent third party audits smelter procurement and processing activities and determines if the smelter showed sufficient documentation to demonstrate with reasonable confidence that the minerals they processed originated from conflict-free sources.

The first protocol for tantalum was published in 2010, and tin and tungsten protocols followed in 2011. In February 2013 a single, harmonized protocol representing tantalum, tin and tungsten was put in place (published December 2012). Most recently, the protocols were again separated with this version limited to tungsten. Tantalum, tin and gold are covered in separate audit protocols. In addition to EICC and GeSI members, other key stakeholders including the TI-CMC Board of Directors, smelters, metal industry associations, and non-governmental organizations took part in the development of this protocol.

This protocol will be reviewed annually by the CFSI in cooperation with TI-CMC to ensure that the content continues to reasonably support the conflict-free sourcing requirements set forth by law (i.e. Section 1502 of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act) and international expectations, such as the OECD Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict-Affected High-Risk Areas (OECD Guidance). Interim adjustments will be made, if driven by new findings or legislations, in conjunction with TI-CMC and other key stakeholders.

II. INTRODUCTION

International guidance and US Law are setting expectations on supply chain due diligence and disclosure regarding "conflict minerals". This is to address the minerals that are one of the resources within the Democratic Republic of the Congo (DRC) that may be directly or indirectly financing or benefiting armed groups. This protocol was developed as a specific, practical means of validating the supply chains of wolframite and its derivatives at the smelter level, the point at which wolframite is converted into a ubiquitous metal containing product. If the materials in scope during the audit period, as well as accompanying procurement processes, can be validated at this level in the supply chain, then products made from materials coming from those validated smelters can also be considered to have validated DRC conflict free\(^1\) sourcing.

\(^1\) “DRC conflict free” as defined in Exchange Act Section 13(p)(1)(A)(ii) and Exchange Act Section 13(p)(1)(D)
The audit protocol aims to validate that the participating company (auditee) has implemented the necessary company-level management program through the following methods:

- Demonstration of management commitment via a strong conflict minerals policy.
- Examination of the processes and systems used for sourcing to demonstrate the ability to support conflict free sourcing
- Line Item Summary and Mass Balance analysis to demonstrate the smelter’s ability to account for all inputs and outputs during the audit period
- Evaluation of materials within the audit scope to demonstrate the appropriate level of sourcing traceability and origin determination

III. PURPOSE

This protocol was developed to support independent, third party audits of tungsten smelters, to aid in sourcing validation requests across the global supply chain. This protocol follows guidance provided by the final report of the UN Group of Experts\(^2\) to the Security Council, 15 November 2010, and by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 25 May 2011. The UN and OECD guidance provide a working framework for companies to approach compliance with the due diligence requirements of the U.S. Dodd Frank « Wall Street Reform » Act, Section 1502, on conflict minerals, which was signed into law on 21 July 2010, and the resulting U.S. SEC Rule pursuant Section 1502.

This CFSP audit protocol takes into account the five-step framework for risk-based due diligence (OECD Guidance, Annex I; UN Experts Report, para. 318). The OECD framework recommends that downstream companies identify ‘the smelters in the company’s mineral supply chain through which the following information on the supply chain of minerals should be obtained: the identification of all countries of origin, transport and transit for the minerals in the supply chains of each smelter’ (OECD Guidance Supplement Step 1, Section C.5.1). The OECD and UN Experts then recommend that ‘smelters’ due diligence practices [be] audited by independent third parties, that these audits may be verified through an ‘independent institutionalized mechanism’ (OECD Guidance Annex I, Step 4), and that ‘smelters be independently audited to examine their due diligence process’ (OECD Guidance Supplement Step 4.A). Again following OECD Guidance, audits will be conducted in accordance with third party auditing requirements of ISO 19011.

As can be deduced from annual statistics of the International Tungsten Industry Association (ITIA) for 2011\(^3\), greater than 98% of the annual intake of tungsten raw material by the smelter-level industry does not come from the Covered Countries as defined by the Dodd-Frank Act. The OECD Guidance has been established to specifically address supply from conflicted-affected and high-risk areas, which does not apply to the vast majority of the tungsten supply. The CFSP and TI-CMC may be used to assist in RCOI and due diligence of tungsten smelter(s).

IV. APPLICATION

The CFSP audit is available to all tungsten smelters that satisfy the following conditions:

- meet the definition of a tungsten smelter
- agree to publishing a conflict minerals policy
- initiates a request with the CFSP program manager at [http://www.conflictfreesmelter.org](http://www.conflictfreesmelter.org)
- signs the appropriate agreements (e.g. Non-disclosure Agreement and Auditee Agreement)

Plus, for those smelters sourcing from the DRC or adjoining countries, an OECD Guidance conformance audit\(^4\) of their sourcing scheme(s) is required.

V. DISCLAIMERS

The CFSP and this protocol follows the ISO 19011 auditing standards in conducting an independent 3\(^{rd}\) party audit. Auditor shall follow reasonable methods to conduct the validation of the auditee’s company procurement program according to the sampling criteria established in this protocol. Typically, not all transactions will be validated.

- Country of Origin and Chain of custody documentation exists in a variety of forms that vary by country, region, and company. While this protocol attempts to call out the types of documents that can be used to successfully demonstrate chain of custody, other documents may equally meet the intent of the audit and may be substituted. Some countries may not issue certain or even any documents from the government and this will be considered in document evaluations.

\(^3\) ITIA (Sep 2012): Statistical Overview of Supply and Demand, by Burkhard Zeiler, ITIA Secretary General.

\(^4\) See details in the Traceability Documentation section later in this document regarding the OECD conformance audit.
VI. TERMS, DEFINITIONS AND REFERENCES

Artisanal and Small-Scale Mining (ASM): “formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. 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.”

ARC: Audit Review Committee

Audit: an evaluation of a person, organization, system, process, enterprise, project or product

Audit period: The period of time covered by the Line Item Summary, typically one or three years.

Closing Inventory (declared): Closing inventory at the Line Item Summary end date based on normal inventory calculation and reporting processes of the smelter and declared by them. Inventory may be physical or calculated as appropriate for the business circumstances of the auditee.

