

### III. EXECUTIVE SUMMARY

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#### 1. Introduction and methodology

This is a Report of a Certification Audit carried out on the mining sites of Luwowo, Gakombe and Mataba, located within the perimeter of the concession PE4731), which is assigned to the mining company Societe Miniere Bisunzu (SMB) and where the artisanal mining cooperative COOPERAMMA registered in DRC, is operating. The structure of the report is as prescribed by the CTC Working Group. This audit was carried out by an Independent Auditor between the 20<sup>th</sup> and the 24<sup>th</sup> of September 2016. This is a Certified Trading Chains (CTC) certification audit PE4731 within the concession PE4731. The audit covered PE4731 coltan mining operations near the town of Rubaya, in the Province of North Kivu in the Democratic Republic of the Congo. This was preceded by a baseline audit carried out in April 2012 and a compliance audit in April 2014. The audit methodology is as specified in the “Inception Report” (Dr Nellie Mutemeri, 2010, Inception Report: Certification Audits; report for OGMR and BGR) and summarized in the Section 2 below.

Several observers accompanied the audit and included representatives of the following organizations Division des Mines, Provincial Ministry of Mines, SAESSCAM, and the Federal Institute for Geosciences and Natural Resources (BGR). Also present were representatives of ITRI/iTSCi, who do the tagging at PE4731.

#### Methodology

The audit criteria is the “Manual of Mineral Certification for the 3T” in the Democratic Republic of the Congo: Principles, Guidelines and Standards, Version 0 of 22 February 2011”. Questions were designed to extract evidence in alignment with the standard “level descriptors” and “indicators”.

The objective of the audit is an evaluation of mining practice at PE4731 in the DRC (and the associated mineral trading chains; cf. CTC Std. 1.1 for scope) against the CTC DRC standard set 2011. It is a Certification Audit that will inform recommendations for certification as well as improvement in performance.

The audit process consisted of the following steps:

- Evidence gathering
  - Interviews with key informants using the questionnaires developed for each standard. The key informants were key representatives and employees of the license holder SMB and cooperative operating at PE4731; mine site supervisors, security workers, mineral buyers and traders (i.e. negociants and comptoirs), diggers and processors, and other service providers at the mining and mineral processing areas. Also interviewed were people from the affected, bordering community, civil society and local government authorities.
  - Inspection of production related sites to acquire information cited in the indicators and checklist as relevant to the portfolio of evidence; this included mining and processing areas, waste dumps, water sources, buying/receiving areas, mineral storage facilities and community interventions.
  - Inspection of documents requested from key informants cited in the indicators and checklist as important for acquiring a portfolio of evidence. These included records of workers, payment records, training records, EIA/EMP documents, contractor production/delivery records, production records and processing plant records and records kept by government authorities.

- Data analysis which involved processing the portfolio of evidence to inform the level descriptors so as to determine level compliance as indicated for each standard and determines ratings.
- Compilation of the audit report. This was a multi-stage process with comments and feedback being solicited from the Auditee and Audit Client before finalisation.

## **2. Implementation of the mission**

The audit mission was from 19-24 September 2016. The mission was preceded by planning and preparation facilitated by the audit client. This included communication with the Auditee, and scheduling meetings with all the relevant stakeholders as well as the logistics of getting to the audit site. The mission consisted of the following:

- Audit mission opening and closing meetings in Goma and at Bibatama
- Meetings with both SMB and the cooperative COOPERAMMA
- Meetings with other relevant key informants including miners and their team leaders, negociants, comptoirs, local authority, provincial authorities, SAESSCAM, Provincial Division of Mines, CEEC, community representatives, civil society
- Document review at the premises of the cooperatives, negociants, comptoirs, CEEC and SAESSCAM
- Inspection of the mining and processing sites, negociants and comptoir premises

The audit mission guides were management representatives of SMB and COOPERAMMA, and the SAESSCAM Bibatama representative. The SMB management representatives were Jimmy Mwangachuchu (Chief Financial Officer), Janvier Mwangachuchu (Manager) and Freddy Nzonga (Head of Traceability). COOPERAMMA management representatives were Robert Seninga Habinshuti (Cooperative President), Landry Bahati Mudahera (Chief Geologist), Aimable Muneza (Head of Human Resources). Observers during the audit mission included representatives of the DRC Mineral Certification Working Group, SAESSCAM, National and Provincial (North Kivu) Ministry of Mines and Division of Mines, ITRI/iTSCi and National Certification Authority.

