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## International Raw Materials Conference

Panel Session: Assuming Responsibility – Promoting Sustainability  
in the Raw Materials Sector

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Board Chairman, GeSI

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# Content

- About GeSI
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# About GeSI

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**Who we are:** a strategic partnership bringing together companies active in the **ICT sector** and international organisations committed to creating and promoting technologies and practices that foster **economic, environmental** and **social sustainability**, while driving **economic growth** and productivity

**Our mission:** to be the globally recognized thought leader, partner of choice and **proactive driver** of the **ICT sustainability agenda**

**Our vision:** A sustainable world through responsible, **ICT-enabled** transformation



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# Background

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## Conflict minerals

**Dodd-Frank Act, §1502** focuses on the **3TG**:

- Columbite-tantalite refined into **tantalum** (Ta)
- Cassiterite refined into **tin** (Sn)
- Wolframite refined into **tungsten** (W)
- **Gold** (Au)

Mined in the **Democratic Republic of Congo and adjoining countries** → accounting for 17% of the global production of Ta, 4% of the global production of Sn, 3% of W and 2% of Au



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# Global initiatives & measures (1/2)

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## Dodd-Frank Act §1502

- Requires US-listed companies to report to the Securities & Exchange Commission (SEC) and disclose annually their due diligence efforts on the origins of 3TG used in their products
- Mandated the SEC to develop implementing regulations → **SEC final rule** on compliance with Dodd-Frank Act
- First reports submitted by May 31, 2014

## OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidelines)

- Government-supported, multi-stakeholder initiative
- Non-binding recommendations for use by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas



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# Global initiatives (2/2)

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## ITRI Tin Supply Chain Initiative (iTSCi)

- Assists upstream companies (mine to smelter) in conforming with OECD Guidelines when sourcing cassiterite from the Great Lakes Region
- Designed for use by industry, with oversight from government officials
- Includes mineral chain-of-custody information in keeping with the requirements of the EICC-GeSI Conflict-Free Smelter Programme

## Responsible Jewellery Council (RJC) Certification

- Two certification programmes supported by standards
  - RJC Member Certification, addressing a variety of supply chain-related issues
  - RJC Chain-of-Custody Certification, applicable to the flow of precious metals (gold, platinum, palladium and rhodium) in the supply chain

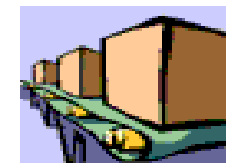


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# Conflict-Free Sourcing Initiative (CFSI)

A joint GeSI-EICC initiative, launched in 2010 to help companies meet their reporting obligations through:

- Support to in-region sourcing schemes
- **Conflict-Free Smelter Program (CFSP)** requiring the application of the OECD Guidelines to identify smelters and refiners sourcing conflict-free minerals
- **Conflict Minerals Reporting Template (CMRT)** to help companies gather due diligence information in a common format
- Company assurance – Due diligence practices
- Cross-sector work for improved efficiency and best practice sharing