Closing Inventory (calculated): Closing inventory at the Line Item Summary end date calculated by the auditor based on transactions reported over the audit period by the smelter.

CFSI: Conflict Free Sourcing Initiative

CFSP: Conflict Free Smelter Program

CoA: Certificate of Analysis

---

5 See Annex I for additional terms not included in this section

"Conflict Minerals": cassiterite, columbite-tantalite, gold, wolframite, or their derivatives, or any other minerals or their derivatives determined by the United States Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country whether or not they actually financed or benefitted armed groups.

**DRC conflict free**: the products that do not contain minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or an adjoining country.

**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 added Section 13(p) to the Securities Exchange Act of 1934, which requires the Securities and Exchange Commission to promulgate rules requiring issuers with conflict minerals that are necessary to the functionality or production of a product manufactured by such person 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

**EICC**: Electronic Industry Citizenship Coalition

**GeSi**: Global e-Sustainability Initiative

**iTSCI**: ITRI Tin Supply Chain Initiative

**Level 1 Country (L1)**: Countries with known active ore production for tungsten that are not identified as conflict regions or plausible countries of smuggling or export of tungsten ore containing materials.

**Level 2 Country (L2)**: Known or plausible countries for smuggling, export out of Level 3 countries, or transit of materials containing tungsten. This currently includes Kenya, Mozambique, and South Africa.

**Level 3 Country (L3)**: The Democratic Republic of the Congo (DRC) and its nine adjoining countries as outlined in Section 1502 of the Dodd Frank Act. These include Angola, Burundi, Central African Republic, DRC, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia. These are also commonly referred to as "covered countries"

**Line Item Summary (LIS)**: A listing of all transactions and inventory related to the audit period.

**Mass balance (M/B)**: Method by which auditors will ensure 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.

---

7 See Dodd Frank Act, Exchange Act Section 13(p)(1)(A)(ii) and Exchange Act Section 13(p)(1)(D)
Opening Inventory (declared): Opening inventory at the start date of the LIS based on normal inventory calculation and reporting processes of the smelter and declared by them. Inventory may be physical or calculated as appropriate for the business circumstances of the auditee.


Origin: The location where the ore was mined, to the best detail possible. At a minimum the description must include the country, but province/state, city, mine site and mine name are further details that are helpful to locate the origin.

Outside the supply chain: Per the Dodd-Frank Act, this refers to conflict minerals that have been smelted or fully refined, or if they have not been smelted or fully refined, are outside the covered countries prior to January 31, 2013

Receipts: all material received during the audit period

Refining: process of purification of a (1) substance or a (2) form; The term is broad, and may include more drastic transformations, such as the reduction of ore to metal

RCOI: Reasonable Country of Origin Inquiry

Scheelite: a calcium tungstate mineral with the chemical formula CaWO4.


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 tungsten. As defined by the OECD Guidance, minerals partially processed, unprocessed, or a by-product from ore (i.e. slags) are not recycled materials. See Annex 2 for additional examples.

Supplying smelter: When an auditee receives tungsten containing material from another entity, the supplying smelter is the last point in the supply chain in which the material was processed. This could be other smelters or companies who generated secondary materials (i.e. an alloy manufacturer selling waste product to the auditee). Trading companies and other pass-through segments of the supply chain would not be considered supplying smelters.

8 http://en.wikipedia.org/wiki/Refining
9 http://en.wikipedia.org/wiki/Scheelite

**Tolling:** A transaction where materials are processed by a smelter on behalf of a client who retains ownership of the agreed to elements and/or volume of those materials. This includes a conversion of the overall makeup of the materials including the treatment or removal of specific undesirable elements (i.e. radioactivity, arsenic, etc.).

**Total metal processed:** Total metal content of the material processed by the smelter during the audit period

**Wolframite:** an iron manganese tungstate mineral with chemical formula (Fe,Mn)WO_4\(^{10}\)

## VII. SCOPE

### A. Companies within scope of this CFSP audit

This audit protocol will apply to all tungsten smelters who voluntarily chose to participate.

Tungsten smelters are defined as follows:

A company with one or more facilities with the ability to convert tungsten containing ores (such as wolframite and scheelite), tungsten concentrates, or tungsten bearing scrap (secondary material) into tungsten containing intermediates such as Ammonium Para-Tungstate (APT), Ammonium Meta-Tungstate (AMT), ferrotungsten, and tungsten oxides for direct sales or further processed into W-containing products (such as W powder or W-carbide powder).

Note that the word “smelter” has been used for consistency with other protocols and the generally accepted description of the “smelter-level” being the bottleneck of the supply chain. Technically, most tungsten processing does not involve smelting but is more accurately described as chemical-based refining.

### B. Timing

**Initial Audit period**

The initial audit for tungsten smelters will cover the period of one year prior to the closing date of the Line Item Summary (LIS). The smelter may determine the end date it wishes to utilize for the LIS as long as it is not more than four weeks before the file is provided to the CFSP Audit Program Manager. The audit must be scheduled within 30 calendar days of when the LIS was provided or an updated version will be required, unless an extension is granted by the CFSP program. The
date of the LIS chosen by the smelter may align with the date of either physical or calculated inventory according to the normal processes of the smelter. An auditee may align the audit period for all smelter facilities in scope for the CFSP audit.

All material in inventory during the audit or for which documentation exists within the audit period or received during the audit period is subject to review even if not documented on the Line-Item Summary (LIS).

**Re-audit Frequency**

Subsequent audits (re-audits) are required to maintain a CFSP compliant status. Re-audits will include the entire period between prior and current CFSP compliance audits. Re-audits frequency is dependent on the smelter’s individual scenario which is summarized below:

- A smelter who passes the initial CFSP compliance audit but is not also a TI-CMC member company must complete an annual CFSP compliance re-audit.

- A smelter who passes the initial CFSP compliance audit, is a TI-CMC member company and is validated as only processing ore concentrates which originated outside the DRC and adjoining countries shall complete a CFSP compliance re-audit every 3 years provided there is no gap in TI-CMC membership.

