



GLOBAL WORKPLACE RESPONSIBLE SOURCING, ENVIRONMENTAL, HEALTH AND SAFETY DUE DILIGENCE STANDARD FOR MICA PROCESSORS

Publication Date: March 16, 2021

TABLE OF CONTENTS

I.	Introduction.....	3
II.	Limitations	4
III.	Assessment Scope	4
	A. Companies/facilities within the scope of the assessment	4
	B. Minerals and materials in scope	5
IV.	Conformance Criteria Overview	5
V.	Environmental Criteria	7
VI.	Occupational Health and Safety Criteria.....	9
VII.	Social Criteria.....	14
VIII.	Governance Criteria.....	19
IX.	Supply Chain Due Diligence.....	20
	A. Step 1 – Establish strong processor management systems	20
	B. Step 2 – Identify and assess risks in the supply chain	22
	C. Step 3 – Design and implement a strategy to respond to identified risks	24
	D. Step 4 - Carry out independent third-party audit of processor’s due diligence practices	26
	E. Step 5 – Report annually on supply chain due diligence	26
X.	ANNEXES	29
	Annex A: Definition of terms and acronyms	29
	Annex B: Effective date & revision history	32

I. INTRODUCTION

NOTE

Terms that are ***bold and italicized*** have specific definitions set forth in Annex A.

The Responsible Mica Initiative (RMI) and the Responsible Business Alliance's Responsible Minerals Initiative (RBA) encourage the responsible sourcing of ***minerals globally***, and, where relevant, sourcing from artisanal and small-scale mining (***ASM***) producers. To incentivize and improve supply chain on-site practices and due diligence in the mica value chain, ***RMI*** and ***RBA*** collaborated to issue these joint Assessment Criteria for mica processing companies. This document sets forth the criteria for determining conformance with ***RBA***, ***RMI*** program requirements which include environmental, social, health & safety, governance, and supply chain due diligence.

The Responsible Mica Initiative Rules of Governance & ***RMI*** Assessment Procedure for Mica Processors are the two reference documents describing application of the 'Global Workplace Responsible Sourcing, Environmental, Health & Safety, Due Diligence Standard for Mica Processors' for ***RMI*** members. This document replaces ***RMI*** Workplace Standards for Mica Processors initially developed in 2017.

The supply chain due diligence ***criteria*** follow the five-step framework for risk-based due diligence from the [OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High Risk Areas, Edition 3 \(OECD Guidance\)](#) and its Annex II risks. ***Companies*** are expected to undertake relevant steps of their due diligence process on a continual and on-going basis and these activities are expected to result in progressively improved understanding of supply chain ***risks***, ***risk*** management performance, and ***risk mitigation*** within reasonable timescales. ***Companies*** are expected to proactively carry out due diligence and to react to changes of circumstances and ***risks*** in the supply chain.

In accordance with the ***OECD Guidance***, this standard sets out steps to be taken to identify and address actual or potential risks in order to prevent or mitigate adverse impacts associated with processor activities or relationships, while recognizing that flexibility is needed in its application depending on individual circumstances and factors such as the size of the enterprise, the location of the activities, the situation in a particular country, the sector and nature of the products or services involved. ***Companies*** are expected to use good faith and reasonable efforts in their due diligence and are expected to adapt the nature and extent of their environmental, OHS, social, governance and due diligence systems to their individual circumstances.

The ***criteria*** in this document are used by an ***audit firm*** and their individual ***auditors*** to assess whether a ***processor*** has implemented supply chain due diligence adapted to the circumstances of its mica supply chain, as well as site-level responsible workplace standards. ***Processors*** may also use the criteria in developing their systems, processes, procedures and controls. The site-level workplace ***criteria*** incorporate five components on legal, environmental, OHS, social and governance requirements (collectively referred to as "environmental, social and governance" or "***ESG***") and responsibility. These ***criteria*** can be further specified or adapted, depending on the geographical and legal context of the assessed ***processor***. Where this standard conflicts or is not consistent with permitting and regulatory requirements at the national, regional, state and local levels, the ***processor*** is expected to comply with those legal requirements as a minimum. Furthermore, where a ***processor*** claims a particular issue or ***criterion*** does not apply to their specific circumstance, such claims will be evaluated and confirmed by ***auditors***.

RBA's Responsible Minerals Assurance Process (***RMAP***) utilizes independent third-party ***assessments*** of ***processor*** management systems and sourcing practices to validate conformance with RBA ***RMAP*** requirements. The ***criteria*** in this document form the basis of the independent third-party ***assessments*** to determine a ***processor's*** conformance in accordance with the International Organization for Standardization (ISO) 19011:2018 auditing standard. ***Companies*** can use the ***assessment*** results to support customer requests, meet regulatory requirements, inform sourcing practices and continually improve due diligence management systems.

RBA's RMAP follows the ISO 19011:2018 **audit** standard in conducting an independent third-party **assessment**. ISO 19011:2018 is issued by the International Organization for Standardization and provides guidance on auditing management systems, including the principles of auditing, managing an **audit** program and conducting management system **audits**, as well as guidance on the evaluation of competence of individual **auditors** involved in the **audit** process.

Auditors shall apply professional judgment and obtain reasonable assurance that evidence is sufficient and appropriate when conducting the **assessment**. In these **criteria**, the word 'must' is used where a matter is a requirement for achieving conformance to the **criteria**. The word 'must' is also used to indicate activities or tasks that are mandatory for an **auditor** to conduct as part of an **assessment** that meets the quality assurance requirements.

II. LIMITATIONS

These **criteria** cover certain ESG matters that **companies** may be faced with as part of their operations and responsible sourcing practices. However, these criteria are not exhaustive. A successful **assessment** must not be used to imply operating performance beyond the strict scope of these **Criteria**, does not result in a material certification, nor does it determine that **minerals**, **materials** or **products** are "conflict-free" or are free from ESG risks such as human rights abuses.

Assessment of information disclosure among supply chain actors, to **auditors**, other stakeholders and the public will take into account the protection of **business confidentiality and other competitive concerns**. This includes price information and supplier relationships.

III. ASSESSMENT SCOPE

A. COMPANIES/FACILITIES WITHIN THE SCOPE OF THE ASSESSMENT

ELIGIBILITY CRITERION

Companies with **facilities** that meet the definition of a **processor** are eligible to use these **criteria**. Where a **processor** or **facility** has more than one process, only those **mica**-related processes are included within the scope of the **assessment**. Mining operations, even where owned by the same company as the **processor**, are not in scope for this standard/assessment. A separate standard for mining will be developed.

All **processor** activities, processes and systems used to implement supply chain due diligence and manage operations regarding mica, including the management system, **operations/implementation**, and disclosure of information are in scope for the **assessment**.

Where a **processor** makes claims that receipts or operations are not covered by the **assessment** or out-of-scope for any step of due diligence, those claims must be verified.

B. MINERALS AND MATERIALS IN SCOPE

ELIGIBILITY CRITERION

All natural *mica minerals, products* and *materials*, physically received, held, and/or processed at an in-scope *processor* during the *assessment period*, regardless of *origin*, storage location and type, are included. Materials in inventory that have been physically received prior to the current audit period must be disclosed but such material is not subject to the determination of origin. Synthetic mica and *mica-containing products* are not included in the scope of this standard.

IV. CONFORMANCE CRITERIA OVERVIEW

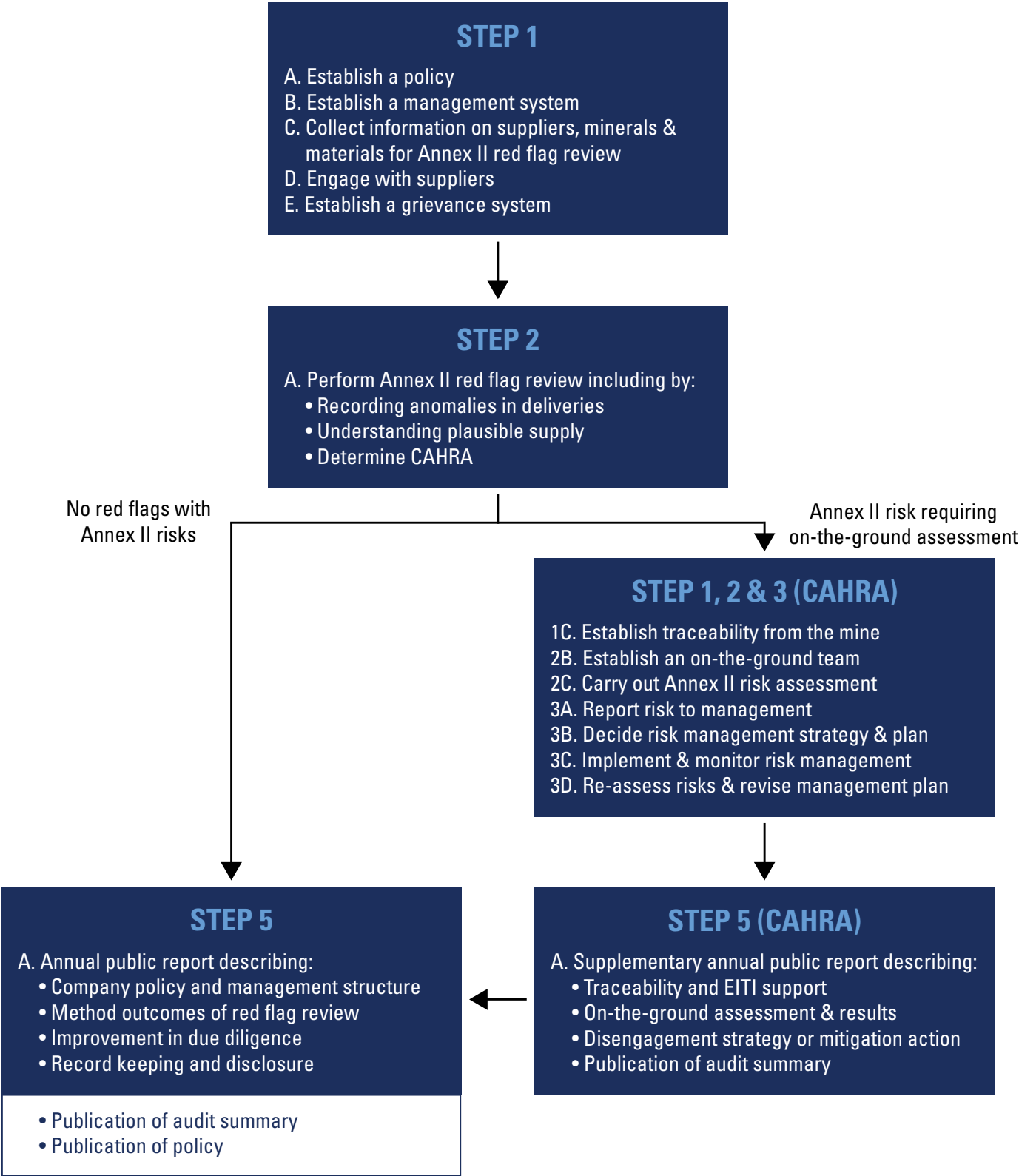
The environmental, social and governance (**ESG criteria**) (Sections V – VIII) reflect legal requirements and operating standards for *mica processors*. These criteria relate to operating conditions and procedures of the *processor's* own facility, equipment, systems and employees including those related to health & safety.

Conformance **criteria** in Section IX of this document consist of the **OECD Due Diligence Guidance** on the *processors'* supply chain of *mica* materials that are processed. For a summary of applicability of due diligence processes refer to Figure 1. Section IX relates to administrative operating procedures and practices of the *processor's* raw material procurement.

The OECD conformance **criteria** specify that steps to establish policies and management systems, conduct a **red flag review** based on the collection of relevant supply chain information, and report on due diligence shall be implemented by all **companies** that meet the definition of a *processor*, regardless of the source of their *minerals* (with the exception of synthetic mica). **Companies** processing *mica* from their own operations must take steps relevant to activities related to their own operations.

In instances where *minerals* are known or suspected to be from a **Conflict Affected or High-Risk Area (CAHRA)** or are associated with a **red flag**, steps to collect additional supply chain information, conduct an OECD **Annex II Risk Assessment**, establish an on the ground assessment team to assist in evaluating, reporting and managing identified **risks**, as well as undergoing an independent third-party **assessment** must be implemented or supported by the *processor*.

FIGURE 1: APPLICABILITY OF SUPPLY CHAIN DUE DILIGENCE (OECD) CONFORMANCE CRITERIA



V. ENVIRONMENTAL CRITERIA

Legal Compliance. The processor has

- Identified all applicable environmental permitting and regulatory requirements at the national, regional, state and local levels.
- Obtained all applicable environmental permits and authorizations.
- Maintained documentation to demonstrate on-going compliance with all applicable environmental permitting and regulatory requirements.
- Maintained documentation concerning any legal enforcement actions/lawsuits involving the processors and corrective actions/resolution of such actions.
- Where this standard conflicts or is not consistent with permitting and regulatory requirements at the national, regional, state and local levels, the processor complies with the legal requirements as a minimum.

Environmental Management. The processor has a formal and documented system for identifying and managing environmental issues and impacts at the operating site and ensuring personnel with environmental management responsibilities have/maintain relevant training and education related to their duties.

Technical Environmental Data and Supporting Information. Technical environmental information relied on by a processor must be produced through means that are credible, reliable and valid for the specific purpose. For example, engineering calculations must be performed by qualified engineers and laboratory analyses must be done by qualified labs. A processor's in-house laboratory may be acceptable if properly accredited by regulatory authorities and/or follows relevant analytical, QA/QC and equipment calibration procedures.

Air Emissions (other than GHG).

For fixed (stationary) emissions sources, the processor has

- Developed and documented an inventory of the emissions sources and types, including a baseline against which it measures reductions.
- Determined permitting and emissions controls requirements.
- Installed, operates and maintains emissions control equipment, and prohibits bypassing emissions control equipment in accordance with manufacturer specifications.
- Conducted and documented inspections and maintenance of the control equipment, including monitoring equipment calibration in accordance with manufacturer specifications.
- Developed a documented emissions reduction plan in relation to the baseline.

For mobile emissions sources owned or operated by the processor, the processor has

- Determined and uses the fuel type for each source in accordance with manufacturer specifications, including a baseline against which it measures reductions.
- Operated and maintains the equipment in accordance with manufacturer specifications and has not bypassed emissions control equipment.
- Developed a documented emissions reduction plan in relation to the baseline.

Greenhouse Gas (GHG) Emissions.

The processor has

- Determined which Scope (1 – direct emissions 2 – emissions from purchased energy, and/or 3 – emissions from suppliers) GHG emissions it includes in its program.
- Quantified and documented a CO₂ emissions baseline.
- Established reduction targets for the identified Scope(s).
- Disclosed CO₂ equivalent emissions in line with established international reporting protocols (e.g. Intergovernmental Panel on Climate Change or GHG Protocol).

Noise. The processor has

- Assessed/measured noise levels at the property boundary to determine potential impact to neighboring land uses, including a baseline against which it measures reductions.
- Implemented noise abatement controls in accordance with applicable requirements.
- Means in place to ensure noise standards are not exceeded as applicable to the appropriate area classification/type.
- Developed a documented noise reduction plan in relation to the baseline.

Energy Consumption. The processor has

- Means in place to measure its energy consumption, including a baseline against which it measures reductions.
- Identified, implemented and quantified energy efficiency improvements.
- Investigated opportunities for non-fossil fuel energy sources.
- Where possible, increased use of renewable energy to reduce total energy consumption and/or energy intensity.

Freshwater Management and Conservation. The processor has

- Conducted and documented an assessment of water use impacts.
- Obtained freshwater use or withdrawal authorization where necessary.
- Evaluated measures to ensure that water consumption does not restrict availability/access for other water users or reduce the range and populations of fauna and flora in the area of the site / facility.
- Evaluated opportunities to reduce freshwater use, including increasing water reuse/recycling where practical.
- Developed a documented water use reduction plan in relation to the baseline.

Wastewater Discharges. The processor has

- Developed a documented inventory of wastewater sources and types, including a baseline against which it measures reductions.
- Determined permitting, authorizations and wastewater discharge controls/treatment requirements.
- Installed, operates and maintains wastewater discharge control/treatment equipment in accordance with manufacturer specifications.
- Prohibited bypassing control/treatment equipment.
- Conducted and documented inspections and maintenance of the control/treatment equipment in accordance with manufacturer specifications, including monitoring and laboratory measurement equipment calibration.
- Developed a documented discharge reduction plan in relation to the baseline.

Soil Erosion Management. The processor

- Periodically evaluates erosion for its operations, especially when evaluating new construction or soil-disturbing work.
- Implements soil erosion controls where needed based on the site assessment and inspections.

Waste Management. The processor has

- Developed and documented an inventory of waste sources, types and current disposal/treatment locations and methods, including a baseline against which it measures reductions.
- Obtained waste management authorization or registrations where necessary.
- Evaluated a waste management system that includes a commitment to the 'waste hierarchy' and is applicable to all waste types (hazardous, non-hazardous and inert).
- Used authorized waste management vendors for waste transportation, treatment and disposal.
- Maintained documentation of all off-site waste management activities.

- Separated waste types during on-site accumulation, especially wastes that are incompatible (i.e., create a chemical reaction when mixed that result in heat, flame or gas).
- Stored wastes in containers that are in good condition, compatible with the wastes stored and labeled in the appropriate language(s) for the work force.
- Conducted and documented regular inspections of waste generation, accumulation and management areas.
- Minimized the amount of time waste is accumulated on-site before it is shipped to off-site treatment/disposal.
- Developed a documented waste reduction plan in relation to the baseline.

Biodiversity, Forests and Protected Areas. The processor

- Does not use, operate or encroach on protected areas such as forests, wildlife preserves/management areas, areas of cultural or historical significance.
- Maintains a buffer area between its operations and any protected areas/land to which it may be adjacent.
- Maintains a buffer area between its operations and any indigenous peoples' lands for settlements.
- Implements biodiversity restoration activities on abandoned lands.

Chemical/Fuel Storage Tanks/Containers. The processor

- Has an updated written inventory of all aboveground and underground storage tanks on site, including the operational status, chemical stored and indication of spill prevention mechanisms.
- Has an updated written inventory of all aboveground and underground storage containers (such as drums, totes, etc.) on site, including the operational status, chemical stored and indication of spill prevention mechanisms.
- Has labeled or marked tanks and containers with the contents, hazards and operational status (if out of service, empty or unused).