## **3. Summary of company information**

Bibatama Mining Concession in North Kivu DRC is operated by Societe Miniere Bisunzu (SMB) and the cooperatives COOPERAMMA. From the evidence presented at the time of the Audit SMB holds an Exploitation Permit number PE4741, valid from 08-11-2006 to 07/11-2022. It was initially issued to Hizi Edouard Mwangachuchu, and was later ceded to SMB on 18/06/2014, final authorisation being granted on 22/09/2014. The special conditions include a memorandum of understanding (MoU) issued between SMB and COOPERAMMA to allow the latter to operate on concession, permitted by special government dispensation. COOPERAMMA's authorisation to mine at PE4731 is valid for the duration of the exploitation licence validity. Each digger or miner or worker under COOPERAMMA is a member of the cooperative. Each miner has a Digger's Card issued by the Provincial Division des Mines and each negociant is registered with government. The MoU is valid for duration of Mining License. Diggers' cards are valid for 1 year from time of issue and renewable.

The mineral commodity mined is coltan which is sold only to SMB who then export it. At the time of the audit the mining was open pit following the coltan-bearing reefs in highly weathered pegmatites. The coltan produced could be sold to other comptoirs only with the permission of SMB. Mining is by artisanal miners (AM) who are members of the cooperatives. They have diggers' cards issued by Division des Mines.

The scope of the audit is only Luwowo, Mataba D2 and Gakombe (Note: Gakombe was closed at the time of the audit for safety reasons). However, there are other operating sites on PE4731, for example

the Bibatama site where SMB is building their plant is not part of the scope of this Audit. COOPERAMMA has a Constitution which provides for a management committee and office bearers such as President, treasurer. The production structures provide for a Head of Mining, Chief Geologist, Head of Security and Head of Human Resources. The working units consist of teams under team leaders (also known as Chef d'Equipe).

At the time of the audit COOPERAMMA had 3031 members, 546 of whom were women. All the miners and workers at the operating sites are members of the cooperative.

#### 4. Baseline / compliance audit summary findings

The findings of the audit are summarised below.

Standard	Initial rating	Current rating	Comments
<i>Principle 1 : Transparency and traceability</i>			
1.1 Criminal organizations	Not available	4	COOPERAMMA has documentary evidence to show that it does not support illegal activities and make their members aware of this position.
1.2 Corruption and fraud	“	3	There is clear documentary evidence of the cooperative telling their members not to be involved in fraud and corruption.
1.3 Political organisations	“	3	There is no evidence that the cooperative pays political organisations.
1.4 Publication of payments	“	4	The operation is led by SMB makes returns to the EITI process and COOPERAMMA is mentioned in these reports.
1.5 Legality	“	4	The cooperative makes all the payments required by government.
1.6 Traceability	“	4	All the steps of production are clearly documented, and all production can be demonstrably traced and measures are taken to stop inward outward leakage.
<i>Principle 2 : Labour rights</i>			
2.1 Child labour	“	4	The cooperative does not employ children and they keep records which support verification of the age of workers so there is no danger of inadvertently employing children.
2.2 Association	“	3	In addition to being a broad based entity, COOPERAMMA supports its members' participation in the provincial mine worker structures.
2.3 Wages	“	4	COOPERAMMA has a transparent process of determining how their members are paid, ensuring a fair compensation for production of each individual member.
<i>Principle 3 : Security</i>			
3.1 Occupational Health and Safety	“	4	Workers are provided with personal protective clothing for their work. This is evident during the site inspections.
3.2 Access to Information	“	3	Workers get information on working safely through meetings and posters.
3.3 Security Agents	“	4	There are adequate security workers which is well organised and trained.

3.4 Human Rights	“	4	Security personnel including mining police are trained to respect human rights.
3.5 Safety Plan	“	3	Even though there is no documented formal risk assessment, the elaborate safety and security plans indicates that there is considerable planning being carried out.
<i>Principle 4 : Community development</i>			
4.1 Local Consultations	“	3	There is regular interaction with the local stakeholders.
4.2 Local support	“	3	COOPERAMMA does not have a formal local supply chain strategy but they do buy as much local material as they can.
4.3 Development Plan	“	3	Even though there is no formal local development strategy, the cooperative provides support to the community through provision of social infrastructure.
4.4 Property	“	4	The cooperative does not have a formal land acquisition framework, but they have not needed to acquire land.
<i>Principle 5 : Environment</i>			
5.1 Impact assessment	“	4	An EIA exists under the responsibility of SMB, and COOPERAMMA is fully aware of their role in managing the environmental impacts of mining activities.
5.2 Management plan	“	3	An EMP exists and is implemented under the accountability of SMB, and COOPERAMMA is fully aware of their role in managing the environmental impacts of mining activities.
5.3 Rehabilitation	“	4	SMB has provided funds for rehabilitation.

## 5. Conclusions

After considering all the evidence gathered during the audit process the following is concluded:

- i) That the site P4731 Concession has a good level of compliance with the CTC set of Standards be certified.
- ii) The average rating is 3.52
- iii) It recommended that the site develop a remedial action plan for all the standards that have lower ratings so as to maintain a high level of compliance.

Signed off by Independent Auditor:



Prof. Nellia Mutemeri

Date: 6/04/2017