- A smelter who passes the initial CFSP compliance audit and are validated as processing ore concentrates which originated from the DRC and/or adjoining countries shall complete an annual CFSP compliance audit regardless of their member status within the TI-CMC.

- Any TI-CMC member who is also a CFSP compliant smelter which allows their TI-CMC membership to lapse between CFSP compliance audits will immediately be subject to annual CFSP audit.

If a re-audit is not requested within 30 calendar days of the prior compliance expiration date (for the last facility audited, when multiple facilities are involved) and conducted within 60 calendar days of the prior compliance expiration date, the company will be removed from the list of CFSP compliant smelters. An extension may be granted in some circumstances by the CFSP upon receiving a written request from the compliant smelter or at the discretion of the CFSP. The CFSP program manager has the discretion to grant extensions for auditees who, due to the complexity of their worldwide operations, cannot meet the 60 days deadline but are otherwise continuing participation in the CFSP and re-audit schedule. An audit conducted on a smelter previously removed from the compliance list will include the entire period of non-compliance, up to two prior years.

**Transition Period**

TI-CMC member companies are required to complete their initial CFSP compliance audit within two years of being granted TI-CMC membership as determined from date of issuance of their TI-CMC membership. During this interval, CFSP will list
these TI-CMC members as “TI-CMC member in-progress toward CFSP validation” on the CFSP website and for use in the CFSI Conflict Minerals Reporting Template and similar reporting tools.

Non TI-CMC member companies participating in CFSP may be listed as “CFS Active” on the CFSI website. TI-CMC members and “CFS Active” auditees may conduct unhindered trading between those respective companies during the transition period after conducting sufficient due diligence in adherence to appropriate standards identified within this protocol.

C. Materials in scope during the audit

All materials designated for production of tungsten products delivered, held, and/or processed during the audit period, regardless of origin and type, are expected to be documented in the LIS and M/BM/B and included in the audit.

Material received as part of a tolling provision (materials received for conversion) during the audit period will be considered as part of the auditee’s receipts to complete the M/B activity.

Material sent to another smelter or processing facility for processing under a tolling, sub-contractual processing provision or sale-buy-back agreement (materials sent for conversion) during the audit period will be considered part of the originating smelter’s receipts and production.

D. Materials out of scope during the audit

Scheelite, legacy, developmental and secondary materials are out of scope with respect to proof of country of origin. Intermediate tungsten products purchased or otherwise entering the auditee’s production circuit that are obtained from a smelter inscribed on the “TI-CMC member in progress towards CFSP validation” and “CFSP Active” are also out of scope with respect to proof of underlying origin. Evidence is required to substantiate the particular material classification type for each material claimed as out of scope. See Annex I for further details.

VIII: CONFLICT MINERALS POLICY COMPLIANCE REQUIREMENTS

The smelter will have a documented, effective, and communicated conflict mineral policy for procurement of tungsten containing materials. The policy will explicitly state that the smelter avoids minerals that directly or indirectly finance or benefit armed groups from conflict-affected regions. Key components of the policy are:

a) Covers tungsten materials as relevant to that smelter
b) Covers the DRC and adjoining countries

c) Has an effective date established

d) Is publicly communicated

e) Is imbedded into the smelter’s standard operating procedures and relevant individuals will be trained

f) Conflict Minerals Policy and/or equivalent contractual terms are shared with supplier(s).

If sourcing from Level 3 countries, the policy will also need to comply with Annex II of the OECD Due Diligence Guidance.

IX: MASS BALANCE (M/B) COMPLIANCE REQUIREMENTS

The smelter will have a mechanism to document tungsten receipts and products sold and/or shipped, and a reconciliation process for receipts, inventories, losses, tolling and sales. Components will include:

a) Documented list of all purchases and/or receipts with lot numbers assigned (including toll materials).

b) All tungsten tolled and sales documented with specific lot numbers: documented list summarizing total tolled and sales quantity.

c) Reconciliation of tungsten receipts, inventories, losses, tolled and sales quantities to demonstrate receipts are fully accounted for in a tungsten M/B (this involves a certain degree of estimation of inventories to arrive at tungsten M/B, e.g. work in progress or materials removed at intermediate stages of the process).

Auditors will use a M/B process as a means to substantiate the total tungsten material processed by the smelter facility subject to the compliance audit. Using the calculated inventory at the beginning of the audit period as the opening stock, the expected closing stock at the time of audit can be deduced using a material M/B approach with the following formula:

\[ \text{Closing stock at time of audit} = \text{Opening stock} + \text{receipts} - \text{product shipments} - \text{losses} \]

The key element of this exercise is to ensure that the quantity of tungsten received and in inventory during the audit period matches that expected from the above calculation, taking into account the possible error margin of inventory, stock and loss estimation\(^\text{11}\). The tolerated margin of error for this calculation of inventory, stock and loss estimation is a maximum of 10%.

The margin of error % will be calculated by the auditor as follows and documented in the audit report

\[^\text{11}\text{ Tungsten loss estimation is typically } <4\% \text{ [http://pubs.usgs.gov/usbmic/ic-9388/9388.pdf]}\]
\[ \frac{(\text{closing inventory \_calculated}) - \text{closing inventory \_declared})}{\text{total material \_processed}} \times 100 < 10\% \]

where:

- **ending inventory \_calculated** = see theoretical ‘Closing stock at time of audit’ equation above
- **ending inventory \_declared** = actual closing stock based on physical material inventory in existence at the time of audit; this is based on comparing the provided LIS closing inventory with physical review of materials and records to validate the totals at the time of the audit
- **total material \_processed** = total material processed by the facility during the audit period; this figure must be calculated by the Smelter and available for the auditor; the total material received during the audit period (see the LIS) can be used as an alternate during the audit if the calculation cannot be made for some reason

### X: MATERIAL TYPE AND ORIGIN VERIFICATION COMPLIANCE REQUIREMENTS

This section describes the documentation needed for each classification of material. The auditee shall first classify the type of material which was processed during the audit period. Then using Table 1, the auditee can determine the type(s) of documentation which should be presented to the auditor to substantiate Country of Origin (‘source’) and Chain of Custody (‘transport’) for the material procured during the audit period.

