ACQUIS

THE COMPLETE GUIDE TO

Extended Minerals Reporting (EMRT)

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CONTENTS

Chapter I: Understanding Extended Minerals

Extended minerals play a pivotal role in our interconnected world. These essential elements often hidden within the intricate machinery of our devices and industries shape our daily lives. From smartphones to electric vehicles, extended minerals power our technological advancements. Extended minerals encompass critical elements such as cobalt and mica. Their significance lies not only in their functional properties but also in their impact on broader societal and environmental contexts.

Conflict minerals, represented by 3TG (tin, tungsten, tantalum, and gold), fall under regulatory requirements due to their association with armed conflict and human rights abuses in specific regions.

Compliance regulations, such as the U.S. Dodd-Frank Act and the EU Conflict Minerals Regulation, aim to prevent these minerals from benefiting armed groups. In contrast, extended minerals specifically cobalt and mica as per EMRT v1.3 (current version) and additionally copper, graphite (natural), lithium, and nickel as per EMRT v2.0 (expected to be released on April 2025) are not subject to mandatory compliance. The expanded scope of extended minerals seeks to support companies' reporting needs under the EU Battery Regulation (covering natural graphite, lithium, and nickel) and to enhance responsible sourcing efforts by addressing impacts on human rights, environmental sustainability, and geopolitical stability. Companies voluntarily disclose their due diligence practices using tools like the Extended Minerals Reporting Template (EMRT). Both conflict and extended minerals are essential in promoting responsible mineral supply chains, albeit with different regulatory contexts.

A Collaborative Effort:

The Responsible Minerals Initiative (RMI) unites stakeholders across industries, NGOs, and governments. Its mission: to promote responsible sourcing of minerals. By addressing challenges related to conflict minerals, child labor, and environmental sustainability, the RMI aims to create a more ethical supply chain. Within the RMI framework, cobalt and mica are primary focus areas, with an expanded emphasis now on copper, graphite (natural), lithium, and nickel.

Cobalt:

A critical component in lithium-ion batteries, cobalt powers electric vehicles, smartphones, and laptops. However, its extraction often occurs in regions with human rights concerns and environmental challenges.

Mica:

This silicate mineral enhances the properties of paints, cosmetics, and electronics. Yet, unethical mining practices, including child labour, persist in mica-rich areas.

Copper:

Copper is a fundamental metal used extensively in electrical wiring, plumbing, and construction. Its excellent conductivity makes it essential for renewable energy systems and electric vehicles. However, copper mining can lead to significant environmental degradation, including deforestation and water pollution, often impacting local communities.

Graphite (Natural):

Natural graphite is crucial for battery production, especially in lithium-ion batteries, and is widely used in lubricants, lubricated applications, and as a material for fuel cells. Although it has applications in many high-tech industries, unethical mining practices in some regions raise concerns about the welfare of miners and environmental sustainability.

Lithium:

Lithium is a key element in rechargeable batteries, powering everything from electric vehicles to smartphones and laptops. The growing demand for lithium has led to increased mining activity, particularly in areas like South America's "Lithium Triangle." However, this rapid extraction often raises concerns about water usage, ecological impact, and social tensions in local communities.

Nickel:

Nickel is vital for producing stainless steel and is an essential component in rechargeable batteries, particularly for electric vehicles. While nickel is critical for modern technology, its extraction can result in significant environmental damage, such as habitat destruction and soil contamination. Additionally, ethical issues surrounding labour practices in mining regions raise concerns about the socio-economic impact on local populations.

Streamlining Transparency, The EMRT emerges as a game-changer.

Unified Approach:

The EMRT consolidates reporting efforts for cobalt and mica. Previously, separate templates existed (Cobalt Reporting Template and Mica Reporting Template). Now, companies use the EMRT as a single platform for disclosure. Starting in April 2025, with the release of EMRT 2.0, it will also cover four additional minerals: copper, natural graphite, lithium, and nickel.

Due Diligence:

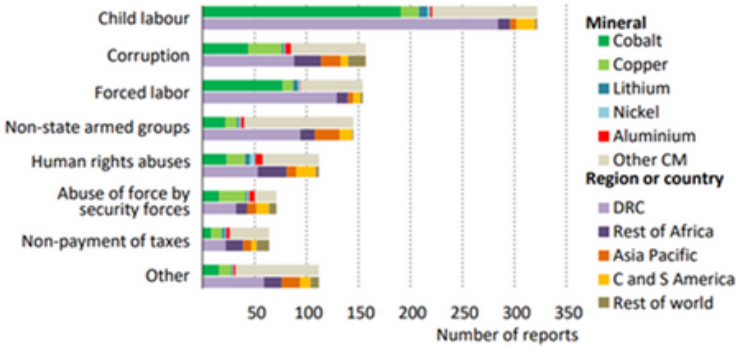
By adopting the EMRT, downstream companies exercise due diligence. They track the origin of minerals, assess risks, and ensure responsible practices throughout the supply chain. EMRT 2.0 will also include an optional tab to collect mine-level facility information.