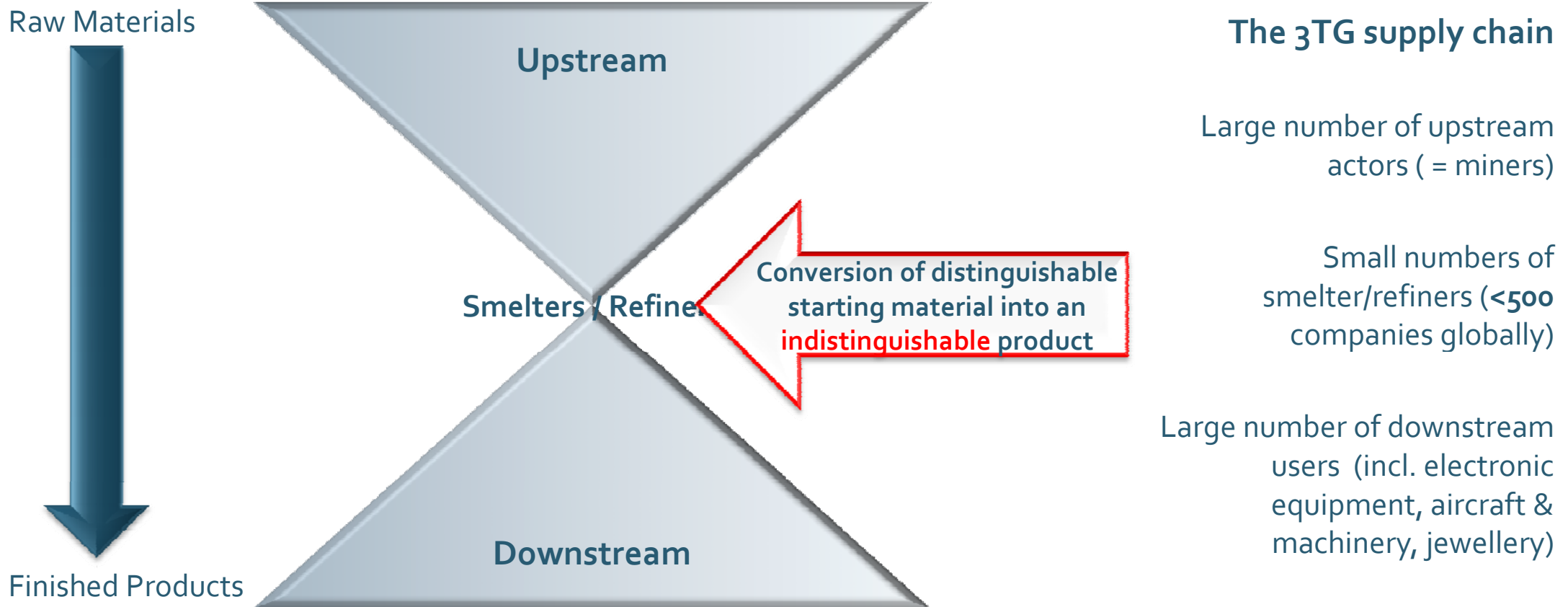
Finished product

Currently gathering almost 300 companies from 7 sectors



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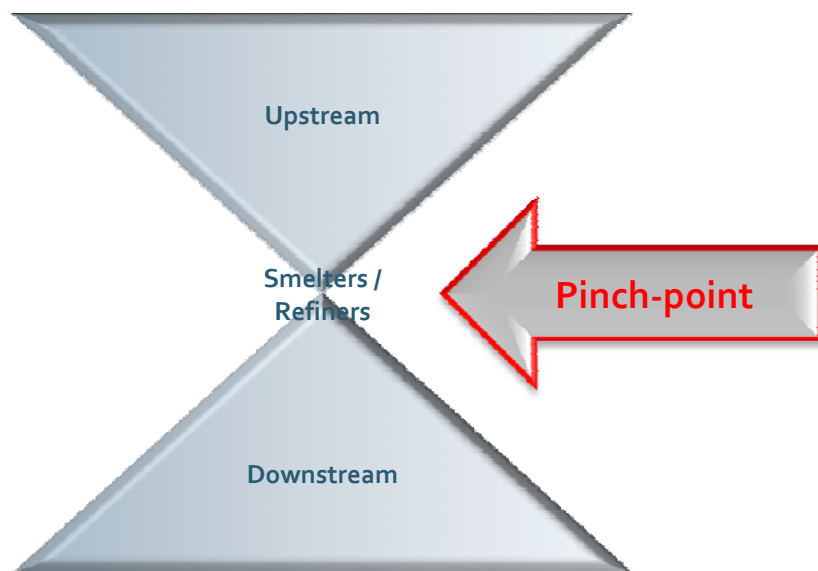
# The role of downstream users (1/2)





## The role of downstream users (2/2)

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The last, irreversible mineral transformation takes place at the smelter/refiner stage

This is the **last opportunity to clearly identify the origin** of the mineral used in the final product