In some cases, the auditee may have difficulty obtaining the necessary documents from a trader or other company in the supply chain due to business confidentiality concerns. If such circumstances exist, the auditee may request the trader or other company provide the necessary documents directly to the CFSP auditor for review. This process should be an interactive process between the auditee, the auditor, and the auditee’s supplier. The auditor will confirm gap closure on such items as soon as reasonably possible to assist the smelter and supplier in providing further documentation as necessary. It is optimal that these transactions occur either before or during the on-site audit, after the LIS has been provided. This should be considered an exception process as delays in receiving the required documentation may lengthen the total audit time thus delaying CFSP compliance determination.

In the case where information is held within a joint industry program (e.g. iTSCI), as access is available, the auditor may also obtain the necessary documents from the program in order to both address confidentiality issues and increase efficiency. Similarly, this information needs to be available before or during the on-site audit. If the joint industry program cannot provide the information to the auditor, it shall be deemed as not available information.
A. Material Processing Classification

Not all materials listed on the LIS require source and transport determination. For example, materials categorized as legacy or secondary require reduced documentation, primarily to demonstrate the material is as described. Additionally, materials received from a smelter already validated via the CFSP program require greatly reduced documentation.

It is essential that each smelter who supplies tungsten material to the auditee smelter is also compliant with the requirements of the CFSP and/or the TI-CMC, as applicable. Materials received from a CFSP compliant smelter may reasonably presumed to be conflict free. If a CFSP audit has not been previously completed for the supplying-smelters facilities then the supplying-smelter will need to be audited to the full scope of this protocol within the allotted time requirements as specified. In general it is expected that supplying smelters to the auditee are either CFSP compliant, CFSP Active or listed as “TI-CMC members in progress to CFSP validation”.

Sub-contractual Processing

Material sent to another smelter or processing facility under a tolling, sub-contractual processing or sale-buy-back agreement (materials sent for conversion) during the audit period will be considered part of the originating smelter’s receipts and production and validated during the originating smelter’s CFSP compliance audit. Compliance relates to the compliance of the material sent for conversion from the auditee, not to the status of the outside processing facility.

Material received as part of a tolling provision (materials received for conversion) during the audit period will be considered as part of the auditee’s receipts to complete the M/B activity. The auditee, following its relevant procurement policy, shall validate origin and traceability of materials received for tolling prior to processing at their facility. Receipts provided from other CFSP companies can be reasonably assumed to be conflict free material. Material from smelters identified as “TI-CMC member in-progress toward CFSP validation” or “CFSP Active” are considered out of scope for the purposes of this audit during the transitional period.

B. Material Type Classification

There are different levels of documentation required to ensure tungsten materials procured do not support conflict. Each level requires different documentation as the source of the tungsten approaches conflict regions. Additionally, the level of documentation increases when sources are identified to be from regions that are not known to have tungsten ore sources. The lists are not applicable to material determined to be secondary material as identification of ore source is not required.

---

12 Including unprocessed, partially processed, or a byproduct from another ore (all as noted in the OECD Guidance), and not including secondary material, developmental material, tolling, slags, or stocks which are all defined in this document.
• Out of Scope Materials: W containing materials not requiring Country of Origin nor Chain of Custody

• Legacy Materials: W containing materials located "outside the supply chain" prior to January 31, 2013.

• L1: ore concentrate declared as originating from a Level 1 country

• L2: ore concentrate declared as originating from a Level 2 country

• L3: ore concentrate declared as originating from a Level 3 country

• Intermediates: tungsten containing materials such as Ammonium Para-Tungstate (APT), Ammonium Meta-Tungstate (AMT), ferrotungsten, and tungsten oxides

• Secondary: post-consumer recycle/scrap material

• Tolled W concentrates: ore concentrates being processed on behalf of a customer

Additional descriptions and auditor validation expectations of these Material Type Classifications can be found in Annex 1.

C. Documentation for CFSP compliance

The auditor must be able to reasonably conclude the tungsten containing materials designated for production of tungsten products procured and/or processed by the auditee are conflict free. The validation expectations vary by material type. All tungsten materials received or in inventory during the audit period are included whether direct purchases or part of a tolling or other business agreement. Auditors should focus on establishing Country of Origin and Chain of Custody of tungsten ore concentrate as this material is of the highest risk to directly or indirectly supporting conflict in high-risk and conflict-affected regions such as the Level 3 countries identified in this protocol. Table 1 contains examples of documentation by material type classification which could be presented to the auditor by the auditee (and/or the auditees’ suppliers) to assist in substantiating the source and transport to enable the auditor to draw a conflict-free sourcing conclusion. The examples provided are not an exhaustive list and the auditee may have other forms of documentations which could also be provided for substantiation. The greater the amount of documentation presented, the easier it is for the auditor to draw a conclusion that the material is conflict free. Evidence to meet each expectation shown in the table should be provided, as applicable. Not every example document is necessary for the auditor to draw a conflict-free sourcing conclusion.
Table 1: Document examples by Material Type

<table>
<thead>
<tr>
<th>Material Type</th>
<th>Expectation</th>
<th>Example Document Types</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Not every document is necessary)</td>
</tr>
<tr>
<td>L1</td>
<td>Source</td>
<td>• Customs export record</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Official (e.g. government) issued country of origin certificate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Official (e.g. government) issued mine license</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Purchase or other contract showing mine name</td>
</tr>
<tr>
<td>Transport (domestic)</td>
<td></td>
<td>• Trucking documentation or transportation logs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Warehouse receipts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contract showing transporter name</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Invoices from appointed transport agent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• License from appointed transport agent</td>
</tr>
<tr>
<td>Transport (international)</td>
<td></td>
<td>• Inland forwarding note (i.e. from warehouse to export city)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Bill of lading (by sea)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Customs import record (smelter country import)</td>
</tr>
<tr>
<td>L2</td>
<td>Source</td>
<td>See Level 1 Example Document Types AND</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Mine visit report from smelter, supplier or other representative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reports or data from supplier, company or external source to validate as known production areas</td>
</tr>
</tbody>
</table>

