

Due diligence guidelines for the responsible supply chain of minerals from red flag locations to mitigate the risk of providing direct or indirect support for conflict in the eastern part of the Democratic Republic of the Congo

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A. There are four main elements to this part of the process. First, relevant individuals and entities should adopt, publicly disseminate and clearly communicate to suppliers a supply chain policy for minerals originating from red flag locations, and incorporate it into contracts with suppliers. The supply chain policy should include the following elements:

Recognizing the risk of exacerbating conflict through providing direct or indirect support for armed groups in the eastern part of the Democratic Republic of the Congo; criminal networks and/or perpetrators of serious human rights abuses, particularly within the State’s armed forces; and/or violations of the asset freeze and travel ban on sanctioned individuals and entities,¹ associated with extracting, trading, processing and consuming minerals from red flag locations, we commit to respect, publicly and widely disseminate and clearly communicate the following policy:

(a) We will not tolerate any direct or indirect support for armed groups from the eastern part of the Democratic Republic of the Congo; criminal networks and/or perpetrators of human rights abuses, particularly within the State’s armed forces; and/or sanctioned individuals or entities through the extraction, trade, processing and consumption of minerals. “Direct or indirect support to armed groups from the eastern part of the Democratic Republic of the Congo; criminal networks and/or perpetrators of human rights abuses, particularly within the State’s armed forces; and/or sanctioned individuals or entities” means making payments to, or otherwise providing logistical assistance to, or extracting, trading, processing and consuming minerals where illegal armed groups in the eastern part of the Democratic Republic of the Congo; criminal networks and/or perpetrators of serious human rights abuses, particularly within the armed forces; and/or sanctioned individuals or entities or their affiliates (including *n^e oc n_i*, consolidators, intermediaries and any others in the supply chain who work directly with armed groups, criminal networks and/or perpetrators of serious human rights abuses, particularly with the State’s armed forces, and/or sanctioned individuals or entities to facilitate the extraction, trade or handling of minerals) are:

(i) In physical control of the mines of origin or transportation, transport, trade;

or entities through the extraction, transport, trade, processing, handling or consumption of minerals.

(c) We will mitigate the risk of providing direct or indirect support to criminal networks and/or perpetrators of serious human rights abuses,

(b) The information should be relayed down the supply chain from the mine site to the smelter or refinery. Over time, the quality of this information should improve as a result of due diligence implementation by relevant individuals and entities, which should in turn yield improved risk assessments.

(c) Individuals and entities receiving the information specified above from those further upstream in the supply chain should not simply assume it to be accurate, but should instead take appropriate and effective measures to verify its accuracy. Individuals and entities that do not receive any or all of this information from those upstream of them should take effective extra measures to obtain the information.

(d) The data should be held for at least five years, preferably in computerized form, and should be made available to downstream purchasers and auditors.

(e) Cash purchases should be avoided where possible. Where cash purchases are used, they should be supported by verifiable documentation and preferably routed through official banking channels.

(f) Relevant individuals and entities should support the implementation of the principles and criteria set out under the Extractive Industries Transparency Initiative.²

(g) For those in the “downstream” of the mineral supply chains, that is to say from smelter or refinery to consumer or end-user, the objective of these systems of control and transparency should be:

