

ACQUIS COMPLIANCE

THE COMPLETE GUIDE TO CONFLICT MINERALS REPORTING

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INTRODUCTION

What are Conflict Minerals?

Conflict minerals are minerals that are mined in areas where there is armed conflict, human rights abuses, or other social and environmental issues. These minerals include tin, tantalum, tungsten, and gold, also known as the 3TGs. These minerals are used in many everyday products, including electronics, jewellery, and automotive parts.

The mining and trade of conflict minerals can contribute to the financing of armed groups and human rights abuses, including forced labour, child labour, and sexual violence. As a result, there has been increasing pressure on companies to ensure that their supply chains are free from conflict minerals and to conduct due diligence to identify and mitigate these risks. The use of conflict minerals has been regulated by laws and regulations in many countries, including the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States and the European Union Conflict Minerals Regulation.



CHAPTER 1

OECD Guidelines and Due Diligence Framework

What are OECD Guidelines?

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas provides recommendations for companies on how to conduct due diligence in their mineral supply chains to avoid contributing to conflict, human rights abuses, or other social and environmental issues.

The guidance focuses on four key areas:

1. Establish strong company management systems to support due diligence efforts.
2. Identify and assess risks in the supply chain and design and implement a strategy to respond to those risks.
3. Engage with suppliers and stakeholders in the supply chain to mitigate risks and improve practices.
4. Carry out independent third-party audits of smelters and refiners' due diligence practices.

The guidance also includes a five-step due diligence framework that companies can use to identify and address risks in their mineral supply chains:

1. Establish strong company management systems.
2. Identify and assess risks in the supply chain.
3. Design and implement a strategy to respond to identified risks.
4. Carry out independent third-party audits of smelters and refiners' due diligence practices.
5. Report annually on supply chain due diligence and outcomes.

The OECD guidance is voluntary, but it is supported by the EU Conflict Minerals Regulation and other national laws and regulations that require companies to carry out due diligence on their mineral supply chains to ensure they are free from conflict minerals.

Five-step due diligence framework



CHAPTER 2

RMI and RMAP Initiatives

RMI stands for Responsible Minerals Initiative, which is a multi-industry initiative that aims to promote responsible mineral sourcing practices and improve social and environmental conditions in global mineral supply chains. The RMI was formerly known as the Conflict-Free Sourcing Initiative (CFSI) and was launched in 2008 as a joint effort by industry associations and civil society organizations. The RMI's focus is mainly on responsible sourcing of tin, tungsten, tantalum, and gold (3TG) from conflict-affected and high-risk areas.

RMAP stands for Responsible Minerals Assurance Process, which is a program developed by the RMI to provide independent third-party audits of smelters and refiners' due diligence practices in accordance with the RMI's standards. The RMAP is designed to help companies identify and assess risks in their mineral supply chains and to encourage smelters and refiners to adopt responsible sourcing practices. Smelters and refiners that successfully pass the RMAP audit are listed on the RMI's conformant smelter and refinery list and are recognized as responsible mineral suppliers.

Together, the RMI and RMAP initiatives are working to establish responsible mineral supply chains that promote human rights, improve working conditions, and protect the environment. The RMI provides a platform for companies to collaborate and share information on responsible sourcing practices, while the RMAP offers a mechanism for independent verification of due diligence efforts in the supply chain.



To ensure that the products being sourced and sold are not associated with human rights abuses or conflicts; due diligence for conflict-free supply chains involves a comprehensive and organized investigation of the supply chain. This includes identifying potential risks of sourcing from conflict zones, implementing policies and procedures to prevent the sourcing of conflict minerals, and verifying the absence of such minerals in the supply chain. Collaboration between various stakeholders, such as suppliers, manufacturers, and auditors, is essential to ensure compliance with the standards and regulations set by international organizations and governments. Ultimately, the aim of due diligence for conflict-free supply chains is to promote transparency, accountability, and responsible sourcing practices across the entire supply chain.