13 Additional details of requirements for Level 1 ASM available in Annex 5.
14 Additional details of requirements available in Annex 3.
<table>
<thead>
<tr>
<th>Material Type</th>
<th>Expectation</th>
<th>Example Document Types (Not every document is necessary)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transport (domestic or international)</td>
<td>See Level 1 Example Document Types <strong>AND</strong></td>
</tr>
<tr>
<td></td>
<td>Plausibility</td>
<td>• Any reports to substantiate the output of declared source/mine</td>
</tr>
<tr>
<td><strong>L3</strong></td>
<td>Source</td>
<td>See Level 1 and Level 2 Example Document Types</td>
</tr>
<tr>
<td></td>
<td>Transport (domestic or international)</td>
<td>See Level 1 and Level 2 Example Document Types</td>
</tr>
<tr>
<td>OECD Conformant Process</td>
<td></td>
<td>See Level 1 and Level 2 Example Document Types <strong>AND</strong></td>
</tr>
<tr>
<td></td>
<td><strong>OECD Conformant Process</strong></td>
<td>• Traceability data to credible OECD conformant program (i.e. tag or tracking information)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Independent 3rd party evaluation from a credible OECD conformant industry program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Independent 3rd party evaluation from a credible consulting entity familiar with OECD expectations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Evidence of providing due diligence information to customers, if not audited as part of the OECD conformance audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Evidence of publishing transparent information about their OECD Due diligence, if not audited as part of the OECD conformance audit</td>
</tr>
<tr>
<td>Intermediates, Out-of-Source</td>
<td></td>
<td>• Identify the supplier(s)</td>
</tr>
</tbody>
</table>

15 Additional details of requirements available in Annex 4
16 See the Conflict Free Smelter website for a list of consultants who are able to provide these services (http://www.conflictfreesmelter.org/consultantsauditors.htm)
### Material Type | Expectation | Example Document Types
--- | --- | ---
Scope, Legacy (IOL) |  | • Supplier contract and/or purchase agreement(s) containing material description
• Bill of lading or contracts for transport.
• Supplier(s) are CFSP compliant
• Supplier(s) are TI-CMC members

Secondary<sup>17</sup> | Source | • Supplier name
• Supplier location, description, and URL (as available)
• Description of supplier’s operations
• Supplier contract and/or purchase agreement(s) containing description of secondary material
• Any transport and receipt documents containing description of secondary material

Tolled W concentrates (all levels) | Due Diligence | • Supplier contract and/or purchase agreement(s) identify tolling requirements
• Review / documentation as mentioned above under L1 to L3 as the case might be.

---

**D. Procurement Documentation Validation Sampling Plan**

**Non-Secondary Material**

---

<sup>17</sup> Additional details available in Annex 2.
Auditors will substantiate non-secondary tungsten containing materials, which may include intermediates, Out-of-Scope and Legacy (IOL), by reviewing procurement document(s) in accordance with the requirements specified in this tungsten audit protocol. It is the auditor’s discretion to validate receipts until reasonably assurance has been achieved using the following sampling plan as a guideline.

- Originating from L1 countries and IOL: one random sampling of transactions according to the following sequential sampling plan.
  - 10% of all L1 and IOL transactions up to a maximum of 25 transactions.
  - If reasonable doubt regarding source or traceability remains, validate 10% up to a maximum of 40 of the remaining transactions.
  - If reasonable doubt regarding source or traceability remains, validate 10% up to a maximum of 60 of the remaining transactions.
  - If reasonable doubt regarding source or traceability remains again, validate all L1 and IOL transactions.

- Originating from L2 or L3 countries: sampling plan will not be used, all receipts must be validated.

**Secondary Material**

The auditor will verify that secondary material meets the general requirement based on examples in Annex 2 by validating five (5) different lots of secondary material. This sampling will be conducted by the auditor in a random fashion and evenly distributed over the audit period based on all transactions and types of secondary materials received within the audit period. If the auditor concludes reasonable doubt exists in any of the five transactions, the auditor shall validate additional transactions following the sampling plan identified for Non-Secondary Material.

**ANNEX 1: MATERIALS CLASSIFICATIONS**

**A. Out of Scope Materials**

Out-of-Scope tungsten containing materials may not necessarily require neither Country of Origin nor Chain of Custody validation.

1) Scheelite:

Any material identified and confirmed to be ore concentrate derived from scheelite is out of scope of the country of origin validation activities as scheelite is not identified as a conflict mineral per the Dodd-Frank Act. There are no
identified scheelite sources within the Level 3 countries. There are two ways to confirm scheelite is out of scope and are highlighted as follows:

a) Validate material is scheelite using credible metrology analysis such as material assay (significant presence of Ca) or other metallurgical analysis

b) Classify scheelite as a Level 1 (L1) material type and provide sufficient country of origin information as per the L1 documentation requirements identified within this protocol

2) Developmental, assay sample and other small quantities

A provision is made to exclude purchased developmental (example - a sample from a new mine with different background minerals), assay sample and other small quantities of materials from the scope of the compliance audit provided the aggregate amount over the audit period is less than 1% of sales of tungsten materials. This provision is to assist with the types of small material lots that may not regularly have a full paperwork trail due to their being samples, and the potential for them to not be associated with a monetary transaction.

3) Legacy Materials:

Tungsten containing materials originating from materials located "outside the supply chain" prior to January 31, 2013 are referred to as Legacy Material in this audit protocol. Legacy material is not considered to be in scope for the purposes of this audit and do not require any information on mineral origin. However, a smelter may have materials that were "outside the supply chain" that were procured, in inventory, and/or processed during the audit period. This does include material in warehouses, government stockpiles, or in smelter or downstream user facilities.

Materials that may fall into this category include minerals, partially processed materials, already smelted metals, and materials generated from smelting such as slags or intermediates. Stocks of legacy tungsten ore concentrates which are substantiated to be produced prior to 31 January 2013 will require information about their production and purchase, but not mine of origin (tracing) information. Reduced documentation is required to provide evidence that, while part of the audit period, the materials were "outside the supply chain".