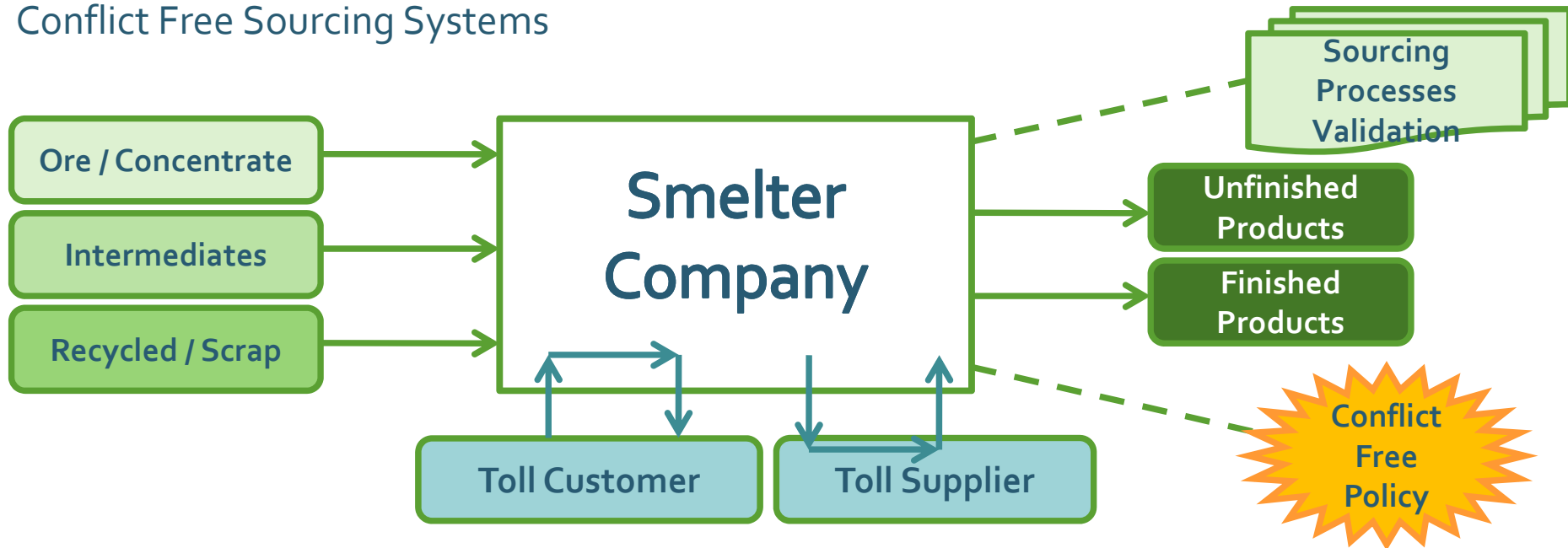
Downstream users rely on the information transmitted along their supply chain to identify the mine(s) of origin of the minerals ending up in their products

→ This is the **main focus** of the **GeSI-EICC Conflict-Free Smelter Program (CFSP)**

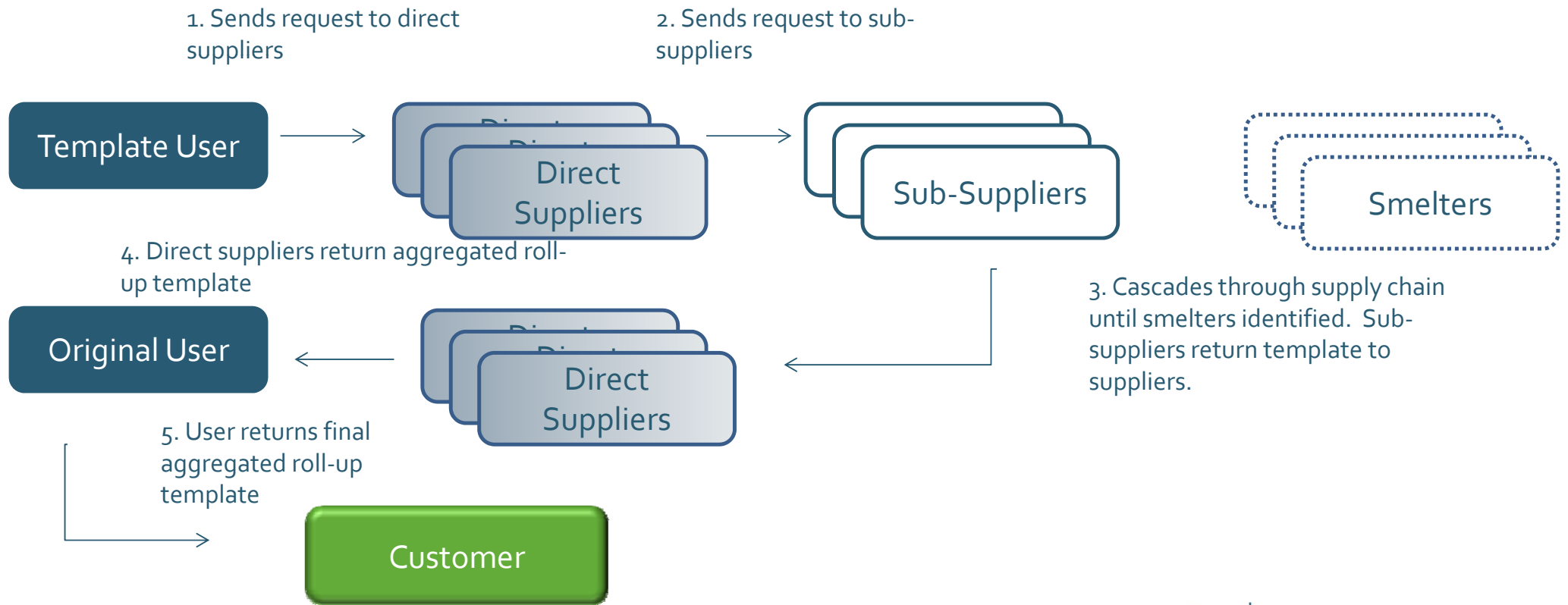
# Conflict-Free Smelter Programme (CFSP) Audit