Transparency:

The EMRT fosters transparency. Companies share information about mineral processors, smelters, and refineries, enabling consumers to make informed choices.

Chapter II: Extended Minerals and Their Significance

Public reports of select risks by mineral supply chain 2017-2019 (Source OECD)



Cobalt:

A vital component in lithium-ion batteries, fuels our modern devices. Cobalt mining in the DRC leads to deforestation, soil erosion, and water pollution. Artisanal mining practices harm ecosystems and biodiversity. Child labor is prevalent in DRC mines, violating human rights. Miners face hazardous working conditions and health risks. Mining activities contribute to soil degradation and water contamination. Energy-intensive refining processes emit greenhouse gases. Workers often lack proper safety measures and suffer health consequences. Communities near mines face displacement and disruption.

- **Essential Component:** Cobalt powers electric vehicles, smartphones, and laptops.
- **Geopolitical Challenges:** Abundant in regions like the Democratic Republic of Congo (DRC), cobalt extraction faces human rights concerns and environmental issues.
- **Child Labor:** Mining often involves child labor and unsafe conditions.
- **Not Yet a Conflict Mineral**: Although not officially labeled as such, responsible sourcing is crucial due to its risks and demand.

Cobalt import & export in trading weight:

Mica:

Versatile and widespread, impacts various industries. Mica mining in India (especially in Jharkhand and Bihar states) leads to deforestation, soil erosion, and loss of biodiversity. Illegal mining exacerbates environmental degradation. Child labor is rampant, with children working in hazardous conditions. Poverty and lack of education perpetuate the cycle. Mica extraction disrupts ecosystems, affecting flora and fauna. Improper waste disposal harms water quality. Miners face health risks due to exposure to toxic minerals. Communities struggle with poverty and lack of infrastructure.

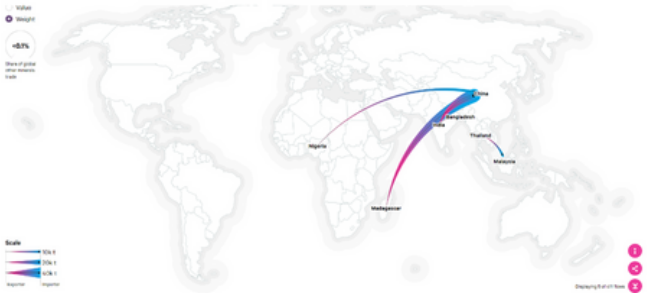
Applications: Mica enhances paints, cosmetics, and electrical insulators.

Geographical Distribution: Deposits exist in India, Madagascar, Brazil, and other countries.

Ethical Challenges: Mica mining involves child labor and exploitative practices.

Beauty Industry: Responsible sourcing matters, given mica's heavy use in cosmetics.

Mica import & export in trading weight:



Copper:

A versatile metal critical for electrical wiring, plumbing, and renewable energy technologies. The mining of copper often leads to significant environmental challenges, such as habitat destruction, soil erosion, and water pollution. Mining activities can also cause health problems for workers and nearby communities due to exposure to harmful substances. Additionally, economic disparities can lead to poor living conditions for those employed in mining regions. Implementing sustainable practices is essential to mitigate the adverse effects on both the environment and local populations.

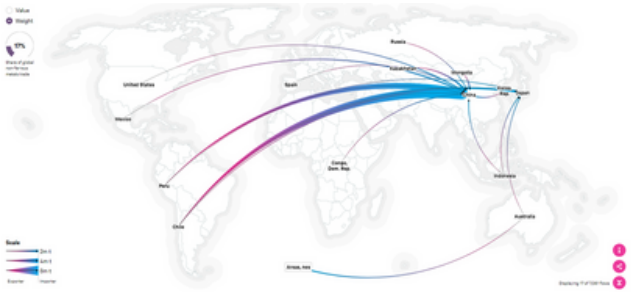
Applications: Copper is essential for electrical applications, construction, and renewable energy systems.

Geographical Distribution: Key deposits are located in Chile, Peru, the United States, and Australia.

Ethical Challenges: Environmental degradation and socioeconomic inequalities in mining regions pose significant concerns.

Responsible Sourcing: Sustainable methods in copper mining are increasingly necessary as demand rises for green technologies.

Copper import & export in trading weight:



Nickel:

A crucial metal widely used in stainless steel production, batteries, and alloys. Nickel mining can lead to significant environmental issues, including deforestation and soil contamination. The extraction process often involves heavy metals, which pose serious health risks to miners and surrounding communities. Additionally, mining activities can lead to water pollution, affecting local ecosystems and human health. Communities in nickel-rich regions sometimes face economic challenges, with labor practices often deemed exploitative. Sustainable extraction methods are essential to mitigate these impacts.

Applications: Nickel is vital for batteries, particularly in electric vehicles, as well as in stainless steel and aerospace applications.

Geographical Distribution: Major deposits are found in Canada, Indonesia, Australia, and the Philippines.

Ethical Challenges: Concerns include labor rights violations and environmental impacts from mining.