CHAPTER 3

Conflict Minerals Reporting Template (CMRT)

Conflict Minerals Reporting Template (CMRT)

CMRT is a free standardized reporting template developed by Responsible Minerals Initiative (RMI) for Conflict Minerals reporting. CMRT helps to conduct supplier due-diligence surveys for regulations such as

·The US [Dodd-Frank Conflict Minerals Act](#) is a federal law that requires companies to disclose their use of conflict minerals sourced from the Democratic Republic of Congo (DRC) and surrounding countries.

·The EU [Conflict Minerals Regulation](#) was enacted on January 1, 2021. The regulation applies to EU-based importers of 3TG sourced from conflict-affected and high-risk areas (CAHRAs). The regulation covers all imported 3TG, including processed metals, mineral ores, or concentrates.

CMRT is to guide companies through collecting supplier data on 3TG within their supply chains. The CMRT has been created to align with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,

Why Companies Must Ask Their Suppliers to Complete the CMRT?

Companies must ask their suppliers to complete the Conflict Minerals Reporting Template (CMRT) for several reasons.

1.The CMRT helps companies identify whether the materials they are sourcing contain conflict minerals, such as tin, tungsten, tantalum, or gold (3TG), which may have been mined in countries associated with human rights abuses, environmental damage, and armed conflict. By requiring suppliers to complete the CMRT, companies can determine whether they are sourcing conflict minerals and, if so, take steps to ensure that their supply chains are conflict-free.

2. Companies are increasingly subject to regulations, such as the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which require them to disclose the use of conflict minerals in their products. By collecting the CMRT

from their suppliers, companies can demonstrate that they are taking steps to comply with these regulations and to promote responsible sourcing practices.

3. Asking suppliers to complete the CMRT can help companies build stronger relationships with their suppliers based on transparency, accountability, and trust. By working together to ensure that their supply chains are conflict-free, companies and their suppliers can demonstrate their commitment to ethical and sustainable business practices, which can help to strengthen their reputations and attract customers who value responsible sourcing.

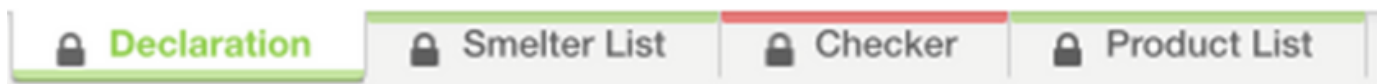
How Can a Company Disclose Conflict Minerals Information?

Suppliers can disclose Conflict Minerals information by completing the Responsible Minerals Initiative's Conflict Minerals Reporting Template (CMRT) (RMI). The CMRT is a standardised reporting template that allows suppliers to disclose information regarding the existence of conflict minerals in their goods or supply chains, such as tin, tungsten, tantalum, or gold (3TG).

Suppliers must complete the CMRT by providing information on the countries of origin of the minerals used in their goods, the smelters and refiners that processed those minerals, and the due diligence procedures they have done to guarantee conflict-free supply chains. The CMRT also includes questions about the company's corporate responsibility policies, regulatory compliance, and efforts to promote responsible sourcing practices.

What Information Has to be Filled in CMRT File?


Conflict Minerals Reporting Template (CMRT) [Click Here: Link to Download Latest CMRT Template](#)



The CMRT has 8 tabs of which 3 tabs - Declaration, Smelter List and Product list (if declaring in product level) has to be filled by suppliers to provide information about their conflict minerals due diligence efforts.

1. Declaration Tab:

- Company Information: This tab includes information about the company providing the CMRT, including its name, address, and contact information.



Conflict Minerals Reporting Template (CMRT)

English

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[Link to Terms & Conditions](#)

The purpose of this document is to collect sourcing information on tin, tantalum, tungsten and gold used in products

Mandatory fields are noted with an asterisk (*). Consult the instructions tab for guidance on how to answer each question.