## Company Program Validation

- Conflict Free Policy
- Conflict Free Sourcing Systems



# Conflict Minerals Reporting Template (CMRT) Flow



# Lesson learnt & challenges

## Lessons learnt

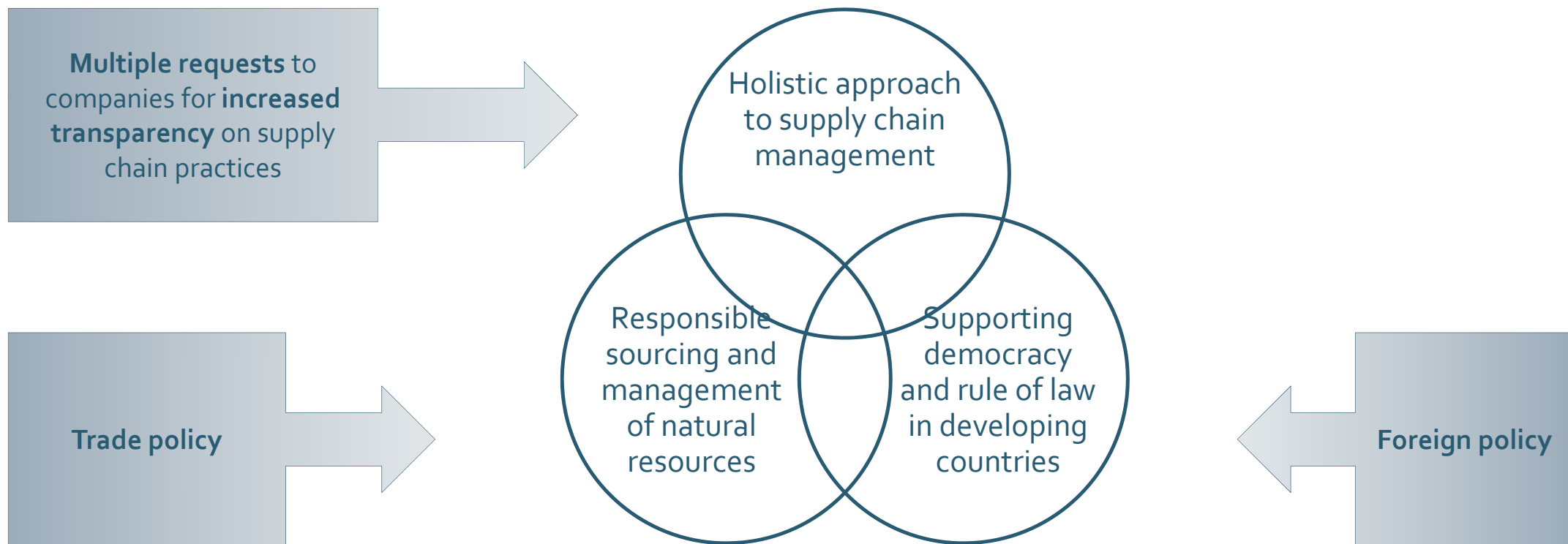
- Initiatives at industry-wide level work effectively (pooling of resources, platform for best practices exchange)
- At company-level, need to have agreed internal procedures to assess and address risks in the supply chain
- Industry efforts to be always seen in the context of the wider picture (several different stakeholders playing a role, incl. actors on the ground)

## Challenges

- Long & complex supply chain (visibility difficult beyond Tier II)
- Industry-led initiatives need support from policymakers → effective enforcement of rule of law key to ensuring respect of human rights
- Risk of proliferation of guidance documents increasing confusion in the supply chain → support existing instruments & work with industry to keep improving them

# The broader context

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# GeSI contact details

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## Further reading

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- [CFSI website](#)
- [CFSI White Paper](#)
- [CFSI FAQ](#)
- [Dodd-Frank Wall Street Reform and Consumer Protection Act](#)
- [Conflict minerals compliance blog](#)
- Proposed EU Regulation on conflict minerals – [Legislation tracker](#)
- Enough Project report “[The Impact of Dodd-Frank and Conflict Minerals Reforms on Eastern Congo’s Conflict](#)” (June 2014)
- [Civil society open letter on the conflict minerals approach in the DRC](#) (September 2014)
- Enough Project [guidelines for companies investing in the DRC’s minerals sector](#) (July 2014)