PROGRESS REPORT: MAY–AUGUST 2017

Who We Are

The Responsible Materials Initiative (RMI), co-sponsored by the Electronic Industry Citizenship Coalition (EICC) and the Conflict-Free Sourcing Initiative (CFSI), was launched in November 2016 to promote the common goal of understanding and contributing to mitigating the salient social and environmental impacts of extraction and processing of raw materials in member supply chains. To see a full list of companies participating in the RMI, including representatives across electronics and automotive industries, please click here.

The RMI aims to:

- Develop and amplify a coordinated downstream voice;
- Collaborate in the implementation of standards, tools and programs;
- Work with midstream and upstream efforts, and;
- Facilitate dialogue with external stakeholders.

The RMI has operationalized its efforts through a core working group and several sub-teams to support implementation. These sub-teams include Advocacy, Sensing and Prioritization, and two mineral-specific groups:

- Cobalt: focused on child labor risks related to cobalt mining in the Democratic Republic of the Congo (DRC)
- Tin: focused on social and environmental risks related to tin mining in Indonesia through the Tin Working Group (TWG)

The RMI is currently refining a prioritization process to select additional risk areas and is conducting initial sensing research on mica.

KEY UPDATES

Membership

The RMI continued to expand its reach with 29 participating companies representing the electronics and automotive sectors. These companies have signed the RMI Declaration of Support and are actively participating in RMI activities, including the core Working Group and related sub-teams. The RMI membership has seen the most growth from the automotive sector, with the addition of five major companies.
The Responsible Minerals Initiative: Bringing together the Conflict-Free Sourcing Initiative (CFSI) and RMI

In October 2017, the RMI and the Conflict-Free Sourcing Initiative (CFSI) will formally join to become the Responsible Minerals Initiative (RMI). Building on the success of these initiatives, the RMI’s mission will be to develop infrastructure and enable conditions for downstream companies to comply with applicable regulations and meet responsible mineral sourcing expectations. The RMI will be able to integrate emerging risk areas related to other minerals, types of risks, and geographies into the infrastructure established by the CFSI. RMI will offer members a simplified membership model, leverage CFSI’s governance and infrastructure (assurance programs, risk assessment, workgroups) as well as utilize efficiencies within staff and membership expertise. RMI members will continue to be able to voluntarily use those aspects of the program relevant to their responsible mineral sourcing efforts.

Figure 1: A conceptual representation of the RMI

Additional details of this exciting change will be presented at the Responsible Electronics 2017 and the CFSI Annual Conferences in Santa Clara, California, October 16-20. Learn more and register here.

RMI Operationalization

To guide the work of its sub-teams, the RMI has established a three-year work plan outlining the activities and timelines planned to achieve the objectives of each sub-team. RMI members support the implementation of the work plan through their active participation in thematic focus groups that are set up to address a specific area of work. RMI focus groups prepare research, briefings and recommendations for consideration by the full sub-team and ultimately the RMI core work group. For further information on the RMI focus groups, please refer to the sub-team updates in this report.
ADVOCACY PRIORITIES

Since launch, RMI has focused on helping members provide information on Amnesty International’s update report on cobalt and engaging with upstream actors.

Moving forward, advocacy efforts will be prioritized around three key areas:

1. Upstream – engage upstream actors to communicate expectations and encourage harmonization;

2. Industry outreach – engage industry/companies to increase scale and impact;

3. Stakeholder engagement – increase awareness of RMI activities, understand stakeholder expectations with civil society, SRI’s, governments, others.

To help meet these objectives, RMI representatives have sponsored or participated in multiple events in 2017, including:

- ICGLR-OECD-UN GoE Multi-Stakeholder Forum, 11th Forum on responsible mineral supply chains in Paris, 2-4 May 2017
- Responsible Cobalt Initiative Meeting, Paris, 5 May 2017
- Cobalt Development Institute, Annual Conference, Marrakech, 17 May 2017
- RMI presentation at AIAG Conflict Minerals Briefing in Livonia, Michigan, June 7 2017
- Meeting with U.S. State Department officials, June 9, 2017
- OECD hosted meeting on Harmonization of Mineral Knowledge Platforms, Paris, 11 July 2017
- Responsible Cobalt Initiative Meeting, Changsha, 9 August 2017

RMI will continuously engage with interested stakeholders including civil society representatives, socially responsible investors, government officials and upstream companies and associations. Some planned activities over the next several months include:

- Participation in the RESOLVE Upstream Workgroup
- Engagement with the World Economic Forum’s Responsible Battery Alliance
- Activities at the U.N. Forum on Business and Human Rights
PROGRAMS AND TOOLS

The RMI continues to build out its support to participating companies to conduct their due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance) and the OECD Guidelines for Multinational Enterprises. Please refer to our first progress report for high level information on how RMI supports companies’ efforts to address the five-step due diligence framework of the OECD Due Diligence Guidance.