Company Information

Company Name (*):	
Declaration Scope or Class (*):	
Description of Scope:	
Company Unique ID:	
Company Unique ID Authority:	
Address:	
Contact Name (*):	
Email - Contact (*):	
Phone - Contact (*):	
Authorizer (*):	
Title - Authorizer:	
Email - Authorizer (*):	
Phone - Authorizer:	

- To determine regulatory applicability, 1 to 8 questions must be answered that define the usage, origination, and sourcing identification for each of the minerals. These questions are designed to collect information about the use of tin, tungsten, tantalum, and gold (3TG) in the company's product(s).
- If you answered "No" to Question 1 (Q1) for a particular mineral, you do not have to provide answers for the rest of the 7 questions for the respective mineral. Similarly, if you answered "Yes" to Question 1 but "No" to Q2 for a particular mineral, you do not need to answer questions from Q3 to Q8.
- To complete the section, answer each of the eight required questions for all four minerals using the drop-down menu selections. If the response to Q1 and Q2 for a particular mineral is "Yes", then the subsequent questions must be completed for that mineral.

1) Is any 3TG intentionally added or used in the product(s) or in the production process? (*)		
	Answer	Comments
Tantalum (*)	<input type="text"/>	<input type="text"/>
Tin (*)	Yes <input type="text"/>	<input type="text"/>
Gold (*)	No <input type="text"/>	<input type="text"/>
Tungsten (*)	<input type="text"/>	<input type="text"/>

2) Does any 3TG remain in the product(s)? (*)		
	Answer	Comments
Tantalum (*)	<input type="text"/>	<input type="text"/>
Tin (*)	<input type="text"/>	<input type="text"/>
Gold (*)	<input type="text"/>	<input type="text"/>
Tungsten (*)	<input type="text"/>	<input type="text"/>

3) Do any of the smelters in your supply chain source the 3TG from the covered countries? (SEC term, see definitions tab) (*)		
	Answer	Comments
Tantalum (*)	<input type="text"/>	<input type="text"/>
Tin (*)	<input type="text"/>	<input type="text"/>
Gold (*)	<input type="text"/>	<input type="text"/>
Tungsten (*)	<input type="text"/>	<input type="text"/>

4) Do any of the smelters in your supply chain source the 3TG from conflict-affected and high-risk areas? (*)		
	Answer	Comments
Tantalum (*)	<input type="text"/>	<input type="text"/>
Tin (*)	<input type="text"/>	<input type="text"/>
Gold (*)	<input type="text"/>	<input type="text"/>
Tungsten (*)	<input type="text"/>	<input type="text"/>

- Due diligence questions A to H must be answered about the company's overall conflict minerals due diligence program & practices.

Answer the Following Questions at a Company Level		
Question	Answer	Comments
A. Have you established a responsible minerals sourcing policy? (*)	Yes <input type="text"/>	<input type="text"/>
B. Is your responsible minerals sourcing policy publicly available on your website? (Note - if yes, the user shall specify the URL in the comment field.) (*)	No <input type="text"/>	<input type="text"/>
C. Do you require your direct suppliers to source the 3TG from smelters whose due diligence practices have been validated by an independent third party audit program? (*)	<input type="text"/>	<input type="text"/>
D. Have you implemented due diligence measures for responsible sourcing? (*)	Yes <input type="text"/> No <input type="text"/>	<input type="text"/>
E. Does your company conduct Conflict Minerals survey(s) of your relevant supplier(s)? (*)	<input type="text"/>	<input type="text"/>
F. Do you review due diligence information received from your suppliers against your company's expectations? (*)	<input type="text"/>	<input type="text"/>
G. Does your review process include corrective action management? (*)	<input type="text"/>	<input type="text"/>
H. Is your company required to file an annual conflict minerals disclosure? (*)	<input type="text"/>	<input type="text"/>

2. Smelter List Tab:

- This tab includes a list of smelters and refiners that are part of the supplier's supply chain, including their names, locations, and certifications.
- In this tab you have to enter information on all Smelters in your supply chain. Please note that you must report the relevant smelter if you have reported the presence of any 3TG mineral.

To prepare for filling in the Smelter List, please follow these steps:

- a. List all the smelters from which you have received CMRTs.
- b. Use CID numbers or other identifying information to remove any duplications in names.
- c. If your list contains non-SSN smelters without CID numbers, perform due diligence by checking their website or other sources to ensure that they are operating smelters.
- d. Remove trading companies and other businesses that are clearly not smelters.

TO BEGIN:

Option A: If you know the Smelter Identification Number, input the number in Column A (columns B, C, E, F, G, I and J will auto-populate); D will grey out.