Sustainable Practices: Emphasizing responsible sourcing is critical as demand for electric vehicle batteries grows.

Nickel import & export in trading weight:

Graphite (Natural) :

A vital component in battery production, lubricants, and various industrial applications. Natural graphite mining presents environmental challenges including deforestation, habitat destruction, and water pollution. In some regions, unethical mining practices are prevalent, where labour conditions are poor and regulations are lax. Miners are often exposed to harmful dust and chemicals that can lead to serious health issues. The need for proper waste management and sustainable extraction techniques is crucial to minimize environmental harm and support workers' rights.

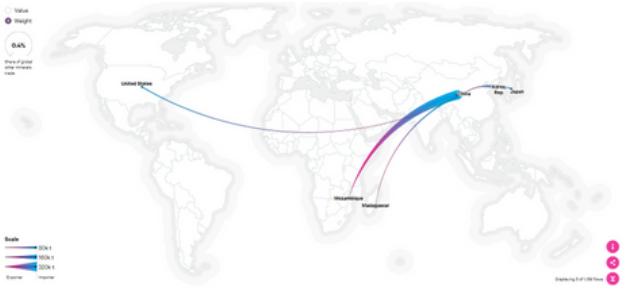
Applications: Used in batteries, lubricants, and as a moderator in nuclear reactors.

Geographical Distribution: Major sources include China, Brazil, Canada, and Madagascar.

Ethical Challenges: Mining operations may be associated with poor labour practices and environmental degradation.

Green Technologies: As demand for electric vehicle batteries grows, responsible sourcing of natural graphite becomes increasingly important.

Graphite (natural) import & export in trading weight:



Lithium:

A key element for rechargeable batteries, widely used in electric vehicles, smartphones, and other electronic devices. The rapid expansion of lithium mining has raised concerns over water usage in sensitive ecosystems, particularly in areas like the Lithium Triangle in South America. The extraction process can lead to soil salinization, disrupting local agriculture and plant life. Communities often face economic inequality and lack of infrastructure as mining operations exploit local resources. Ensuring ethical mining practices is essential to safeguard both the environment and the rights of local populations.

Applications: Lithium is crucial for lithium-ion batteries, ceramics, glass, and lubricating greases.

Geographical Distribution: Major lithium deposits are found in Australia, Chile, Argentina, and China.

Ethical Challenges: Water scarcity and socio-economic issues related to lithium extraction are significant concerns.

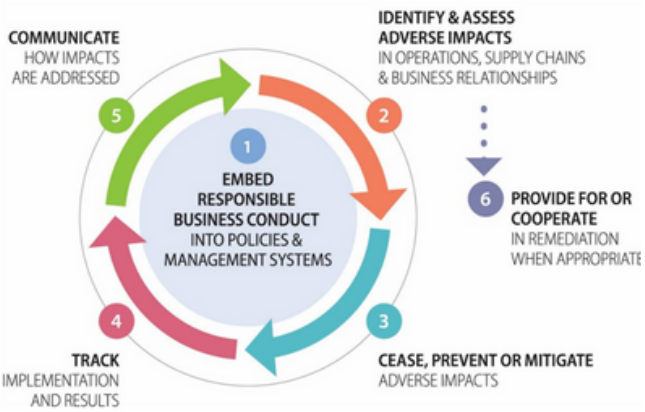
Sustainable Practices: Responsible sourcing and careful management of resources are vital as demand for lithium continues to grow.

Lithium import & export in trading weight:

Chapter III: OECD Guidelines, RMI Due Diligence & Assurance Process

OECD Guidelines for Responsible Supply Chains

The Organization for Economic Co-operation and Development (OECD) provides comprehensive guidelines for responsible mineral sourcing. These guidelines aim to ensure that minerals are extracted and traded ethically, without contributing to conflict, human rights abuses, or environmental degradation.



Supply Chain Due Diligence

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas outlines a five-step due diligence process:

1

Establish strong management systems

Adopt due-diligence policies and build internal capacity to implement them. Engage with suppliers and business partners. Develop internal controls and transparency over the mineral supply chain, collect data, and set up grievance mechanisms.

2

Identify, assess, and prioritise risks

Review information on the supply chain to identify any red flags that would trigger enhanced due diligence. Delve deeper and map the factual circumstances of the red-flagged operations, supply chains, and business partners. Prioritise risks as set out in Annex II of the Guidance (see risks below).

3

Manage risks

Report risk assessment findings to senior management and improve internal systems of control and oversight. Only disengage from suppliers associated with the most harmful impacts. In all other cases, take steps to increase leverage, either individually or collaboratively, to prevent or mitigate risks. Build internal and business-partner capacity.

4

Audit control points

Carry out independent third-party audits to verify that due-diligence practices have been implemented properly at key "control points" (refiners and smelters for tin, tungsten, tantalum and gold, for example) in the supply chain. Auditors should gather findings and recommend specific improvements to existing processes.

5

Communicate and report on due diligence

Publicly report on supply chain due diligence policies and practices including by publishing the supply chain risk assessment and management plan, with due regard to business confidentiality and other competitive concerns. Respond to stakeholder questions, concerns, and suggestions.