- Has procedures and/or engineering controls to prevent the overfill of tanks.
- Has procedures and/or engineering controls to capture and minimize the spread of any spills including from loading/unloading areas.
- Conducts routine formal and informal inspections of all tanks, associated piping, valves and flanges and alarms.
- Permanently disconnects and removes from service tanks that are no longer needed or intended to be used.
- Tanks that are temporarily out of service are blind-flanged or disconnected from service piping.

VI. OCCUPATIONAL HEALTH AND SAFETY CRITERIA

Legal Compliance. The processor has

- Identified all applicable OHS requirements at the national, regional, state and local levels based on the number of workers at the site.
- Obtained all applicable OHS permits and authorizations.
- Maintained OHS documentation to demonstrate on-going compliance with all applicable permitting and regulatory requirements.
- Maintained documentation concerning any legal enforcement actions/lawsuits involving the processors and corrective actions/resolution of such actions.
- Where this standard conflicts or is not consistent with permitting and regulatory requirements at the national, regional, state and local levels, the processor complies with the legal requirements as a minimum.

Occupational Health and Safety Management. The processor has

- A formal and documented system for identifying, managing and reducing OHS hazards at the operating site.
- A properly-qualified nurse or doctor covering all operating shifts where required by law.
- Employee rest areas where required by law.
- A Health and Safety Committee, comprised of management representatives and workers. Unless otherwise specified by law, at least one worker member(s) on the Committee shall be by recognized trade union(s) representative(s), if they choose to serve. In cases where the union(s) does not appoint a representative or the organization is not unionized, workers shall appoint a representative(s) as they deem appropriate. Its decisions shall be effectively communicated to all personnel. The Committee shall be trained and retrained periodically in order to be competently committed to continually improving the health and safety conditions in the workplace. It shall conduct formal, periodic occupational health and safety risk assessments to identify and then address current and potential health and safety hazards. Records of these assessments and corrective and preventive actions taken shall be kept.
- A process to ensure personnel with OHS management responsibilities have/maintain relevant training and education related to their duties.

Hazard Identification. The processor has identified and documented the OHS exposures – including industrial hygiene - to employees, contractors and visitors appropriate for the task, activities or purpose of the individual. Hazards may include:

- Chemical,
- Biological,
- Physical,
- Electrical,
- Fire,
- Environmental (temperature, lighting, ventilation).

Technical OHS Data and Supporting Information.

Technical OHS information relied on by a processor must be produced through means that are credible, reliable and valid for the specific purpose. For example, engineering calculations must be performed by qualified engineers, laboratory analyses must be done by qualified labs and medical assessments must be performed by qualified medical professionals.

Personal Protective Equipment (PPE). Based on the job safety assessments and hazard identification, the processor

- Makes appropriate PPE available to employees, contractors and visitors at no cost.
- Ensures inventories of PPE are adequate.
- Ensures PPE is stored in sanitary conditions.
- Trains employees, contractors and visitors on proper use and fit of PPE as appropriate to their function in the workplace.
- Monitors proper use of PPE by employees, contractors and visitors.

Emergency Response/Egress. The processor

- Has a documented evaluation of the site/operations for emergency response/egress needs.
- Has emergency exits that are appropriate in number, location, adequacy.
- Ensures emergency exits are maintained in an unlocked, operating and unobstructed condition.
- Ensures emergency pathway lighting and signage are adequate, tested, operating and in the appropriate language(s) for the work force.
- Trains employees, contractors and visitors on emergency response and egress requirements, including conducting drills.
- Has established and documented arrangements in place with emergency response authorities such as fire responders, law enforcement and hospitals/doctors.

Fire safety. The processor has

- Established and maintains a fire safety committee.
- Conducted and documented a fire safety evaluation.
- Installed sprinklers/fire extinguishers with signage in the appropriate language(s) for the work force in the whole facility, including but not limited to offices, producing areas, accommodation.
- Implemented an inspection, testing and maintenance program for fire safety equipment.
- Repaired or replaced fire safety equipment in a timely manner.
- Correctly installed all fire safety equipment, including sprinklers/fire extinguishers, hose reels, extraction fans, alarms/detectors, etc.
- Implemented a hot work program.
- Segregated combustible and explosive materials from sources of potential heat, sparks, ignition or chemical reaction.
- Ensured that firefighting equipment is unlocked and access is not blocked.
- Trained employees, contractors and visitors on fire safety as appropriate to their function in the workplace.

Electrical Safety. The processor ensures

- All electrical junctions, boxes and breakers are closed and labeled in the appropriate language(s) for the work force.
- Electrical cords are in good condition without temporary repairs.
- No exposed/bare wiring or other electrical conductors are allowed or exist.
- No informal or unauthorized electrical connections are allowed or exist.
- Electricians are properly trained and provided with proper electrical safety and testing gear.
- Wiring/equipment in wet areas are suitable for that service.
- Electrical safety inspections are conducted and documented on a regular basis.

Equipment Safety (Lock Out-Tag Out, Machine Guarding, etc.). The processor has developed, documented and implemented an energy control (lock-out/tag-out) program. The program includes

- Documented evaluation and consideration of all applicable forms of energy on-site – electrical, pneumatic, hydraulic, kinetic, etc.
- Proper lock-out/tag-out tools, equipment, locks and tags in the appropriate language(s) for the work force.
- Employee, contractor and visitor training.
- Evaluation and documentation of machine guarding needs and types.
- Deployment of machine guarding equipment and signage in the appropriate language(s) for the work force.
- Ongoing documented inspections and monitoring of lock-out/tag-out activities and machine guarding condition and effectiveness.

Vehicle/Powered Equipment Safety. The processor has developed a vehicle/powered equipment safety program for all powered vehicles/equipment used on-site. This includes

- Documented pre-use inspections.
- Requirement to use seat belts.
- Prohibition on use of cell phones while operating vehicles/powered equipment.
- Presence of backup alarms and other warning systems.
- Protection of drivers from overhead falling objects.
- Employee, contractor and visitor training as appropriate to their function in the workplace.
- A requirement that only employees and contractors specifically trained in a particular vehicle/powered equipment use/operation can operate vehicles/powered equipment.

Hand Tool Safety. The processor

- Maintains hand tools in good condition (handles stable, no damage or cracks, etc.).
- Maintains electrical tools in good condition (cords, guards in place, handles/blades/wheels/etc. not damaged, etc.).
- Conducts on-going documented inspections and monitoring of hand tool condition.

Confined Space Safety. The processor has

- Identified and maintains a documented inventory of confined spaces.
- Labeled confined spaces in the appropriate language(s) for the work force.
- Formally developed and documented confined space entry requirements.
- PPE available appropriate for confined space entry and rescue.
- Implements monitoring and rescue provisions.

Hot Work. The processor has developed a documented hot work management program including properly identifying hot work activities, separation of hot work areas and conducting fire watches.

Structural Safety (mines, pits, shafts, buildings, structures, walkways, etc.). The processor has

- Documented an evaluation of structural safety of roads, bridges, mines, operating locations and support locations, buildings, dormitories, etc. owned or operated by the processor.
- Implemented a program for documented on-going inspections of conditions or events that may impact structural integrity or safety of the operations/site.
- Taken corrective actions for identified deficiencies.

Walking/Working Surfaces: The processor

- Implements an inspection and corrective action program for ladders, stairs, railings, platforms and walkways.
- Removes damaged equipment from service until repairs are complete or replacements are placed into service.
- Evaluates and marks working surface load capacities especially for elevated/suspended surfaces like mezzanines, attics, platforms and catwalks.
- Maintains walkways and work areas free of slip and trip hazards and obstacles.
- Maintains work stations/work areas free of hazards that create slip and trip hazards or other risk of injuries.

Materials Handling Safety. The processor has implemented a program for material handling safety that includes operation, documented inspections and maintenance of

- Hoists/cranes,
- Slings/straps,
- Storage racks.

Chemical Safety. The processor has implemented a documented program for chemical safety that includes

- Maintaining an updated inventory of chemicals used in all buildings and areas of the operation, including a baseline against which it measures reductions,
- Availability of chemical safety information in the language(s) of the workers,
- Employee training as appropriate to their function in the workplace,
- Identification and separation of incompatible chemicals in the language(s) of the workers,
- Container labeling in the appropriate language(s) for the work force,
- Developed a documented chemical use reduction plan in relation to the baseline.

Working at Heights. The processor has implemented a documented program for working safely at heights that includes

- Employee, contractor and visitor training as appropriate to their function in the workplace,
- Minimizing the distance and consequences of a fall by using fall arrest or prevention equipment where the hazard cannot be eliminated,
- Ensuring equipment is suitable, stable and appropriate for the job,
- Conducted and documented engineering analyses for fall protection/prevention equipment tie-off points,
- Regular documented inspections of fall protection/prevention equipment for damage, correct use and expiration,
- Providing protection from falling objects,
- Preventing the storage of hazardous materials on rooftops.

First aid. The processor

- Has basic first aid capabilities, equipment and supplies.
- Documents regular inspections, tests and refills of first aid equipment and supplies.
- Provides basic first aid training for employees.

Employee Safety Training. The processor has developed and implemented a documented comprehensive safety training program that

- Includes general site safety and job-specific requirements.
- Is given in the language(s) of the workers.
- Requires periodic refresher training in the appropriate language(s) for the work force.
- Ensures new employees are trained before being allowed to undertake any activities requiring training.
- Ensures that employees changing jobs are trained before being allowed to undertake any activities requiring training.
- Monitors or confirms the effectiveness of the training.