In July 2017, EICC / CFSI started the enhanced rollout of the Risk Readiness Assessment (RRA) to all currently identified tantalum, tin and tungsten smelters as well as gold refiners. The RRA is a risk assessment tool for minerals and metals producers and processors to assess and communicate their risk management practices and performance. To date, 92 companies are registered on the RRA Online Platform. Among these companies, 141 facilities have completed their first RRA. The RMI will include known cobalt refiners in the enhanced rollout of the RRA, starting in Fall 2017. For more information, please refer to the cobalt sub-team update below.

Sub-Teams

Cobalt sub team

In line with the RMI’s core mission, the cobalt sub-team focuses on creating the tools and conditions necessary for member companies to exercise their due diligence over the cobalt supply chain in accordance with the OECD Due Diligence Guidance. For example, in order to support strong management systems and transparent supply chains, the RMI provides tools to facilitate the communication of responsible sourcing expectations within the downstream supply chain. The Raw Materials Reporting Template (RMRT) is being finalized to enable companies to determine the cobalt refiners present in their battery supply chains. The RMRT is modeled after the Conflict Minerals Reporting Template (CMRT) and will include a list of confirmed cobalt refiners.

In addition, the RMI has consolidated cobalt supply chain mapping results into an initial list of cobalt processing entities reported. A cobalt refiner definition focus group comprised of members of the RMI / CFSI as well as cobalt refining experts, including the Cobalt Development Institute (CDI), is working on an industry definition of “cobalt refiner” to identify the appropriate “choke points” in the cobalt supply chain. Based on this definition, RMI / CFSI members and cobalt refining experts will review and reach out to the entities reported with a view to establish a “Cobalt Refiner Reference List” for inclusion in the reporting template. The reporting template, including the Cobalt Refiner Reference List, will be publicly available.

The RMI also seeks to better understand risks associated with the identified cobalt refiners by including them in the enhanced rollout of the Risk Readiness Assessment. Furthermore, the RMI continues to engage with external stakeholders along the entire cobalt supply chain to build leverage, promote and support initiatives or programs to effectively manage risks related to child labor in cobalt supply chains in the DRC. Together with the Responsible Cobalt Initiative, RMI is working on the piloting of a joint audit
program for cobalt refiners, based on the Chinese Due Diligence Guidelines and thus aligned with the OECD Due Diligence Guidance. Lastly, the RMI continues to engage with the Cobalt Development Institute with a view to ensure the alignment of CDI’s efforts on responsible mining practices of large scale cobalt producers with the expectations for responsible sourcing as defined by RMI members.

Tin Working Group
The RMI has finalized the transition of the Indonesian Tin Working Group (TWG) to the EICC, including the strategy and work plan for Phase II of the TWG from 2017–2019. To support Phase II activities, the TWG secured external funding from the European Partnership on Responsible Minerals (EPRM) and the group has started the implementation of grant activities.

The TWG is also finalizing the remaining tools from Phase I to establish incentives for responsible tin mining practices as well as to provide a template for Indonesian smelters to access long-term funding or investment for the rehabilitation of former mining land.

For Phase II, the TWG is working closely with key local industry players and communities to identify and act on opportunities to advance land reclamation projects, policy reform, and worker health and safety improvements. The group is actively recruiting local stakeholders to set up the TWG Local Advisory Committee to advise and obtain support from local and national government, industry partners, donors and development agencies to implement and scale the on-the-ground projects.

Sensing & Prioritization Sub-Team
The sensing & prioritization sub-team has advanced its conceptual as well as practical work through the establishment of two focus groups:

Sensing & Prioritization Focus Group: This focus group is working through the sensing and prioritization elements of the process, defining key indicators to identify and assess the salient social and environmental risks in mineral supply chains. The group has defined 10 initial indicators to support the sensing research for minerals. The indicators reflect key considerations around the volume and criticality of the minerals for industries represented by the RMI as well as social, governance and environmental risks associated with the extraction and trade of the mineral.

Exploratory Sub-team on Mica: RMI is currently applying and testing the sensing process to the case of mica. An exploratory sub-team of interested RMI members is conducting the research on mica supply chains with a view to formulate recommendations for the RMI to address salient social risks related to the extraction of and trade in mica. Furthermore, the exploratory sub-team on mica acts as a liaison between the RMI and the Automotive Industry Action Group (AIAG) to ensure the perspectives of automotive companies are adequately taken into account within the RMI and, consequently, to reduce duplication of efforts across different industries.
In addition, the RMI continues to engage with external stakeholders regarding the development of knowledge platforms on mineral supply chains.

The RMI will continue to provide periodic updates on its efforts.

Please contact Leah Butler (lbutler@responsiblebusiness.org) for more information on the RMI.