Identification of Risks:

Companies must identify risks associated with their mineral supply chains. This includes assessing the geographical context, political stability, and labor conditions.

Extended minerals, such as cobalt and mica, fall under this scrutiny due to their high-risk contexts.

Assessment of Suppliers:

Companies evaluate their suppliers' practices. They seek transparency regarding mineral country of origin, processing facilities, and trading partners.

Understanding the origin of minerals is essential to ensure responsible sourcing.

Risk Mitigation Measures:

Based on the risk assessment, companies implement measures to mitigate risks. This may involve engaging with suppliers to improve practices or diversifying sourcing.

Collaboration with suppliers is crucial for responsible mineral supply chains.

Independent Third-Party Audits:

Auditors verify compliance with due diligence requirements.

They assess supply chain practices, including environmental impact, labor conditions, and conflict-free sourcing.

Transparent Reporting:

Companies report their due diligence efforts publicly. Transparency is crucial for accountability and consumer confidence. Reporting mechanisms like the **Extended Minerals Reporting Template** (EMRT) and **Additional Minerals Reporting Template** (AMRT) streamline this process.

RMI Due Diligence Process

The Responsible Minerals Initiative (RMI) empowers companies to promote responsible practices across mineral supply chains by offering tools, resources, and partnerships aligned with international standards like the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance. RMI supports companies in making ethical sourcing decisions that meet regulatory expectations and foster positive social and environmental impact. As a leading industry voice, RMI also brings together stakeholders to advance dialogue and refine practices for sustainable mineral sourcing, driving meaningful progress in ethical sourcing practices industry-wide. Let's explore their Due diligence process

Supplier Engagement

- Companies engage with their suppliers to understand their practices related to cobalt and mica sourcing.
- Transparency and dialogue throughout the supply chain help identify risks and opportunities for improvement.

Risk Assessment and Mitigation

- Companies assess risks associated with minerals sourcing. These risks include environmental impact, labor conditions, and geopolitical challenges.
- Mitigation strategies involve working with suppliers to improve practices and reduce negative impacts.

Assurance and Auditing

- Independent auditors verify compliance with due diligence requirements.
- Audits assess supply chain practices, including environmental impact, labor conditions, and conflict-free sourcing.
- Assurance of responsible practices builds trust.

Reporting and Transparency

- Companies report their due diligence efforts publicly.
- The RMI provides tools like the EMRT to streamline reporting.
- Transparent reporting fosters accountability and drives positive change.

Responsible Minerals Assurance Process (RMAP) - Upstream Companies

A flagship program of the Responsible Minerals Initiative (RMI). RMAP takes a unique approach to helping companies make informed choices about responsibly sourced minerals in their supply chains. The RMAP standards are developed to meet the requirements of the OECD Due Diligence Guidance, the Regulation (EU) 2017/821 of the European Parliament, and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

Learn more about Cobalt & Mica due diligence standards.

Validation

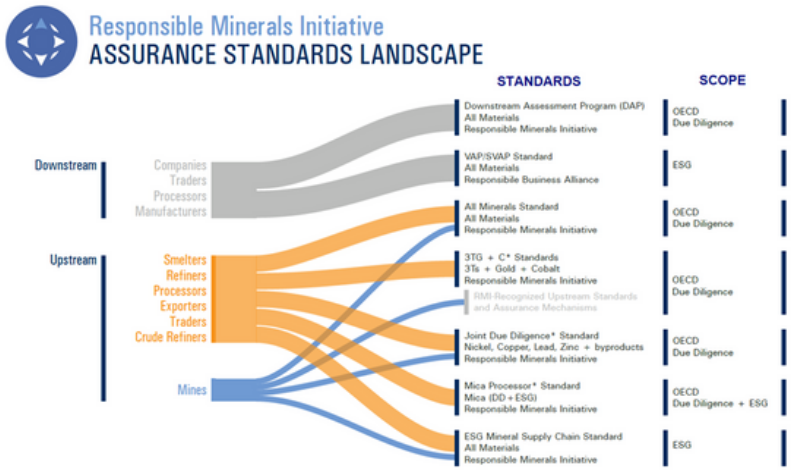
- RMAP uses independent auditors approved by the RMI.
- Validates company-level processes for responsible mineral procurement.
- Ensures compliance with RMAP standards.

Risk Readiness Assessment (RRA)

- Companies complete the RRA annually.
- Validates readiness for responsible mineral sourcing.
- Not a material validation assessment but assesses systems and processes.

Eligibility for Assessment

- Smelters and refiners that meet RMAP standards.
- Fully operational facilities at the time of assessment.
- Assessments are valid for one or three years, depending on factors.



The Downstream Assessment Program (DAP) - Downstream Companies

Introduced by the Responsible Minerals Initiative (RMI), ensures responsible mineral sourcing practices among downstream companies. DAP focuses on a critical point in the global metals supply chain: smelters and refiners. It validates that companies adhere to responsible sourcing standards aligned with the OECD Due Diligence Guidance & EU Regulations.