Safety/Warning Signs (equipment, electrical, pedestrian walkways, vehicular traffic, chemical storage/use, PPE requirements, emergency egress, safety/emergency equipment, etc.). The processor has safety and warning signage/labels throughout the site. The signs/labels are:

- In the language(s) of the workers,
- Legible,
- Maintained in good condition,
- Up to date.

Lighting. The processor maintains adequate lighting in work areas and ensures that lighting changes are made in conjunction with changes in uses of work areas where appropriate.

Incident Reporting and Management. The processor

- Has a documented formal incident reporting procedure that includes actual incidents and near misses.
- Supports interdepartmental communications to further identify and understand incidents and near misses.
- Encourages employees to report all incidents and does not create an environment where employees are disincentivized to report incidents or near-misses.
- Conducts formal reviews and, where appropriate, investigations on reported incidents
- Has a return-to-work program for injured employees that may include restricted duty until recovery is complete and the employee receives medical clearance to return to their original duties.
- Allows personnel to remove themselves from imminent serious danger without seeking permission from the organization.

Sanitary Living and Working Conditions. The processor maintains

- Sanitary housekeeping and provides clean drinking water and restroom facilities,
- Sanitary conditions for canteens, cafeterias, creche facilities, dormitories, or any other relevant worker support facilities,
- Separate restroom facilities for men and women,
- Adequate ventilation in all processing areas, canteens, offices, restrooms, dormitories and other enclosed areas,
- Dormitories/accommodation areas separate from areas used for operations, production and materials/chemical storage,
- Inspections of these areas to ensure sanitary/hygienic conditions are maintained.

Disease Prevention and Management. The processor has developed and implemented a procedure to prevent the introduction and spread of transmissible diseases in the workplace that includes

- Employee, contractor and visitor training as appropriate to their function in the workplace,
- Testing/monitoring for the presence of transmissible diseases,
- Providing for physical separation or distancing of workers,
- Providing appropriate medical care for infected workers,
- Providing appropriate PPE and washing/disinfection facilities to workers and visitors to prevent introduction and spread of transmissible diseases in the workplace.

VII. SOCIAL CRITERIA

Legal Compliance. The processor has identified the legal compliance requirements related to labor, worker and social matters/impacts, and operates in accordance with those requirements, such as

- Identified all applicable worker registration requirements at the national, regional, state and local levels,
- Obtained all applicable authorizations,
- Maintained documentation to demonstrate on-going compliance with all applicable authorizations and regulatory requirements,
- Maintained documentation concerning any legal enforcement actions/lawsuits involving the processors and corrective actions/resolution of such actions.
- Where this standard conflicts or is not consistent with permitting and regulatory requirements at the national, regional, state and local levels, the processor complies with the legal requirements as a minimum.

Stakeholder Engagement. The processor has carried out stakeholder mapping, implemented an engagement plan, and established a grievance mechanism and takes measures to address identified issues.

Child Labor. The processor has

- A documented policy banning the use of child labor, including the Worst Forms of Child Labor.
- Implemented the more stringent of either
 - (a) national, subnational or local legal requirements for child and juvenile/adolescent labor, OR
 - (b) a management system that prevents the employment of children under the age of 15, prevents the worst forms of child labor, and prevents the exposure of employees under the age of 18 to hazardous work in line with ILO Conventions No. 138 and No. 182.

- Established, documented, maintained and effectively communicated to personnel and other interested parties, written policies and procedures for remediation of child laborers, and provides adequate financial and other support to enable such children to attend and remain in school.
- Procedures in place where young workers (aged 15 – 17) are subject to compulsory education laws, they work only outside of school hours. Under no circumstances shall any young worker's school, work and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours.

Forced/Bonded Labor. The processor has implemented a management system that prevents the use of any forms of forced labor and participation in acts of human trafficking in line with ILO Conventions No. 29 and No. 105.

- The processor has a documented policy prohibiting forced, bonded (including debt bondage) or indentured labor; involuntary or exploitative prison labor; slavery or trafficking of persons in recruiting and employment practices.
- Workers must not be required to pay employers', agents' or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees must be repaid to the worker.
- Contract terms related to employment are provided in writing in the employee's native language.
- Workers must be provided a copy of their contract prior to leaving their country of origin. No substitution or change(s) shall be allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.
- All work must be voluntary, and workers must be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract

- Government issued identification and personal documentation originals are not held by the employer/labor agent/contractor. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents.
- There are no unreasonable restrictions on the movement of workers and the access to basic liberties.

Entitlement to work. The processor

- Ensures all workers have the right to work.
- Has developed and implements policies to monitor if all workers have the right to work.
- Keeps a record of documentation on legal right to work.

Hiring. The processor ensures that all workers are provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.

Use of Labor Providers/Agencies. The processor

- Uses only registered/authorized labor providers/agencies.
- Has systems to monitor labor providers/agencies.
- Ensures no fees charged to workers by the providers/agencies exceed legal limits.
- Ensures that workers do not pay deposits to providers/agencies.
- Ensures that workers are not charged fees for food, clothing, transportation, health checks, work documentation and / or supplies as part of their recruitment.

Subcontracting. The processor

- Has developed and implements a policy to monitor subcontractors where it is a client requirement.
- Has informed its client when manufacturing is not taking place at his own site.
- Ensures his subcontractors have the legal right to work.
- Ensures there is no substantial evidence of forced / bonded / trafficked / prison labor at subcontractor level.
- Ensures there is no substantial evidence of child / underage labor at subcontractor level.

Freedom of Association and Collective Bargaining.

The processor

- Has a documented policy concerning employees' rights to freedom of association and to collective bargaining.
- Respects employees' rights to freedom of association and to collective bargaining in line with ILO Conventions No. 87 and No. 98, participates in collective bargaining processes in good faith and does not obstruct alternative means of association where there are legal restrictions. In the absence of formal collective bargaining, worker committees should be permitted to discuss workplace issues.
- Ensures union members, representatives of workers and any personnel engaged in organizing workers are not subjected to discrimination, harassment, intimidation or retaliation for being union members, representative(s) of workers or engaged in organizing workers, and that such representatives have access to their members in the workplace.

Discrimination. The processor

- Has a documented policy concerning fair treatment and payment of all workers.
- Has a documented policy banning discrimination and harassment of workers, including for example (this list is not exhaustive):
 - sexual harassment/abuse,
 - corporal punishment,
 - mental or physical coercion,
 - verbal abuse,
 - discrimination in hiring,
 - remuneration,
 - access to training, promotion, termination or retirement.
- Maintains records of worker reports of harassment, disciplinary actions, associated investigations and corrective actions.
- Provides training to employees on harassment.

Harassment. The processor

- Prevents and addresses all forms of harassment and discrimination in the workplace in line with ILO Conventions No. 100 and No. 111, including for example (this list is not exhaustive):
 - race, national or territorial or social origin,
 - caste, birth,
 - religion,
 - disability,
 - gender,
 - sexual orientation,
 - family responsibilities,
 - marital status,
 - union membership,
 - political opinions,
 - age, or
 - any other condition that could give rise to discrimination.
- Ensures personnel are not subject to pregnancy or virginity tests under any circumstances.

- Maintains records of worker reports of discrimination/harassment, disciplinary actions, associated investigations and corrective actions.
- Provides training to employees on discrimination/harassment.

Lay-off. The processor

- Ensures any employee who has been in a continuous service for a year should not be laid off until he has been given a month's notice in writing, indicating reasons, unless he has been paid wages for the period, in lieu of such notice.
- Ensures that, in an ordinary lay-off, the last person to be employed in a category of worker is laid-off first. If not so, the employer records the reasons for the same.
- Ensures that, in case of closing of a factory due to economic bankruptcy, an alternative employment needs to be arranged with same remuneration on same terms and conditions, if notice or compensation isn't provided.

Gender Equality. The processor

- Has a documented policy concerning gender equality in the workplace.
- Continually assesses and monitors gender equality in the workplace.

Working Hours. The processor

- Has a documented policy concerning working hours, overtime and mandated leave.
- Keeps employees' total regular and overtime working hours to 60 hours per week unless defined otherwise by applicable law or a collective bargaining agreement.
- Ensures overtime is voluntary.
- Ensures that, when overtime work is needed in order to meet short-term business demand, such overtime work is managed in accordance with a freely negotiated collective bargaining agreement representing a significant portion of its workforce.
- Provides one rest day in seven and annual leave.

- Provides annual and mandated leave in compliance with national and local laws.
- Maintains records of employee work hours, overtime and leave.

Remuneration/compensation. The processor

- Has a documented policy concerning minimum wages, overtime, severance and benefits.
- Does not engage in labor practices that reduce workers' wages or benefits or result in employment situations such as labor-only contracting arrangements, consecutive short-term contracts, use of temporary workers for more than six months and/or false apprenticeship or similar schemes that avoid a country's labor and social security requirements.
- Pays wages that equal or exceed the national minimum wage with a plan to identify and meet the appropriate industry wage (if higher) and exceed a **local fair wage**.
- Pays appropriate overtime/nightshift wages, paid leave (including maternity leave), social security, compensation for injuries/death, and provides other benefits such as those related to years of service, seniority, performance, etc.
- Does not deduct or reduce wages for disciplinary purposes.
- Pays government or regulatory deductions on time.
- Does not make deductions from worker pay for staying employed.
- Ensures workers are not required to sign up for accommodation rental exceeding period of employment or require excessive deposits with financial penalties for leaving early employment or accommodation.
- Maintains records of timely payment of wages, severance and benefits to workers.
- Provides pay slips to workers in a language they understand and to include a detailed account of all deductions.
- Ensures wages are paid only to the employee, including bank accounts controlled by the employee.