Tungsten bearing materials provided by the United States Defense Logistics Agency (US DLA) are included as Legacy Material.

4) Transition Period Exemption:
Materials provided from “CFSP Active” and/or “TI-CMC members progressing towards CFSP validation” can be reasonably presumed to be DRC conflict free. It is believed that most tungsten smelters will participate in either CFSP or TI-CMC validation by 2016.

B. Level 1 (L1)

Tungsten containing materials originating from countries with known active tungsten ore production that are not identified as conflict regions or plausible areas of smuggling or export from these regions of tungsten containing minerals (as denoted in the below Level 2 and Level 3 sections). The auditor should validate the plausibility of these tungsten ore sources with the smelter and take appropriate further investigation if a source identified is not a plausible source. It is noted that small-scale exploitations of tungsten might occur on short notice anywhere in the world, and production will not be recorded in official statistics for some time. Expected evidence for production from a “new producing” country needs to be handled flexibly and could include photographic evidence, geological literature, and site visit reports.

If countries, taking reasonable benefit of doubt into account, do not have a plausible supply source of ore, but are represented as Level 1 sourcing origins by the smelters, then the auditor should require the documentation consistent starting with Level 2 countries to ensure the source is valid.

C. Level 2 (L2)

Tungsten containing materials originating from countries with known or plausible countries for the smuggling, export or transit of tungsten containing minerals out of conflict affected regions. In accordance with the red flag concept outlined in the OECD Due Diligence Guidance, the following countries require additional documentation for ore sources.

- Kenya
- Mozambique
- South Africa

See Annex 3 for additional requirements.

D. Level 3 (L3)

Tungsten containing materials originating from countries outlined in Section 1502 of the Dodd-Frank Act as those affected or bordering conflict affected regions currently defined as the DRC and its nine adjoining countries identified as follows:
Angola, Burundi, Central African Republic, Democratic Republic of the Congo (DRC), Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia

Additional validation is needed for material sourced from Level 3 countries to ensure that the traceability demonstrates that the material is from the country declared. See Annex 4 for additional requirements.

E. Intermediates

It is common for tungsten smelters to purchase tungsten containing intermediates such as APT, tungsten oxides and sodium tungstate to supplement their production. Intermediates from Ti-CMC member and “CFSP Active” smelters shall not need country of origin documentation during the transitional period. Auditors will conduct a spot check of procurement documentation to validate the intermediate was procured from the declared entity. Intermediates obtained from CFSP-compliant smelters have showed sufficient documentation to demonstrate with reasonable confidence that their company management systems allow only for processing of minerals from conflict free sources.

F. Secondary Materials

Recycling of any materials internal to the smelter and its group companies (and used within the smelter, not purchased, sold or related to a toll agreement) in any form is excluded from the scope of the audit, LIS and source of origin documentation requirement.

Secondary materials received by the smelter for tolling will also be subjected to this Secondary Materials provision. If a purchase agreement does not exist for the toll material, then another form(s) of documentation must be provided which identifies the supplying source of the material and defines the tolling agreement.

Any material which is not validated to fit the definition of secondary material will then by subject to the compliance requirements for non-secondary material as identified within this audit protocol.

Further explanation and examples of Secondary Materials can be found in Annex 2.

ANNEX 2: Secondary Material Examples

Tungsten containing materials originating from recycled metals (referred to in this protocol as secondary materials, also commonly referred as recycle/scrap) as defined by the OECD Guidance\(^\text{18}\) are ‘reclaimed end-user or post-consumer

\(^{18}\) OECD Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas [http://www.oecd.org/document/36/0,3746,en_2649,34889,44307940,1_1_1_1,00.html]
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 tungsten. ‘Minerals partially processed, unprocessed or a by-product from another ore are not recycled metals’. Secondary materials for recycling are excluded from the requirement to demonstrate ore source of origin.¹⁹

The audit will confirm details of the origin or the supplying source of the secondary materials to ensure it conforms to the definition and/or examples. The secondary material received during the audit period is included in the overall site tungsten M/B to ensure all materials are incorporated into the scope of the audit. The LIS will be used to identify each receipt of secondary material and the supplying source during the audit period and validate adherence to the definition for exclusion (including reasonably assumed recycled materials).²⁰ Inventory of secondary material received prior to the audit period will be included within the tungsten M/B.

Secondary/scrap materials purchased by the smelter shall identify the supplier of the material, and provide information that allows the auditor to reasonably conclude the material is from secondary and not primary sources (example - sample analysis data, physical inspection, photos, and explicit description/inventory of the material lot). Each supply will be documented through bill of lading or transportation documentation, or purchase agreement and/or product description. If relevant due to the failure to demonstrate as secondary material, the operations of the supplier²¹ will be taken into consideration to determine if the material fits the secondary material definition.

Tungsten secondary materials come largely in two distinguishing forms, referred to as soft and hard scrap, examples of which are given in Table 2 and/or Table 3. Origin of secondary materials outside of the traditional soft/hard scrap format may need to be further substantiated by the auditee.

<table>
<thead>
<tr>
<th>Name</th>
<th>Source</th>
<th>Process of generation</th>
</tr>
</thead>
</table>