Validation

- RMI-approved auditors assess smelter/refiner practices by 3rd party independent auditors.
- Validates responsible mineral procurement processes in management system.
- Sourcing Practices in line with RMAP standards.
- Risk-based approach ensures thorough validation.

Eligibility for Assessment

- **Processor:** Procure minerals or metals for transformation, processing, or treatment. Lack primary material processing capabilities (not smelters or refiners).

- **Trader:** Buy and sell mineral-containing substances or products without altering their physical or chemical states. Includes importers and exporters.

- **Manufacturer:** A company that makes products and where the metal is added into a product and/or a product containing metals is further processed or assembled. Metal inclusion is a key aspect.

- **Union Importer:** Declare minerals or metals for release within the EU. Compliance with EU regulations (e.g., EU Responsible Minerals Regulation).

- **Exclusion:** Smelter sites owned by primary smelters are considered primary smelters (ineligible for DAP).

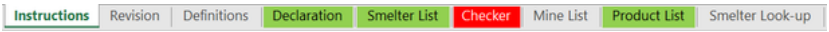
Chapter IV: EMRT Explained

The Extended Minerals Reporting Template (EMRT) is a standardized & free reporting tool developed by the Responsible Minerals Initiative (RMI). It serves as a bridge for information exchange within the supply chain, specifically regarding the country of origin of minerals used in products and the smelters, refiners, and processors involved. Submitting an EMRT involves more than just providing mineral data; it includes reporting on minerals sourced in raw or material or product forms. This data must be responsibly collected from the supply base, thoroughly validated through due diligence, and compiled for sharing with relevant stakeholders as applicable.

The EMRT is formula enabled excel file and this template contains eight tabs (sheets) ranging from instructions to smelter look-up. However, the data fields are enabled for the users to input the data only in 3 sheets (highlighted in green). This template is subjective to update/ correction based on the regulatory requirements & enhanced reporting or due diligent mechanisms. Let's explore each sheet one-by-one.

Note: The illustrations below are based on the EMRT v1.3, which covers two minerals: cobalt and mica. The next version, EMRT v2.0, is anticipated to be released in April 2025 and will cover six minerals: cobalt, mica, copper, natural graphite, lithium, and nickel.

It is highly recommended that companies use EMRT v2.0 for the upcoming mineral surveys. While organizations can opt to use AMRT to report on these minerals, utilizing both templates may place significant pressure on the supply base due to the limited timeframe available to switch between them.



Instruction: This sheet provides the complete guidelines and instructions for filling out the declaration sheet and terms and conditions associated. This includes the answering methods for both company relevant data and minerals relevant data.

Revision: Here, we can able to see the current version and the various revision undergone. Also, depicts the date and updates were brought into the corresponding revisions.

Definitions: Useful and informative sheet this enables user understanding on the key aspects and terminologies on the extended minerals reporting. The scope of the explanation ranges from the handling businesses (refiners, processors, smelters) basic explanations (product, minerals) and due diligence & assurance terms (RMI, RMAP, OECD).

Checker: This sheet is deployed with formulas to validate the EMRT in automated way. However, this check will perform only that the mandatory fields are filled or not (not the authenticity of the data). There are higher chances of the rejection at the recipient end if the checker shows error. Also, to be noted that no error does not mean that the EMRT fulfills all the criteria set out.

Smelter look-up: This sheet represents the RMI's latest smelter name/alias information as of this templates release. This list is updated frequently, and the most up-to-date version can be found on the RMI website.The presence of a smelter here is NOT a guarantee that it is currently Active or Conformant within an independent third-party audit program.

Names of the smelters mentioned in the B column are not the standard smelter names, they can be trade name or other names or abbreviations etc. The Standard names of the smelters are listed in the column C. This sheet enlists all the relevant data of the smelters (Name, the mineral they handle, location of the facility).

Product list: This sheet is not mandatory to fill until the declaration scope is set out to product level. This sheet to be entered ONLY if the declaration scope selected as product level. Here the user can disclose their product name and product number that are applicable. Non-applicable products (no mica/ no cobalt used) are need not be reported in this sheet.

Declaration: This sheet plays a crucial role in the EMRT. Here, the businesses are mandated to provide the factual data based on the minerals survey conducted throughout the supply chain (End product -> Product -> Sub-products -> Materials -> Mineral/ Raw materials -> Smelter). Mandatory data fields are highlighted with yellow and with * symbol.

Declaration sheet segmented into 3 sections namely, company information, mineral information and finally due diligence mechanisms. The users can select the languages preferences of their own. Currently, EMRT supports only 6 languages.

Company Information

The users need to fill out the described questionnaire. Declaration scope is the drop-down based question. The user can select the following options based on the survey conducted/ the reports applicability.

Company level: If selected; this report is applicable at the company level.

Product level: If selected; this report is ONLY applicable to the listed products.

User defined: If selected; the conditions to be mentioned in the below cell.

Extended Mineral Reporting Template (EMRT)

Select Language Preference Here:
English

Revision 2.0
April 25, 2025

Link to Terms & Conditions

The purpose of this document is to collect sourcing information on below minerals.