- Ensures none of worker pay is withheld for any reason that is not allowed by law or union/collective bargaining agreement.
- Ensures that workers are not required to pay deposits to access their documents or take vacation/leave.
- Does not charge rents for accommodation that are in excess of local norms/market conditions.
- Only maintains one set of books/records that accurately reflect worker compensation.

Grievance mechanism. The processor has

- A grievance mechanism accessible to all employees, anonymously.
- A “no retaliation” policy that prohibits disciplining, dismissing or otherwise discriminating against any personnel or interested party for providing information on this standard compliance or for making other workplace complaints
- Procedures for investigating, following up on and communicating the outcome of complaints concerning the workplace or of its implementing policies and procedures. These results are freely available to all personnel and, upon request, to interested parties.

Community Health and Safety. The processor monitors, avoids, minimizes, reduces and compensates for adverse impacts on health and safety of the communities surrounding processing sites.

Community Development. The processor has identified community needs in consultation with affected communities, developed a plan, and committed resources to support community development.

Artisanal and Small-Scale Mining. When engaging with artisanal and small-scale miners (ASM), the processor facilitates their formalization and improvement of their environmental and social practices, where there are known to be legitimate ASM in the sphere of influence of the site / facility.

Human Rights. The processor

- Has a documented policy concerning respecting human rights.
- Implements the UN Guiding Principles on Business and Human Rights including human rights due diligence.
- Makes reasonable accommodation for worker religious practices.

Security and Human Rights. The processor

- Has a documented policy concerning workplace security and its impact on worker human rights.
- Implements the Voluntary Principles on Security and Human Rights (VP on SHR) when engaging with private or public security forces.
- Continually assesses and monitors human rights conformance in the workplace.

Rights of under-privileged communities, including Indigenous Peoples’ and ethnic minorities. The processor

- Has a documented policy concerning right and Free Prior and Informed Consent (FPIC) of under-privileged communities.
- Respects the rights of and FPIC of under-privileged communities.
- Avoids adverse impacts on under-privileged communities’ lands, livelihoods, resources, and cultural heritage.
- Has developed and implemented an under-privileged communities engagement plan in order to contribute to their empowerment.

Land Acquisition and Resettlement. Where land acquisition or resettlement is necessary, the processor

- Has a documented policy concerning land acquisition and resettlement.
- Explores all viable alternative project designs to avoid and/or minimize land acquisition and physical or economic displacement.
- Implements a resettlement action plan to fairly address and compensate for residual adverse impacts.

Cultural Heritage. The processor

- Has a documented policy concerning cultural heritage sites.
- Has identified cultural heritage sites in the area of the processors.
- Based on consultation with stakeholders, avoids, minimizes, reduces and compensates for adverse impacts on cultural heritage.

VIII. GOVERNANCE CRITERIA

Legal Compliance. The processor has

- Identified the legal compliance requirements related to operating the business, and operates in accordance with those requirements, including avoiding doing business with sanctioned entities and ensuring payment of taxes.
- Obtained all applicable authorizations.
- Maintained documentation to demonstrate on-going compliance with all applicable authorizations and regulatory requirements.
- Maintained documentation concerning any legal enforcement actions/lawsuits involving the processors and corrective actions/resolution of such actions.
- Where this standard conflicts or is not consistent with permitting and regulatory requirements at the national, regional, state and local levels, the processor complies with the legal requirements as a minimum.

Processor Policies and Procedures.

The processor has

- Developed, communicated and enforced documented policies on the processor's expectations and requirements for environmental management, occupational health and safety, social responsibility and corporate governance.
- Operating procedures in place to support the policies.
- A process to ensure personnel with responsibilities for policy/procedure implementation have/maintain relevant training and education related to their duties.

Business Integrity. The processor prohibits and prevents bribery (including facilitation payments), corruption and anti-competitive behavior.

This includes

- Formally establishing responsibility for business ethics management to someone in the company,
- Employee, contractor and visitor training as appropriate to their function in the workplace,
- Fraud and collusion identification and management systems,
- Giving, offering or accepting gifts, offers of employment or contracts or anything of value, whether directly or indirectly through third parties or family members,
- Internal employee whistleblower process,
- Whistleblower protections,
- Ongoing monitoring and enforcement,
- Misuse and security of confidential data.

Stakeholder Engagement. The processor carries out documented stakeholder mapping, implements an engagement plan, and has established a grievance mechanism that is accessible to stakeholders.

Business Relationships. The processor promotes responsible business practices with significant business partners, including suppliers. This includes

- conducting due diligence on business partners,
- assessing potential new business relationships,
- periodically reviewing existing relationships to evaluate changes,
- promoting transparency,
- favoring mid-term commercial relationships.

Where the processor receives, handles or promotes goods and/or services from suppliers /subcontractors or sub-suppliers who are classified as home workers, the processor ensures that such home workers are afforded a level of protection substantially equivalent to other workers.

Management Responsibility and Accountability.

The processor has

- Established formal documented management responsibility and accountability for implementation of due diligence, health, safety, social and environmental management.
- Demonstrated management accountability and implementation through actions of monitoring and enforcing due diligence, health safety, social and environmental management requirements.
- Made available training programs to workers on processor requirements, expectations and effective implementation on due diligence, health, safety, environmental management, social responsibility, grievance mechanisms and business ethics.
- Implemented processes for root cause investigations for complaints, grievances, or incidents.
- Made resources available for such investigations, corrective/preventive actions and implementation, and maintains records of the results.
- Disciplinary policies communicated and procedures in place for staff, contractor and supplier nonconformance to legal or contract requirements.
- A process of monitoring disciplinary actions taken against staff, contractors and suppliers.

Transparency and Disclosure. The processor reports no less than biennially (every two years) on workplace environmental, health, safety, social and governance performance in line with internationally recognized standards (e.g. GRI) and to publicly support the implementation of EITI, and report where practical or integrate that information into sustainability, corporate responsibility or due diligence reports where the processor publishes one.

Management/Executive Compensation and Incentives. The processor has aligned compensation and incentives with its requirements on due diligence, safety, social and environmental management.

IX. SUPPLY CHAIN DUE DILIGENCE

A. STEP 1 – ESTABLISH STRONG PROCESSOR MANAGEMENT SYSTEMS

OECD STEP 1 GUIDANCE REFERENCE:

Companies should:

- A. Adopt and publish a supply chain policy for mica
- B. Structure internal management to support supply chain due diligence.
- C. Establish a system of controls and transparency over the mica supply chain.
- D. Strengthen processor engagement with suppliers.
- E. Establish a processor-level grievance mechanism.

Management systems that address the environmental, safety, social and governance criteria above may also cover the Supply Chain Due Diligence criteria for suppliers.

OECD Step 1A - Adopt and commit to a supply chain policy for mica: A **processor** must have a policy, applicable to itself and its suppliers, which demonstrates that it is familiar with, and committed to, performing OECD-conforming supply chain due diligence on **risks** described in **Annex II** (see Box 1). A policy may be developed at a processor or group level that covers all **facilities** or at a **facility** level. The policy must also describe due diligence management processes to be used by the **processor** to assess itself and its suppliers' activities.

A **processor** must:

1. Adopt a written supply chain policy or supplier code of conduct.
2. Include in the policy the standards against which the **processor** will make assessments of itself and its suppliers' activities.
3. Ensure the policy and standards are consistent with those in the **Annex II** model supply chain policy or equivalent, including timescales for disengagement or progressive improvement through mitigation.
4. Include in the policy a description of the management process for identifying and managing **risks**.
5. Include in the policy a commitment to the due diligence steps relevant to its supply chain and operations.

OECD Step 1B – Structure internal management to support supply chain due diligence: A **processor** must have a system in place which assigns responsibility for each relevant aspect of the **processor's** due diligence management process to identified and accountable staff. The nominated staff must be competent and have authority and resources to implement the process, which must include organizational structures that ensure communication to employees and suppliers.

A **processor** must:

1. Assign responsibility for each part of the due diligence management process to appropriate staff
2. Provide authority to staff at a senior level to oversee due diligence
3. Ensure responsible employees have sufficient knowledge and experience of due diligence
4. Allocate resources and staff for due diligence operation and monitoring
5. Implement communication processes to ensure that **critical information** – including the **processor** supply chain policy, management processes and information on **risks** – reaches relevant employees and suppliers, and
6. Put in place accountability for employees expected to perform due diligence.

BOX 1. RISKS INCLUDED IN THE OECD GUIDANCE ANNEX II MODEL SUPPLY CHAIN POLICY.

- Serious abuses associated with the extraction, **transport** or trade of **minerals**:
 - Any forms of torture, cruel, inhuman and degrading treatment;
 - Any forms of forced or compulsory labor;
 - The **worst forms of child labor**;¹
 - Other gross human rights violations and abuses such as widespread sexual violence;
 - War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
- Direct or indirect support to non-state armed groups.²
 - For example, financial or logistical support to non-state armed groups who illegally control, tax or extort benefits at mines, trading points, **transportation** routes or supply chain actors.
- Direct or indirect support to public or private security forces.
- Bribery and fraudulent misrepresentation of the origin of **minerals**.
- Money laundering.
- Non-payment of taxes, fees and royalties to governments

Immediate action is expected when *risks* relating to serious human rights abuses and non-state armed groups are identified. Mitigation may be pursued while maintaining the business relationship with the aim of achieving significant measurable improvement within six months. Upon failure of mitigation, a temporary or permanent disengagement is expected.³

1 See ILO Convention No. 182 on the Worst Forms of Child Labour (1999).

2 To identify non-state armed groups, companies should refer to relevant UN Security Council resolutions.

3 The processor may take decisions regarding risk mitigation strategy, disengagement, suspension or mitigation according to their own circumstances.