Option B: If you have a Metal and Smelter Look-up name combination, complete the following steps:
 Step 1. Select Metal in column B
 Step 2. Select from dropdown in column C (wrong combination will trigger RED color)

Option C: If you have a Metal and Smelter Name combination, complete the following steps:
 Step 1. Select Metal in column B
 Step 2: Select "Smelter Not Listed" in the Smelter Look-up drop down and complete columns D & E
 Step 3. Enter all available smelter information in columns H through Q

(*) Mandatory fields are noted with an asterisk.
 (1) Entry required when Smelter Look-up = "Smelter not listed"

NOTE: A combination of Options A, B and C may be used to complete the Smelter List. Do not alter autopopulated cells. All errors in the Smelter Look-up sh

3. Product List Tab:

If declaring in product level you need to enter a list of all the products that contain 3TG minerals. For each product, you should provide the product name, description, and the name of the supplier that provided the 3TG minerals for that product.

4. Checker:

Once you have finished filling out the Declaration Sheet, Smelter List Sheet, and Product List Sheet, you should use the Checker Sheet to ensure that all required fields have been populated in your CMRT file.

To ensure all required fields have been populated before submitting to your customers review form for any line items highlighted in red

[Click here to return to Declaration tab](#) [Click here to return to Smelter List](#) [Click here to return to Product List](#)

Required Fields	Answer provided	Notes
Tantalum (*)	Yes	Complete
Tin	No	Complete
Gold	No	Complete
Tungsten	No	Complete
2) Does any 3TG remain in the product(s)? (*)		
Tantalum (*)		Declare if Tantalum is necessary to the production of your products and contained within the finished products declared in Declaration tab cell D32
Tin		Complete
Gold		Complete
Tungsten		Complete

Information filled correctly will be shown as complete and shown in 'Green' and fields not filled will be shown in 'Red'.

Things to Keep in Mind While Validating Your Supplier CMRT

1. Accuracy of information: Ensure that the information provided in the CMRT is accurate and up-to-date. Verify that the supplier has provided complete and correct information about their mineral supply chain.

2. Consistency of information: Check for consistency in the information provided by the supplier across different sections of the CMRT. Verify that the information provided in the CMRT matches the supplier's website or other public documents.

3. Traceability of materials: Validate the supplier's claims about the traceability of their materials by reviewing their due diligence practices and documentation. Check if the supplier has conducted due diligence on their upstream suppliers and if they have identified and mitigated any risks in their mineral supply chain.

4. Third-party verification: Third-party verification is essential in some cases, and it is recommended to confirm if the supplier's CMRT has been independently assessed by a reputable third-party auditor or certification body.

5. Continual improvement: Check if the supplier has a process for continual improvement of their mineral sourcing practices and if they are taking steps to address any identified risks or gaps in their supply chain due diligence.

6. Regulatory compliance: Ensure that the supplier's CMRT complies with applicable regulatory requirements, such as the US Dodd-Frank Act or the EU Conflict Minerals Regulation. Verify that the supplier is providing complete and accurate information as required by the regulations.



CHAPTER 4

Establishing Conflict Minerals Due Diligence Process

How to Set up Your Conflict Minerals Due Diligence Process?

Conflict minerals due diligence is a process that aims to identify, assess, and mitigate the risk of using conflict minerals in supply chains. Here is a step-by-step guide to conducting conflict minerals due diligence:

1. Understand the legal requirements:

The first step in conflict minerals due diligence is to understand the legal requirements. This includes the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States and similar regulations in other jurisdictions.

2. Establish a conflict minerals policy:

Create a conflict minerals policy that outlines your commitment to responsible sourcing practices and your due diligence process.

3. Identify your supply chain: Identify the suppliers that provide your products or components and determine which of them use or may use conflict minerals.

4. Conduct a survey: Send CMRT survey to your suppliers to gather information about the presence of conflict minerals in their products, the smelters or refiners they use, and their due diligence practices.

5. Analyze survey responses: Analyze the survey responses to identify any suppliers that may be using conflict minerals or may not have adequate due diligence processes in place.

6. Conduct additional due diligence: For suppliers that may be using conflict minerals, conduct additional due diligence to assess the risk and determine the source of the minerals.