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:	
Select Minerals/Metals in Scope [*]:	Cobalt, Copper, Graphite, Lithium, Mica, Nickel
Company Unique ID:	
Company Unique ID Authority:	
Address:	
Contact Name [*]:	
Email – Contact [*]:	
Phone – Contact [*]:	
Authorizer [*]:	
Title - Authorizer:	
Email - Authorizer [*]:	
Phone - Authorizer:	
Effective Date [*]:	

Minerals Information

This segment consists of the questions for each minerals. The user can select the answers based on the survey results and factual information using the drop-down menu. Again, yellow are mandatory to answer and grayed out is not. Also, the recipient may ask for clarification. It's always recommended to provide the remarks in the comments area.

Answer the following questions 1 - 7 based on the declaration scope indicated above

1) Is any of the specified mineral/metal intentionally added or used in the product(s) or in the production process? (*)	Answer	Comments
Cobalt(*)		
Copper(*)		
Graphite(*)		
Lithium(*)		
Mica(*)		
Nickel(*)		

2) Does any of the specified mineral/metal remain in the product(s)? (*)	Answer	Comments
Cobalt(*)		
Copper(*)		
Graphite(*)		
Lithium(*)		
Mica(*)		
Nickel(*)		

3) Do any of the smelters or processors in your supply chain source the specified mineral/metal from conflict-affected and high-risk areas? (OECD Due Diligence Guidance, see definitions tab) (*)	Answer	Comments
Cobalt(*)		
Copper(*)		
Graphite(*)		
Lithium(*)		
Mica(*)		
Nickel(*)		

4) Does 100 percent of the specified mineral/metal originate from recycled or scrap sources?(*)	Answer	Comments
Cobalt(*)		
Copper(*)		
Graphite(*)		
Lithium(*)		
Mica(*)		
Nickel(*)		

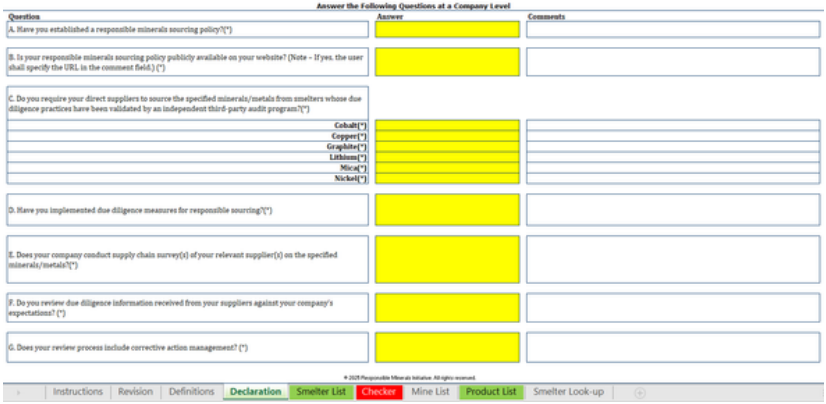
5) What percentage of relevant suppliers have provided a response to your supply chain survey?(*)	Answer	Comments
Cobalt(*)		
Copper(*)		
Graphite(*)		
Lithium(*)		
Mica(*)		
Nickel(*)		

6) Have you identified all of the smelters or processors supplying the specified minerals/metal to your supply chain?(*)	Answer	Comments
Cobalt(*)		
Copper(*)		
Graphite(*)		
Lithium(*)		
Mica(*)		
Nickel(*)		

7) Has all applicable smelter or processor information received by your company been reported in this declaration?(*)	Answer	Comments
Cobalt(*)		
Copper(*)		
Graphite(*)		
Lithium(*)		
Mica(*)		
Nickel(*)		

Due Diligence Information

This segment allows user to input the data concerning their due diligence practices at their company level. Here, the users are mandated to select the answer from drop-down as applicable and comments sections will become mandatory based on the answer selection.



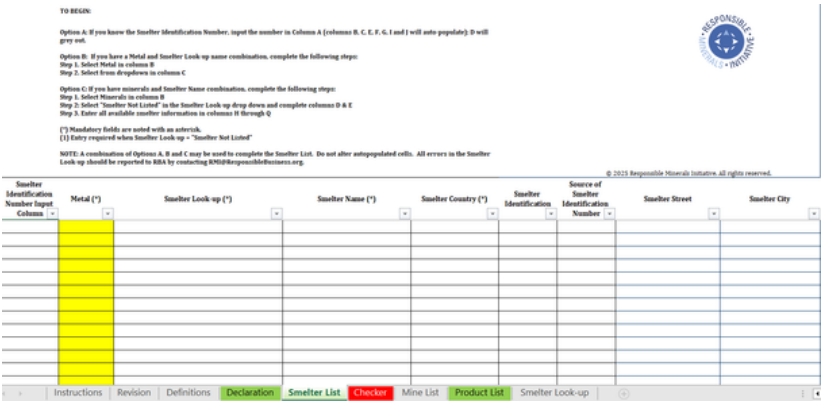
Smelter List

The smelter list sheet is another important area to be monitored and filled with higher attention. This sheet comes with instructions to fill in at the top. The users can read and continue with the data seeding. There are 3 ways to fill out this information and method A is highly recommended and will result in no or minimal error. The Other 2 ways are time consuming and may lead to errors. Here, the user must provide the data of the smelting facility they source from. Their status will be pulled-out from the smelter look-up.