OECD Step 1C – Establish a system of controls and transparency over the mica supply chain: The processor must have a system in place which enables them to identify upstream actors in the supply chain to the extent necessary to allow a red flag review of mica and suppliers in Step 2A.

A **processor** must obtain and retain information for **red flag review**.

OECD Step 1D – Strengthen processor engagement with suppliers: The **processor** must aim to establish positive long-term relationships with their **immediate suppliers** in order to increase influence or cooperation of the due diligence performance of those suppliers. The **processor** must also communicate requirements to **immediate suppliers**, help build their capabilities, and consider measuring improvement over time.

A **processor** must:

1. Establish, where practicable, long-term relationships with suppliers.
2. Confirm that suppliers commit to a supply chain policy consistent with **Annex II** and the **OECD Guidance**.
3. Communicate to suppliers their expectations on responsible supply chains of **mica**.
4. Incorporate the processor's supply chain policy and due diligence management processes into commercial contracts and/or written agreements with suppliers, including the right to conduct unannounced spot-checks on suppliers and have access to their documentation.
5. Consider ways the **processor** can support and build capabilities of suppliers to improve performance and conform to **processor** supply chain policy, especially if carrying out Step 3 **risk mitigation**.
6. Design measurable improvement plans with suppliers, with the involvement, if relevant and where appropriate, of local and central governments, international organizations and civil society when pursuing Step 3 **risk mitigation**.

OECD Step 1E – Establish Processor Level Grievance System: The **processor** must:

1. Have a mechanism allowing any interested party, including whistle-blowers, to voice concerns regarding the circumstances of extraction, trade and handling of **mica** in order to alert the **processor** to possible **risks**. The mechanism may be provided through collaborative arrangements with other **companies**, or by facilitating recourse to an external expert or body, such as an ombudsman.

B. STEP 2 – IDENTIFY AND ASSESS RISKS IN THE SUPPLY CHAIN

OECD STEP 2 GUIDANCE REFERENCE:

Companies should identify and assess **risks** on the circumstances of extraction, trading, handling and export of **mica**

- A. Identify the scope of the **risk assessment** of the mica supply chain
- B. Map the factual circumstances of the processor's supply chains, underway and planned
- C. Assess **risks** in the supply chain

OECD Step 2A – Identify the Scope of the Risk Assessment of the Mica Supply Chain: A **processor** must review relevant information generated from Step 1 to conduct a **red flag review** of locations of **mica origin** and **transit**, and supplier red-flags (See Box 2) in order to determine the need for **Annex II risk assessment**. The **processor** must ensure that the scope of risk identification and **risk assessment** extends to all **risks** set out in **Annex II** and the recommendations in the **OECD Guidance**.

BOX 2. OECD RED FLAGS

Red flag locations of mica origin and transit:

- The **mica** originates from or has been **transported** via a **CAHRA** or a country where no regulations on responsible mining, child labor, or treatment of workers exist, or are not enforced.
- The **mica** is claimed to originate from a country that has limited known reserves, likely resources or expected production levels of mica (i.e. the declared volumes of **mica** from that country are out of keeping with its known reserves or expected production levels).
- The **mica** is claimed to originate from a country in which mica from a **CAHRA** or a country where no regulations on responsible mining, child labor, or treatment of workers exist, or are not enforced are known to **transit**.

Supplier red flags:

- The **processors'** suppliers or other known **upstream companies** have shareholder or other interests in **companies** that supply **mica** from or operate in a **red flag location** of mica **origin** and **transit**.
- The **processors'** suppliers' or other known **upstream companies** are known to have sourced **mica** from a **red flag location** of **origin** and **transit** in the last 12 months.
- The **processors'** suppliers are known to have mines or operations in, or source from, a country where no regulations on responsible mining, child labor, or treatment of workers exist, or are not enforced

1. As part of the **red flag review** the **processor** must also review information received according to Step 1C on all other **mica** for discrepancies or inconsistencies and record their determination of **receipts** as follows:

2.1 **Byproducts** and their associated **risks** from the point of separation.

2.2 **Materials** from traders, mine owners, individual or groups of collectors and evidence of third party **assessment** of that **processor** and whether **mica** processed by those suppliers is from **CAHRAs**, and information and actions equivalent to these full relevant **criteria**

2.3 **Materials** from traders, mine owners, individual or groups of collectors and evidence of third party **assessment** of that **processor** and whether **mica** processed by those suppliers is from a country where no regulations on responsible mining, child labor, or treatment of workers exist, or are not enforced, and information and actions equivalent to these full relevant **criteria**

Secondary materials verified to be out of scope. In performing the **red flag review** the **processor** must make a reasonable assessment of anomalies and likely risks and explain the findings which may conclude the outcome of the **red flag review** to be:

- Red flag locations or suppliers are not identified and no **Annex II risk assessment** is required;
- **Red flag locations or suppliers** are identified but **Annex II risk assessment** is not justified as the review does not indicate a significant probability that the source of **mica** is a **red flag** and this can be reasonably confirmed without on-the-ground investigation;
- **Red flag locations or suppliers** are identified and **Annex II risk assessment** is necessary as the level of **risk** is unclear or the review indicates that:
 - The mica originates from a country, region or state where no regulations exist or are not enforced on mining, collection or processing of mica,
 - The mica originates from a country, region or state where no regulations exist or are not enforced on responsible mining, child labor, or treatment of workers exist,
 - The source of **mica** is a **CAHRA**, or suspected to be a **CAHRA** rather than the stated **origin**;
 - The supplier has trading activities relating to a **CAHRA** that could impact **risks** for **mica** declared to be from non-**CAHRA** sources.

C. STEP 3 – DESIGN AND IMPLEMENT A STRATEGY TO RESPOND TO IDENTIFIED RISKS

(Where *red flag review* confirms the need for Annex II *risk assessment on mica*) criteria for suppliers.

OECD STEP 3 GUIDANCE REFERENCE:

Companies should:

- A. Report findings to designated senior management.
- B. Devise and adopt a **risk management plan**.
- C. Implement the **risk management plan**, monitor and track performance of **risk mitigation** efforts and report back to the designated senior management of the **company** and consider suspending or discontinuing engagement with a supplier after failed attempts at mitigation.
- D. Undertake additional fact and **risk assessments** for **risks** requiring mitigation or after a change of circumstances.
- E. Request and support implementation of workplace standards for mica mines or mica collection (including legal, economic, OHS, environmental and social criteria).

OECD Step 3A – Report findings to designated senior management. The **processor** must ensure that all **risks** identified during Step 2 are reported to a senior manager with designated responsibility for due diligence.

A **processor** must:

2. Have and implement a process to ensure that on an ongoing basis, an outline of information gathered and the actual and potential risks identified in the supply chain **risk assessment** are reported to senior management with designated responsibility for due diligence.

OECD Step 3B – Devise and adopt a risk management plan. The **processor** must develop a plan to manage identified **risks** taking into account the options of continuing trade, suspending trade while managing **risks**, or disengaging from trade if **risks** are not manageable. The **processor** should deter-

mine a **risk management** strategy appropriate for their own circumstances by reviewing their supply chain policy. If the **processor** is not disengaging then it must constructively maintain a **risk management plan** explaining possible processor strategies in response to risks which include: engage with stakeholders to promote progressive improvement to eliminate negative impacts over a reasonable timescale. This must include consulting with affected suppliers, local authorities, civil society and third parties and providing them with **assessments** and plans for discussion. The **processor** must ensure that the plan for **risk mitigation** has actions from which the outcomes are measurable.

A **processor** must have and implement a process to:

1. Continue trade throughout the course of measurable risk mitigation efforts; OR temporarily suspend trade while pursuing ongoing measurable mitigation efforts; AND/OR disengage with a supplier in cases where mitigation appears not feasible or unacceptable.
2. Review identified **risks** against the **processor** policy to determine the relevant **risk management plan** and a relevant **risk management plan**.
3. When mitigating **risks**, include in the **risk management plan** a description of means to achieve progressive improvement within reasonable timescales.
4. In order to support progressive improvement, build and/or exercise influence or cooperation with the actors in the supply chain who can most effectively and most directly mitigate the **risks**.
5. Consult with suppliers and affected stakeholders to agree on the strategy for **risk mitigation** in the **risk management plan** including qualitative or quantitative measures of improvement.
6. Publish the supply chain **risk assessment** and **risk management plan** with due regard to **business confidentiality and other competitive concerns** (refer to Step 5).

A **processor** may demonstrate fulfillment of relevant **criteria** by confirming the **processor** has and implements a process to review identified **risks** reported by the on-the-ground team in order to clarify and confirm:

- A. **Risk mitigation** measures recommended are appropriate for the **processor** plan;
- B. There is direct engagement with affected stakeholders to pursue mitigation;
- C. Progress is reviewed on-the-ground against the recommended actions;
- D. Information on risks and progress of mitigation is shared while taking into account due regard to **business confidentiality and other competitive concerns**;
- E. Whether additional responses or actions by the **processor** are needed, including disengagement, suspension or to increase influence or cooperation with suppliers or other stakeholders.