7. Verify smelters and refiners: Verify the smelters and refiners in your supply chain to ensure they are conflict-free.

8. Report on due diligence: Report on your due diligence efforts to stakeholders, including customers, investors, and regulators.

9. Continuously monitor and improve: Continuously monitor and improve your conflict minerals due diligence process to ensure that it remains effective and meets evolving legal and stakeholder requirements.



By following these steps, you can establish a robust conflict minerals due diligence process that helps to ensure responsible sourcing practices in your supply chain.

Smelter Risk Analysis:

1. Identify Smelters and Refineries: The first step is to identify all the smelters and refineries in the DRC region and the Conflict-Affected and High-Risk Areas (CHARAs) list that are part of your supply chain. Obtain a list of smelters and refineries from your suppliers, and cross-check it with publicly available databases such as the Responsible Minerals Initiative (RMI) smelter list and/or London Bullion Market Association (LBMA).

2. Assess Smelter Risks: Once you have identified the smelters and refineries, assess their risk level based on factors such as their location, ownership, due diligence practices, and past performance. Use tools like the [RMI Smelters and Refiners list](#) or [CHARAs list](#) to assess the smelters' risks. Based on the risk assessment, determine which smelters pose the highest risk and prioritize them for further due diligence and engagement.

If you're in the business of sourcing metals, it's essential to ensure that the smelters or refiners you're working with are responsible and ethical. That's where the RMI's conformant & Active smelter and refiners list comes in.

Conformant Smelter & Refiner Lists

Conformant lists represent smelters and refiners that have successfully completed an assessment against the RMI's RMAP standards or an equivalent assessment in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area. It's important to note that RMI assessments are backward-looking and evaluate the auditee's due diligence systems and processes to conform with the RMAP standards. They're not a material validation assessment. The audit cycle indicates the period from the last assessment date to the next planned reassessment date, which is one year for RMAP smelters and three years for smelters in a risk-based audit program and TI-CMC members.

•Active Smelter & Refiner Lists

Active lists represent facilities that have committed to undergoing an RMAP assessment, completed the relevant documents, and scheduled the on-site assessment. They may be in the pre-assessment, assessment, or corrective-action phases of the assessment. The RMI also notes on the active smelters list the names of any smelters or refiners that have left the active or conformant list and intend to re-enter the program. If you're looking to work with smelters and refiners that are committed to responsible sourcing, you should check out the active smelter and refiners' lists.

Typical Challenges in Supplier Due-Diligence Survey for CMRT

1. Lack of response: Suppliers may be hesitant or slow to respond to requests for information. This can be due to various reasons such as lack of understanding of the requirements, lack of resources, or reluctance to share sensitive information.

2. Incomplete or inaccurate information: Suppliers may provide incomplete or inaccurate information in their CMRTs. This can be due to various reasons such as a lack of knowledge of their own supply chain, lack of resources to conduct due diligence, or intentional misrepresentation.

3. Limited visibility: Suppliers may not have full visibility into their own supply chains, making it difficult to identify the origin of conflict minerals.

4. Lack of supplier response: Engaging with suppliers to encourage them to adopt responsible sourcing practices can be challenging, particularly if they are not motivated to do so.



Conflict Minerals Reporting:

Conflict minerals reporting refers to the process of identifying and disclosing the use of conflict minerals in a company's products and supply chain. Companies have to consolidate conflict mineral data from downstream suppliers and report it to the Securities and Exchange Commission (SEC) in the United States.

Under the US Dodd-Frank Conflict Minerals Act, public listed companies are required to conduct due diligence on their supply chains and report on the use of conflict minerals in their products. Downstream users of conflict minerals are required to report to their immediate customers, providing information on the use of conflict minerals in their products. The immediate customers, in turn, report this information upstream to their customers, and so on, until the information reaches the manufacturer or importer.

Once the information has been consolidated, the manufacturer or importer is responsible for reporting the conflict mineral data to the SEC on Form SD. The Form SD requires companies to provide information on the source and chain of custody of conflict minerals used in their products, as well as efforts to conduct due diligence on their supply chains. The SEC reporting deadline for Form SD is May 31st of each year.

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