UPSTREAM DUE DILIGENCE
SMELTER FUND

Vision, Mission, and Purpose

Context

Founded in 2008 by members of the Responsible Business Alliance and the Global e-Sustainability Initiative, the Responsible Minerals Initiative (RMI) has grown into one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains.

The flagship Responsible Minerals Assurance Process offers companies and their suppliers an independent, third-party assessment that determines which smelters and refiners can be verified as having systems in place to responsibly source minerals in line with applicable legislation and globally recognized standards.

In 2017, RMI revised the assessment standards of the Responsible Minerals Assurance Process to align with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd Edition). As part of that revision, the Standards adopted a global scope for Conflict-Affected and High-Risk Areas (CAHRAs).

Smelters and refiners participating in RMAP that source from CAHRAs have a number of due diligence requirements, one of which is to conduct on-the-ground assessments. In some geographies, upstream assurance mechanisms exist (e.g. iTSCi, BSP, Just Gold, CRAFT) to support companies with the on-the-ground due diligence activities. However, in many supply chains and geographies smelters themselves take individual responsibility to gather up to date due diligence information to support their sourcing decisions, involving a significant financial and other resources. In the absence of local infrastructure in place in CAHRAs to support on-the-ground due diligence activities, these costs may become an impediment to sourcing from those CAHRAs which has the potential to negatively affect local communities. The RMI and stakeholders are keenly aware of potential unintended “embargo” effects and seek to mitigate this possibility.

Upstream Due Diligence Fund
RMI developed a fund for smelters and refiners to partially offset the costs of on-the-ground due diligence activities required by the RMAP standards in CAHRAs that are not already engaged by an upstream assurance mechanism. The fund would support the following beneficiaries:

- Smelters and refiners independently conducting due diligence without an upstream assurance mechanism for any of the minerals covered by RMAP / RMI.
- Other organizations may benefit indirectly from the fund if contracted and / or authorized by the smelter or refiner. This includes, for example:
  - Local suppliers of smelters and refiners to conduct assessments themselves
  - Local communities and relevant actors engaged in capacity building activities
  - Industry associations, educational organizations, or other not-for-profits who are looking to develop or expand upstream assurance mechanisms into CAHRAs more broadly

**RBA Foundation**

The fund is housed in the RBA Foundation (details below) and are subject to the 501-c-3 status. Companies contribute to the fund at their voluntary discretion, and receive acknowledgement both in personal letter and on the Foundation’s website. RMI will retain metrics on the number and amounts of contributions as well as disbursement for monitoring and evaluation purposes, including to reporting to RMI membership and Steering Committee.

**Eligibility**

To be eligible for use of the funds, smelters must first meet the RMAP eligibility requirements and certain criteria as outlined below. Funds are available on a first-come, first-served basis, as resources are available. Each smelter or refiner company may apply once per year, and receive up to $10,000 USD.¹ Funds will be made available once the total donations received reaches $50,000 USD.

**Criteria for Use**

- Be a RMAP participating (active and/or conformant) smelter or refiner
- Complete an application form including the amount requested and the purpose and use of the funds, signed to indicate the funds will only be used for the stated purpose
- Submit deliverables as described and agreed upon in the application form

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¹ This amount to be reviewed annually based on need and availability.
• Complete a brief survey on the use and value of the funds, for purposes of exploring the benefits of RMI continuing to make the fund available
• Provide reports or information regarding use of the funds that can be publicly accessed and referenced by other companies and stakeholders. Some examples include but are not limited to:
  o Human rights, governance, and security assessments
  o Case studies
  o Survey or questionnaire templates or tools
  o Mine site or supply chain monitoring reports
  o Capacity building of local communities
  o Facilitation of local monitoring committees
  o Incident monitoring reports
  o Social / economic impact assessments
  o Metrics monitoring
  o Monitoring and reporting on continual improvement

About the RBA Foundation
In 2016, the Responsible Business Alliance Foundation was set up with the following purpose:
• To improve the public’s ability to make informed decisions about the social, environmental, and economic responsibility in the supply chain of the products they purchase;
• To assist other charitable, scientific, and educational organizations in the conduct of similar activities;
• To engage in other charitable, scientific, and educational activity as determined by the board of directors;
• To engage in any and all lawful activities incidental to the foregoing purposes except as restricted herein.

Public Good
The fund would benefit the public good in the following manner:
• Providing resources for companies to source responsibly from CAHRAs and engage in risk identification, assessment, and mitigation, in accordance with the OECD Due Diligence Guidance
• Publishing relevant reports and information that can be publicly accessed by other supply chain actors and stakeholders
• Incentivize companies to initiate or continue sourcing from CAHRAs
• Support the positive economic and social development of local mining communities