OECD Step 3C – Implement the risk management plan. The **processor** must, in cooperation with the stakeholders mentioned in Step 3B, ensure that the **risk mitigation plan** is implemented, and its progressive success monitored. The **processor** may wish to establish community networks to assist with this monitoring. Once the senior manager responsible for due diligence receives updated information on the management of identified **risks**, the **processor** strategy must be confirmed or reconsidered as appropriate.

A **processor** must:

- 1. Have and implement the **risk management plan**.
- 2. Monitor and track performance of risk mitigation in cooperation and/or consultation with local and central authorities, **upstream companies**, international or civil society organizations and affected third parties.
- 3. Report back to designated senior management and consider suspending or discontinuing engagement with a supplier after failed attempts at mitigation.
- 4. Consider establishing or supporting a community monitoring network.

A **processor** may demonstrate fulfillment of relevant **criteria** by confirming the **processor** has and implements a process to review the progress and results of mitigation of identified risks by the on-the-ground team in order to confirm:

- A. Direct engagement with affected stakeholders to pursue mitigation has continued
- B. Whether a community monitoring network is in place (if established)
- C. The results of mitigation six months from the identification of any risk
- D. Whether additional responses or actions by the processor are needed, including disengagement, suspension or to increase influence or cooperation with suppliers or other stakeholders.

OECD Step 3D – Undertake additional fact and risk assessments for risks requiring mitigation, or after a change in circumstances. A **processor** must:

- 1. Conduct on-going monitoring, and after the implementation of the **risk management plan** and/or following any change in the **processor** sourcing strategies, supply chain information gathering, and cross-checking against **processor** standards must be repeated (Step 2B-2C).

If a targeted **Annex II risk assessment** (Step 2C) has been required, the **processor** must also describe additional management systems and outline the methods of, and type of information provided by, the on-the-ground assessment team as well as an explanation of how the **processor** performs **risk assessment**. The **processor** strategy for responding to **risks** must also be outlined, including any training of suppliers, the involvement of stakeholders and the **processor** efforts to monitor **risk** management activities.

2. Processor Management Systems as follows:

The following additional information must be published:

- 2.1. Describe the **processor's** system for **chain of custody and traceability** of the supply chain to identify locations and operators for **Annex II risk assessment**.
- 2.2. Describe methods for disclosing relevant information to mine of origin to downstream actors or to **auditors**.

3. **Processor risk assessment** in the supply chain as follows:
 - 3.1. Publish the methodology and results of the **risk assessment** and the supply chain management plan with due regard taken of **business confidentiality and other competitive concerns** (Refer to Step 3B).
 - 3.2. Outline the methodology, practices and information yielded by the on-the-ground assessment.
 - 3.3. Explain the methodology of **processor** supply chain **risk assessments**.
4. **Risk** management as follows:
 - 4.1. Describe the steps taken to manage risks, including a summary report on the strategy for risk mitigation in the risk management plan, and capability training, if any, and the involvement of affected stakeholders.
 - 4.2. Disclose the efforts made by the processor to monitor and track performance.

D. STEP 4 - CARRY OUT INDEPENDENT THIRD-PARTY AUDIT OF PROCESSOR'S DUE DILIGENCE PRACTICES

Plan an independent third party *audit* of the *processor's* due diligence for responsible supply chains of *mica*.

OECD STEP 4 GUIDANCE REFERENCE:

Companies should undergo independent third-party **audits** of their supply chain due diligence.

The **processor** must allow an independent third-party **audit** of its activities, processes and systems to address ESG criteria and conduct supply chain due diligence of *mica*. The **processor** must ensure that it is adequately prepared with samples of relevant documentation available to be reviewed in preparation or performance of the audit. This audit may combine the workplace environmental, occu-

pational health and safety, social and governance standards and the supply chain due diligence standards. In these cases, separate audit reports may be issued for each standard.

E. STEP 5 – REPORT ANNUALLY ON SUPPLY CHAIN DUE DILIGENCE

OECD STEP 5 GUIDANCE REFERENCE:

Companies should annually report or integrate, where practicable, into annual sustainability or corporate responsibility reports, additional information on due diligence for responsible supply chains of *mica*.

OECD Step 5 – Annually report or integrate, where practicable, into annual sustainability or corporate responsibility reports, additional information on due diligence for responsible supply chains of *mica*. This may include reports specifically requested by customers.

Companies should annually report on workplace ESG and due diligence for responsible supply chains of *mica* or integrate that information into annual sustainability or corporate responsibility reports where the processor publishes one.

All public information published must take into account due regard of **business confidentiality and other competitive concerns** including price information and supplier relationships. Confidential information would for example include information on **processor** suppliers, customers, contract terms, tonnage and capacity.

A **processor** may demonstrate fulfillment of relevant **criteria** by referring in its annual due diligence report, in general terms, to methodologies, information, results or strategies while not identifying relations with specific suppliers or customers. A processor participating in an industry program may demonstrate compliance with the reporting requirement by publishing a summary audit report through that industry program.

DUE DILIGENCE APPLICABLE ONLY FOR MICA KNOWN OR SUSPECTED TO BE FROM CAHRAS

OECD Step 1C1 to 1C4 – System of Controls and Transparency (where the **red flag review** confirms the need for Annex II **risk assessment** on mica known or suspected to be from CAHRAs per Step 2B): Where a **processor** determines the need for a full **Annex II risk assessment**, based on the outcomes of the **red-flag review** in Step 2A, the **processor** must have in place a chain of custody or a traceability system that generates detailed information on the circumstances of extraction, export, processing or trade. The **processor** must have a system to store information for five years, including records of payments made by suppliers which constitute **risks** associated with those listed in **Annex II**. The **processor** must also avoid use of cash and support the principles of the Extractive Industry Transparency Initiative (EITI).

A **processor** must:

1. Incorporate supply chain information disclosure requirements into written agreements and/or contracts with **immediate suppliers** whether traders, aggregators, processors, mines (LSM and/or ASM) or exporters. The disclosure requirements include information listed in Step 1C1 and 1C2:
 - 1.1. All taxes, fees or royalties paid to government for the purposes of extraction, trade, **transport** and export of **mica**;
 - 1.2. Any other payments made to governmental officials for the purposes of extraction, trade, **transport** and export of **mica**;
 - 1.3. All taxes and any other payments made to public or private security forces or other armed groups at all points in the supply chain from the point of mica extraction onwards;
 - 1.4. The ownership (including beneficial ownership) and corporate structure of the exporter, including the names of corporate officers and directors; the business, government, political or military affiliations of the **processor** and officers;
 - 1.5. The mine of **mica** origin;
 - 1.6. Quantity, dates and method of extraction (**artisanal and small-scale** or **large-scale mining**);
 - 1.7. Locations where **mica** are consolidated, traded, processed or upgraded;
 - 1.8. The identification of all **upstream** intermediaries, consolidators or other actors in the **upstream** supply chain;
 - 1.9. **Transportation** routes;
 - 1.10. All export, import and re-export documentation of international traders and re-processors.
2. Introduce a chain of custody or traceability system and retain information for five years.
3. Make the information gained related to **processor** due diligence standards and processes available to immediate **downstream** purchasers or to **auditors** with the mandate to collect and process information on **mica** from **CAHRAs**, with due regard taken of **business confidentiality and other competitive** or security concerns.
4. Avoid, where practicable, cash purchases for **processor** transactions. Where cash purchases are unavoidable, the **processor** must obtain verifiable documentation and preferably route the transaction through official banking channels.
5. Support the implementation of the principles of the EITI through processor participation in appropriate reporting. This reporting is required only in an implementing country of EITI.

If the **processor** identifies **risks** that **receipts** may be associated with **mica** known or suspected to be from **CAHRAs** then further steps must be taken as relevant and appropriate. When **Annex II risk assessment** is required, the **processor** must continue through the remaining steps of due diligence. This includes continuing with Step 2B, 2C, 3, 4, and 5 and obtaining extensive information on the supply chain to the mine of **origin** (Steps 1C1 to 1C4) and establishing an on the ground assessment team to understand local context, work with local stakeholders, suggest and monitor **risk management** and address grievances.

OECD Step 2B – Map the Factual Circumstances of the *Processor's* Supply Chain(s), Underway and Planned (Where *red flag review* confirms the need for Annex II *risk assessment* on *mica* known or suspected to be from CAHRAs): The *processor* should establish a chain of custody or traceability system to obtain relevant information according to Step 1C1 to 1C4 in order to be able to identify and assess Annex II risks. The processor should work to understand the supply chain to the mine of origin and understand the context within the identified CAHRA, including via on-the-ground assessment teams.

A *processor* must have and implement a process to:

1. Understand the context of **CAHRAs** that have been identified in the processor's supply chain.
2. Clarify the information on chain of custody, activities and relationships of all **upstream** suppliers obtained for the **red flag review** in Step 1C.
3. Identify the locations and qualitative conditions of the extraction, trade, handling and export of the **mica** by implementing Step 1 C1 to C4 (i.e., a chain of custody or traceability system).
4. Obtain and maintain up to date on-the-ground information for use in **processor risk assessment** according to the OECD Guidance Appendix (See Box 3).

OECD Step 2C – Assess *Risks* in the Supply Chain (Where *red flag review* confirms the need for Annex II *risk assessment* on *mica* known or suspected to be from CAHRAs): The *processor* must cross-check the factual information available, including the facts provided by the on-the-ground assessment team against the *processor* policy and standards and carry out a **risk assessment**. These standards include national laws of the processor's own country and those of **mica origin, transport** and re-export. The processor must also take into account legally binding documents governing operations and business relations, as well as other relevant laws.