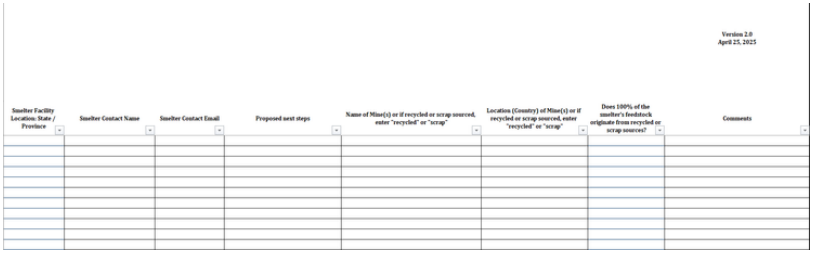
The filled data will be passed along the supply chain and subject to due diligence mechanisms. The conformant smelters will not face major impact with subject to their audit validity. Active smelters will be put under continual monitoring until they complete the applicable audits and become conformant.

The other status smelters (not registered, registered, outreach required) will face the high level of scrutiny under the customer or legal mandates. This may include pushing them to register under RMAP or DAP or Other applicable audits. In case of non-compliance after the specified period they might subject to eliminated from the supply chain (transitioning away) to ensure the responsible sourcing practices are followed.

The data to be filled by the users include the smelter ID, Look-up name (auto pulled in most cases), smelter country, street, city, complete address, their contacts (only if non-active/ non-conformant), recycled unit data (only if recycled/ from scrap). The fields highlighted by yellow or questions marked with * symbol are mandated to answer.



The list extends in a horizontal way (from column A to O), the users are mandated to fill the maximum data collected from the supply chain during the survey. Some recipients reserve the rights of gaining the data under all the described fields below.



Validating EMRT

Validating received EMRTs from the supply chain plays a vital role as it contains the sourcing data. The received EMRTs to be carefully validated based on the general criteria, best practices, and company or customer mandates to ensure due diligence. The validation criteria subject to change. However, the best practices are listed out below,

- Always to gain the most factual data
- Enabling cross verification process (Minerals reported vs product composition)
- Educating supply chain actors on responsible sourcing
- Always to collect the most recent data (effective date)
- Recommend the supply base to use the recent EMRT version (updated each year)
- Encourage the supply base to put the remarks
- To increase the response rate (at least 90%)
- Validating smelter information (reported vs RMI database)
- Push the supply base (Active to conformant)
- Continual monitoring (to register for audits)
- Transitioning away from the non-cooperative smelters/ supply chain actors

Also, the businesses can adhere to the guidance document released by RMI for the effective validation practices and establishing strong management system.

Step 1: Robust Validation

Send the Mineral Reporting Templates (MRTs) to suppliers for completion to identify pinch points in your supply chain. Use the MRT template relevant to the minerals your company is sourcing. Consult relevant MRT guidance for MRT completion.

Review the MRTs to identify the SORs that are in your supply chain and do a plausibility check to verify accuracy and completeness of reports.

To further verify MRT results, you can also ask suppliers to undergo a RMI's Downstream Assessment Program (DAP) assessment.

Join the RMI Smelter Engagement Team (SET) working group to engage with SORs, become Single Point of Contact (SPOC) for specific SORs to encourage them to join RMAP and/or maintain their conformant status in RMAP, and conduct SOR site visits to support their pre-assessment preparation and post-assess-

Step 2: Risk Assessment

Cross-check the SoRs declared in the MRTs with data in the Facility Database/RBA Online to see whether declared SoRs have been assessed against one of the existing standards, or invite them to be assessed against the RMI standards.

Check to see if a Risk Readiness Assessment (RRA) was completed by the facility. If yes, request access to review it. If no, encourage completion. RMAP facilities are required to complete the RRA once every two years and, starting in 2024, RRA completion is also required from DAP facilities. Other companies, such as Large Scale Mining (LSM) sites that do not participate in the RMAP, also have access to

Assess any improvements made as eligible and conformant companies retake the RRA after a two-year period. encourage facilities to undertake a third party verification of the performance self-declared in the RRA through an RMI ESG assessment.

Step 3: Risk Management

Build direct relationships with the SORs, which would encourage them to be more likely to share their full assessment reports with you through RBA-Online and see benefit in participating in the RMAP assessments.

Request the full RMI assessment report and Corrective Action Plan – (CAP), if applicable, from RBA-Online by setting up trading partnership with your supplying SORs and request permission to view. You can also download their public SOR Step 5 due diligence reports from the RMI website or the SORs' own websites.