¹⁹ Requirement based on the August 2012 final rule of the U.S. Securities and Exchange Commission (SEC) to implement the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 (“Dodd-Frank”) provisions on conflict minerals.
²⁰ As according to OECD Guidance, “Metals reasonably assumed to be recycled are excluded from the scope of this Guidance.”
²¹ Information about the supplying source should be provided by the smelter, including websites such that the auditor can do further investigation as necessary.
<table>
<thead>
<tr>
<th>Hard metal grinding sludge</th>
<th>Companies producing hard metal tools like drills, inserts, wear parts, pistons for high pressure pumps, teeth for carbide-tipped saw blade, etc.</th>
<th>Hard metal is produced from tungsten carbide powder mixed with cobalt powder. These powder mixtures are pressed in forms close to end shape. The pressed parts are sintered. Afterwards ground to end shape. Grinding of hard metal tools like drills and inserts is done with grinding discs in the presence of cooling liquid. Grinding dust is transported away by the liquid. Liquid is purged by filters. In these filters the grinding sludge is accumulated and disposed into drums.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard metal powder and pre-sintered chunks</td>
<td>Companies producing hard metal tools like drills, inserts, wear parts, pistons for high pressure pumps, teeth for carbide-tipped saw blade etc.</td>
<td>Out of spec mixtures or pressed parts are sold for recycling.</td>
</tr>
<tr>
<td>Other tungsten containing grinding sludge</td>
<td>Companies producing parts of W metal powder as penetrators for grenades or other ammunition, counter weights for planes and motors</td>
<td>Parts are finished by grinding after sintering. See description for Hard metal grinding sludge process above.</td>
</tr>
<tr>
<td>Other tungsten containing powder and pre-sintered chunks</td>
<td>Companies producing parts of W metal powder as penetrators for grenades or other ammunition, counter weights for planes and motors</td>
<td>Out of spec mixtures or pressed parts are sold for recycling.</td>
</tr>
<tr>
<td>Tungsten containing catalysts</td>
<td>Chemical companies and service companies maintaining chemical reactors and reworking catalysts, traders, etc.</td>
<td>W containing catalysts are used e.g. for desulfurization of diesel fuel and for enabling other chemical reactions. After some time of use catalysts become ineffective and are replaced for reworking or disposal.</td>
</tr>
<tr>
<td>Tungsten-bearing filter cakes from recycling of other metals.</td>
<td>Rejects from recycling processes for other metals through leaching.</td>
<td>Rejects of refining processes involving leaching.</td>
</tr>
</tbody>
</table>
Table 3: Examples of hard secondary material ('hard scrap')

<table>
<thead>
<tr>
<th>Name</th>
<th>Source</th>
<th>Process of generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard metal chips and parts like drills inserts, cutters, wear parts, pistons, reamers, mining bits, drawing dies, punches</td>
<td>Scrap traders / collectors. Companies using hard metal tools for machining, drilling like automotive, general engineering, oil and gas exploration, high pressure pumps in chemical industry, etc.</td>
<td>At the end of life, when re-sharpening, etc. is not possible any more, tools are disposed and sold to smelters or to scrap traders, who collect the materials from many different sources</td>
</tr>
<tr>
<td>Other tungsten metal parts and chips, like high voltage circuit breaker, counter weight, rolls from steel industry, etc.</td>
<td>Scrap traders / collectors. Companies using tungsten alloys for diverse applications.</td>
<td>End of life parts, off spec parts, chips from machining these parts in production, penetrators of deactivated and disassembled ammunition, etc. are collected and sold.</td>
</tr>
</tbody>
</table>

ANNEX 3: Level 2 Country Documentation Expectations – additional details

Inclusive of L1 document expectations, the following is a further explanation and examples of documents to substantiate L2 materials.

- On-site mine visit reports for larger mines, by the smelter, or for medium to ASM sites the smelter or representative (e.g. AH Knight, trading entity). Reports should include:
  - Verification that mining location agrees with concession, license or other form of governmental sanctioning of the operation, or at a minimum geographic mapping;
  - Assessment of capabilities: staffing, equipment, available transportation routes;
  - Validation by the smelter that the material comes from that source, sampling of representative materials at the mine site; and
  - Historical production capability reviewed and volume is confirmed to be feasible;
• All documents that validate chain of custody from mine to smelter, specifically identifying the seller/mining company, or supplier declaration of ASM mine site. Of particular concern is that chain of custody documentation from mine site to capital city and/or export city will be considered to validate the source of the material where a tracking system (example - iTSCi bagging/tagging) is not available. Auditors must validate the plausibility due to the potential for material from conflict areas to be passed off as ASM material in non-Level 3 countries; and

• Official (e.g. government) issued operating license/certificate for industrial operations or registered cooperatives.

In some cases such as where the smelter has a 100% off-take agreement for a source, the smelter may provide credible information that the amount of material they are purchasing is plausible for the mine or ASM area they are purchasing from. The smelters may obtain information in one of the below ways in order for the auditor to compare with the smelter’s procurement information. The auditor should document the smelter’s demonstrated plausibility as well as all facts in their final audit report:

• The mine or ASM mine site information may be provided by the entity overseeing an OECD-conformant program the smelter sources from (examples – smelter-developed, iTSCi, etc.), and/or

• The smelter gathers this information through other means (e.g. geological surveys, government data, research entities, 3rd party representative, industry association, trading entity or sales statistics)

ANNEX 4: Level 3 Country Documentation Expectations – additional details

Inclusive of L1 and L2 document expectations, the following is further explanation and examples of documents to substantiate L3 materials.

Smelters must demonstrate implementation of the OECD Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas, which includes introducing a chain of custody or traceability system, coupled with on-the-ground risk assessments and company assessments, and consistent with Annex II of the Guidance and the Dodd-Frank definition of DRC Conflict-Free. Companies are also expected to only be obtaining materials from those sites that have undergone a suitable evaluation process. With specific regard to the determination of the origin of minerals, smelters will have to meet the documentation requirements outlined in the OECD Guidance. In order to generate the requested information, smelters may rely on a combination of own Due Diligence and support by a conflict-free mineral chain of custody industry program such as iTSCi. Credibility of the selected approach is the responsibility of the smelter.
Once the smelter’s OECD due diligence program has been verified conformant by an independent third party\(^2\) they will be eligible for a CFSP audit. During the CFSP audit the smelter will have to demonstrate that concentrate or smelted material received from level 3 countries has come from a conflict-free source (based on a credible OECD conformant process as mentioned above, and based on the Dodd-Frank definition of DRC Conflict-Free). Some important documentation of an OECD-conformant process is mentioned below (although this is not a complete checklist of the OECD Guidance):

1) Due diligence for potential conflict links of the smelter’s supplier, or other companies involved in the suppliers chain-of-custody.