A *processor* must:

1. Design and implement a process to use all relevant available information obtained in Step 2B in a comparison with the following:
 - 1.1. The principles and standards of the **processor** supply chain policy referencing **Annex II**
 - 1.2. National laws of the countries;
 - 1.2.1. where the **processor** is domiciled or publicly-traded (if applicable);
 - 1.2.2. from which the **mica** originate; and
 - 1.2.3. of **transport** or re-export.
 - 1.3. Legal instruments governing **processor** operations and business relations, such as financing agreements, contractor agreements and supplier agreements
 - 1.4. Other relevant international instruments such as the OECD Guidelines for Multinational Enterprises, international human rights and humanitarian law.⁴

If the outcome of the comparison identifies any reasonable inconsistency between factual information and their standard, that is an identified **risk** with potential adverse impact to which Step 3 applies.

4 Including comparison with relevant national and international sanctions lists

X. ANNEXES

ANNEX A: DEFINITION OF TERMS AND ACRONYMS

NOTE: Some terms are used in these criteria in both defined and general terms.

Annex II: Annex II of the *OECD Guidance* titled “Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.”

Artisanal or 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.

Assessment/Audit: A formalized evaluation of an entity against criteria established independent of the audited entity, typically resulting in a report containing specific findings. In this document, the term “audit” is used specifically in the context of the OECD Guidance Step 4 or the ISO19011:2001 Standard. The evaluation of a processor against the conformance criteria in this document is referred to as “assessment”.

Auditor/Audit firm: The individual/entity that carries out an *assessment* of a *processor* against the *criteria* and produces an audit firm report.

Assessment period: The period of time covered by the *assessment*, typically one year.

Business confidentiality and other competitive concerns: Information regarding supplier relationships as well as factors that may affect price or competition such as capacity, trading routes, *mica* sources and other information normally protected by competition/anti-trust law.

Chain of custody or a traceability system: A process to collect detailed information on the supply chain as specified in *OECD Guidance* Step 1.C1 to 1.C4.

Company: A legal business entity with overall management responsibility of operations and administration of at least one *processor*. A *processor* can consist of a single *facility* and business processes (processing) or multiple *facilities* and business processes (in addition to processing).

Conflict-affected and high-risk areas (CAHRAs): Conflict-affected and high-risk areas where *Annex II* risks are likely to exist. They are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

Criteria/Criterion: The program requirements against which an *auditor* evaluates *companies* to assess the *processor's* level of conformance in an assessment.

Critical Information: Any and all information related to the *processor's* due diligence and that is necessary for all parties involved, specifically employees and suppliers, to effectively carry out the tasks and responsibilities assigned to them as part of the *processor's* due diligence.

Downstream: The supply chain from *processors* to retailers.

Extractive Industry Transparency Initiative (EITI): A standard to promote the open and accountable management of oil, gas and mineral resources the implementation of which takes place in countries signed up to the EITI.

Facility: A singular location of a *processor*.

Hazardous Work: In accordance with the Recommendation No. 190 , which accompanies Convention No. 182, this includes work which exposes children to physical, psychological or sexual abuse; work underground, underwater, at dangerous heights or in confined spaces; work with dangerous machinery, equipment and tools or carrying heavy loads; exposure to hazardous substances, agents or processes, or to temperatures, noise levels or vibrations damaging to health; work for long hours, night work, and unreasonable confinement to the premises of the employer.

Identifying upstream actors: A process to identify known *immediate suppliers* and any known actors further upstream which are identifiable through general business dealings or public reports to the extent necessary to enable *red flag review*.

Immediate supplier: The entity which has a contract with and supplies *mica* to the *processor* and is immediately before the *processor* in the supply chain, which may be suppliers such as mining entities, traders, other *processors*, or *downstream* users.

ISO 19011:2018: International Organization for Standardization guidelines for auditing management system provides guidance on auditing management systems, including the principles of auditing, managing an audit program and conducting management system audits, as well as guidance on the evaluation of competence of individuals involved in the audit process, including the person managing the audit program, auditors and audit teams.

Large Scale Mining (LSM): All formal operations characterized by substantial capital, heavy equipment, high technology and a significant workforce (large and medium in size) not meeting the *ASM* definition.

Local Fair Wage: Remuneration which is regularly & formally paid in full to workers that respects the minimum wage regulations and applicable standard of living norms (food, water, housing, education, health care, *transportation*, clothing, and other essential needs including provision for unexpected events) and which progresses at least in proportion to conditions such as living conditions, regional/local economic setting, employer profits or with changes in intensity at work or evolving skills or tasks.

Material(s): Any *mica products* or *secondary* materials.

Mica: mica in any physical form, extracted through mining of geological deposits of 37 different minerals, with the two main minerals being phlogopite and muscovite, to undergo processing to produce *mica products*.

Mica-containing product: A substance that is made up of a mixture or combination of *mica* and other substances, ingredients or components. Examples include pigments, cosmetics and electronic components. This term is not synonymous with *mica product*.

Mica product: The output of a *processor*. Mica products consist of solely *mica* and are used in *mica-containing products*. Examples include processed mica sheet, mica paper, built-up mica and mica powder. This term is not synonymous with *mica-containing product*.

Mobile emissions sources: Sources of fuel combustion emissions that are not fixed in place or stationary. Examples include cars, trucks, fork trucks, buses, generators, farm and construction machines, lawn and garden equipment, marine engines and locomotives.

National or International Sanctions Lists: Includes the U.S. List of Specially Designated Nationals and Blocked Persons (“SDN List”); the U.S. Foreign Sanctions Evaders List (“FSE List”); the UK Consolidated List of Targets; the Consolidated List of Persons, Groups and Entities subject to EU Financial Sanctions; and United Nations sanctions lists.

OECD Guidance: General term for the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains on Minerals from *Conflict-affected and high-risk areas* (Third edition);

<http://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>

Origin: The country, or regional mining area within a country, from which the *mica* was extracted from the ground.

Process: A physical, mechanical, thermal, chemical or other manipulation of *materials* to alter their form, nature or characteristics.

Processor: An entity that processes naturally-occurring mined *mica* such as pegmatites (schist), feldspar, kaolin, muscovite or phlogopite and subjects them to various physical or mechanical methods to separate non-mica components from mica components, then produce grades of *mica products*.

Red flag review: A comparison of information gathered in Step 1C (excluding 1C1 to 1C4) with the recorded results of documentation check, plausibility *assessment*, and *CAHRA* determinations in order to assess the scope of further *risk* evaluation and confirm out-of-scope *receipts*.

RBA: Responsible Business Alliance.

Receipts: All *mica* received during the *assessment period*.

Risk: Adverse impacts which may be associated with extracting, trading, handling and exporting *mica* and other *minerals* from *conflict-affected and high-risk areas* as well as other countries.

Risk Assessment: A process of cross checking information for inconsistencies undertaken in Step 2C in order to verify identified *Annex II risks*. Only required following identification of known or suspected CAHRAs during *red flag review*.

Risk Management Plan: A plan under Step 3 of the *OECD Guidance* to manage identified *Annex II risks* taking into account strategy options of continuing trade, suspending trade while managing *risks*, or disengaging from trade if *risks* are not manageable.

Risk Mitigation: Actions under Step 3 of the *OECD Guidance* intended to reduce the adverse effects of *risks* described in *Annex II* of the *OECD Guidance*.

RMAP: The RBA's Responsible Minerals Assurance Process, the *processor assessment* program.

RMI: Responsible Mica Initiative.

Secondary: Materials commonly referred to as recycle/scrap. This includes recycled *mica* which are scrap processed *mica* created during product manufacturing including: excess, defective, and scrap *mica* materials which contain processed mica that are appropriate to recycle. As defined by the *OECD Guidance*, minerals partially processed, unprocessed, or byproducts from another mineral (for example, feldspar) are not recycled or secondary materials.

Transit: Shipping of goods between *origin* and final destination, including through countries and across international borders, without discharging the cargo.

Transport: Movement of goods from one location to another.

Upstream: The *mica* supply chain from the mine to *processors* inclusive, which for the purpose of the *OECD Guidance* and these *criteria* includes *artisanal or small-scale producing enterprises*, rather than individuals or informal working groups of *artisanal miners*.

Workers: Non-management labor, including migrant laborers, agency, temporary laborers, apprentices and contract laborers.

Worst Forms of Child Labor (WFCL): defined by Article 3 of [ILO Convention No. 182](#) as:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict;
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children; and

- incorporates paragraph 3 of [ILO R190 Worst Forms of Child Labor Recommendation, 1999](#) as follows:
 - work which exposes children to physical, psychological or sexual abuse;
 - work underground, under water, at dangerous heights or in confined spaces;
 - work with dangerous machinery, equipment and tools, or which involves the manual handling or **transport** of heavy loads;
 - work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
 - work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

ANNEX B: EFFECTIVE DATE & REVISION HISTORY

This revision of the document is in effect as of the date identified on the cover page as the “Effective Date.” Transitional assessment arrangements to account for implementation of this revised Criteria will be in place and described separately. All audits utilizing these Criteria must use the most current version of the Criteria, which is identified by the “Publication Date” on the cover page.

Revision History: Global Workplace Responsible Sourcing, Environmental, Health & Safety Due Diligence Standard for Mica Processors

March 2, 2021 – Release of final standard.