Review the full assessment reports to understand how your SORs meet OECD Minerals Due Diligence Guidance expectations to support responsible sourcing, whether any gaps were identified during the assessment, and how those gaps are being addressed through the CAP process.

Read their Step 5 public due diligence reports to understand their management systems and due diligence practices, to understand their processes for Annex II risk identification, and whether they state they are sourcing from conflict-affected and high-risk areas (CAHRAs), as well as how they are conducting risk assessments, whether any risks were identified, and what they are doing to mitigate those risks. Review SOR's websites for

Step 4: Effective Communication & Public Disclosure

Communicate your expectations for SORs to undergo RMAP. Support cost of assessments and upstream due diligence activities through RMI Audit Fund and Upstream Due Diligence Fund. Connect your suppliers participating in RMI assessments that need to implement a CAP with the RMI to access RMI technical assistance that supports RMAP and DAP assessment preparation and CAP closure.

Keep in touch regularly with your suppliers on their conformant status or understand their difficulties for making improvements. Provide support accordingly, including referring them to the free RMI E-Learning online trainings to build their understanding of due diligence.

Summarize all the actions you as a company have taken from Steps 1,2,3 and 4. Communicate these actions in either a stand alone public due diligence report or as part or your annual or sustainability reporting.

Explain the due diligence carried out on suppliers that were eligible yet not listed on the conformant list. Describe how you have engaged with those SORs to invite their participation in RMAP and what sourcing decisions you have made in terms of either discontinuing sourcing from them until they become conformant, or continuing sourcing under a condition that they will become conformant within specific period of time.

Chapter V: Developing a Robust Due Diligence Mechanism for Extended Minerals

Responsible sourcing of extended minerals, such as cobalt and mica, is essential to mitigate risks related to human rights, environmental impact, and geopolitical stability. Developing an effective due diligence mechanism ensures transparency, accountability, and ethical practices within the supply chain. In this chapter, we explore key steps to create a robust framework for extended mineral due diligence.

Key Aspects of Due Diligence

Risk Assessment

- **Identify Risks:** Understand the risks associated with extended minerals.
- **Context Matters:** Consider geopolitical factors, labor conditions, and environmental impact.
- **Prioritize Risks:** Assess severity and likelihood to prioritize actions.

Supplier Engagement

- **Transparency:** Engage with suppliers to understand their practices.
- **Dialogue:** Encourage open communication throughout the supply chain.
- **Commitment:** Evaluate supplier commitment to responsible sourcing.

Traceability and Transparency

- **Trace the Supply Chain:** Map the entire journey from mine to end product.
- **Mineral Country of Origin:** Ensure transparency regarding mineral origin.
- **Reporting Tools:** Use the Extended Minerals Reporting Template (EMRT) for disclosure.

Risk Mitigation Measures

- **Collaborate:** Work with suppliers to improve practices.
- **Adapt Strategies:** Implement risk mitigation measures based on assessment findings.
- **Monitor Progress:** Regularly review and adjust actions.

Deploying Due Diligence

Policy and Commitment

- **Clear Policy:** Develop a policy statement on responsible mineral sourcing.
- **Leadership Buy-In:** Obtain commitment from senior management.
- **Stakeholder Communication:** Share the policy internally and externally.

Risk Assessment Framework

- **Customize:** Create a risk assessment framework specific to extended minerals.
- **Cross-Functional Teams:** Involve experts from various departments.
- **Quantitative and Qualitative Factors:** Consider both types of risk indicators.

Supplier Due Diligence

- **Assess Practices:** Evaluate suppliers extended mineral practices.
- **On-Site Audits:** Consider conducting audits at supplier facilities.
- **Continuous Monitoring:** Regularly assess supplier commitment.

Traceability Systems

- **Technology Solutions:** Implement systems like Acquis Compliance EMRT Tool to automate data collection, efficient mineral traceability and smelter risk assessment.
- **Collaborate with Suppliers:** Enhance traceability across the supply chain.
- **Blockchain and Digital Records:** Use technology for transparent record-keeping.

Reporting and Communication

- **Reporting Process:** Develop a process for documenting due diligence efforts.
- **Stakeholder Engagement:** Communicate progress to investors, customers, and other stakeholders.
- **Transparency Builds Trust:** Regularly share updates.

Developing a robust due diligence mechanism for extended minerals requires commitment, collaboration, and transparency. By integrating risk assessment, supplier engagement, and traceability, companies contribute to a more responsible and sustainable mineral supply chain.

Reference Link:

Understanding the responsible way of sourcing minerals are critical in the current geopolitical and regulatory landscapes. Refer to the following contents to develop your process foolproof system.

- The smelter list (Active & Conformant)
- Guide for due diligence
- Responsible sourcing
- Assurance process
- CAHRAs List
- RMI Risk Map

OTHER USEFUL RESOURCES

- The Complete Guide to Conflict Minerals Reporting
- The Complete Guide to PFAS Reporting Under TSCA Section 8(a)(7)
- The Complete Guide to EU POPs Compliance
- The Complete Guide to EU REACH Regulation
- The Complete Guide to California Proposition 65

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