2) Traceability information for the in-region material, including mine site(s), consolidation and concentration/processing, and transport route and company/individual. For example if a bagging and tagging traceability scheme is used, the smelter must possess the final bag tag(s), shipment number and or confirmation by independent or state agencies (example – sign of by state tax authorities or iTScI shipment number) and possess the supporting information which indicates mine site of origin for any material related to the audit period.

3) Mine site baseline studies (on the ground assessments) must be available. Baseline reports should include: circumstances around the mine site, security presence, transport routes, and export. The source of information used to determine whether the mine was under the control of armed groups must be credible and documented. While making such a determination, the smelter may rely on such sources as the U.S. State Department’s Conflict Minerals Map, other recognized equivalent maps and other official sources, as they exist. If the smelter has more accurate, timely and reliable sources of information than the maps mentioned above, these are acceptable in terms of this determination but credibility must be clearly demonstrated.

   Examples - CTC (Certified Trading Chains) and ICGLR reports; iTScI baseline studies (for member companies only).

4) Regular monitoring reports from the mine site(s), which are part of the on the ground assessments and ongoing mitigation. These should include descriptions of any and all incidences that are mitigated at the mine site(s) or in route to export relative to data collection, security, illegal trade or handling, etc.

5) Field governance assessment as a wider provincial or country risk analysis related to risks/issues related to smuggling, security, etc. which should show engagement with local and central government officials, as well as non-government civil society and local community. These reports should be kept up to date on some reasonable frequency relative to changing conditions in the area (example – quarterly), but greater than once per year.

\(^2\) See the CFSP Website (www.conflictfreesmelter.org) for lists of some entities that EICC & GeSi have deemed to have the capability of completing such a conformance assessment. This is not a complete list of acceptable entities, nor is it a specific endorsement list.
6) Sample (risk-based and/or random) audit reports of companies/suppliers within the chain of custody to the smelter reflecting assessment of purchase records, including any untraced materials, and relative to their adherence of the OECD Guidance.

7) A grievance system must be available either at the company or through an industry mechanism.

8) Public disclosure expectation in Step 5 of the OECD Guidance should be validated as part of the audit. This disclosure should cover the company management systems (Step 1), company risk assessment in the supply chain (Step 2), risk management (Step 3), and audit reports (Step 4), as well as the smelter’s conveyance of information to downstream actors (as noted in Step 5).

Other specific documents to help justify the chain of custody/sourcing from Level 3 countries and other expectations to be reviewed are:

9) Certificate of origin (if available)

10) Customs export record/certificate (if available)

   a) Including documentation to show that all applicable taxes and royalties for export have been paid (OECD Guidance Annex II), which is sometimes compulsory in national laws in order to obtain an export certificate, but in other cases shows taxes which are waived and not paid. In the case where covered by Law, the export certificate can suffice as the legal taxes and royalty record.

   b) The date printed on the export document will be used to determine compliance (as related to any transitional issues of CFS compliance validation).

11) Inland forwarding note (if available, since the inland forwarding note may need to be handed in in order to receive the sea bill of lading), and/or Sea bill of lading (if by sea), or through bill of lading (combination of inland trucking document and the sea bill of lading)

12) Customs import record (for the smelter country import)

13) Minerals originating from countries that are ICLGR members are required to have a certificate issued by their government demonstrating that the material has passed ICGLR Regional Certification Mechanism standards. This requirement applies as soon as the ICGLR member country has approved into law the ICGLR Regional Certification Mechanism, and has a suitable, implemented process in place to issue such certificates based on reliable evaluation of the mineral supply chain.

14) Reasonable plausibility check of the sourced quantity.
Membership to an OECD conformant conflict-free mineral chain of custody industry programs such as iTSCi is not sufficient to fulfill a smelters due diligence program. The smelters’ due diligence program shall include regular supply-chain monitoring including review of supply-chain monitoring reports provided by such industry programs or its designated OECD conformant program.

ANNEX 5: ASM Sources

Alternative approach for materials sourced through Artisanal and Small-scale Mining (ASM) in countries other than Level 3.

ASM material may not be traceable to mine of origin and documentation commonly requested for larger operators may not be available. It is the smelter’s responsibility to demonstrate to the auditor that their ASM sourcing is from a plausible source. Where exact mine cannot be determined, the ASM area\textsuperscript{23} of origin needs to be identified within the sourcing country. ASM area visit documentation or geological literature should help substantiate new or unknown sources. For all ASM sourcing going forward after the release of this protocol, it will be expected that the smelter additionally obtains a declaration of ASM area of origin from their supplier, to supplement export documents. It is especially applicable to smelters purchasing from domestic ASM to obtain such a declaration from their suppliers.

For L1 ASM sources, the requirement is limited to:

a) Export documentation (for imported material);

b) Country of origin certificate (where countries provide them); or

c) Mine site of origin within the source country, or other documents that could help assess the legitimacy of the ASM source. For purchases after the initial release of this audit protocol, additionally a declaration from the smelter’s direct supplier stating the mine-site of origin (or as close as reasonably possible) within the source country will be required.

\textsuperscript{23} Generally for ASM a mine site is a specific collection of individual mines.
REVISION HISTORY

Rev 09 Aug 2011

Initial release of protocols

Rev. 21 December 2012:

Changes: 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 an byproduct materials (i.e. slag)

Rev. 19 November 2013:

Changes: Creation of W Audit Protocol based upon the 3Ts Harmonized Protocol Rev 21 December 2012. All sections modified in conjunction with the TI-CMC to create this CFSP Audit Protocol applicable to W only.

About the Conflict-Free Sourcing Initiative (CFSI)

Founded in 2008 by members of the Electronic Industry Citizenship Coalition and the Global e-Sustainability Initiative, the Conflict-Free Sourcing Initiative has grown into one of the most utilized and respected resources for companies addressing conflict minerals issues in their supply chains. Over 120 companies participate in the CFSI today, contributing to a range of tools and resources including the Conflict-Free Smelter Program, the Conflict Minerals Reporting Template, Reasonable Country of Origin Inquiry data and a range of white papers and guidance documents on conflict minerals sourcing. The CFSI also runs regular workshops on conflict minerals issues and contributes to policy development and debates with leading civil society organizations and governments.