



THE ITSCI PROGRAMME

2021 ANNUAL REPORT





FOREWORD: MESSAGE FROM THE GOVERNANCE COMMITTEE

It has been another challenging year, but with the support of our members and partners and through the commitment of our teams, ITSCI has continued its mission of supporting responsible supply chains of 3T minerals from Conflict Affected and High-Risk Areas (CAHRAs). We worked to consolidate and stabilise in 2021 following COVID related disruptions in 2020, supporting our members and government partners.

The world has been challenged by the pandemic, but the fundamentals of the ITSCI Programme remained strong. Our expertise mean that we are well positioned to adapt to the challenges and changes that lie ahead. We are extremely grateful for the ITSCI team and our partners commitment and proud of the results we have achieved together. Our teams have adapted and embraced change during an unprecedented moment in history.

In 2021, we made significant progress on several fronts. We launched electronic data collection in Burundi, a new tool that provides an effective platform allowing traceability data to be stored and transmitted securely and quickly. ITSCI covered 106 new mine sites/pits, reaching 2,523 mines in central Africa. Our teams recorded 1,325 incidents and supported mitigation actions by facilitating local stakeholders' meetings and conducting 824 training and capacity building sessions throughout Burundi, the Democratic Republic of Congo (DRC), Rwanda and Uganda.

ITSCI continued to support member companies and government partners with the challenges of implementing international expectations through practical traceability and risk management in tin, tantalum and tungsten supply chains.

We remain focused on continuing to build a resilient programme and expanding our significant impact on 3T supply chain sustainability. We continue to encourage direct engagement and financial support from downstream companies who recognise the value of upstream due diligence and wish to make use of ITSCI information in understanding supply chain risks and their mitigation.

Finally, we would like to extend once again our thanks to our partners and stakeholders for their support and confidence in the ITSCI Programme.



Kay Nimmo
International Tin Association (ITA),
ITSCI Governance Committee



Ian Margerison
Tantalum - Niobium International
Study Center (T.I.C.),
ITSCI Governance Committee

INSIGHTS FROM THE FIELD

2021 HIGHLIGHTS

One of the essential enablers for mineral supply chain due diligence is the presence of expert teams at grassroots level to continuously monitor and evaluate risks, engage local stakeholders, and report on mitigation actions. ITSCI has around 100 field staff across the Great Lakes Region who make an average of 700 visits to mine sites and processing and exporting facilities per month.

Throughout 2021, ITSCI continued to work with government partners in central Africa to help improve due diligence practices along the 3T supply chain and build companies and other stakeholders' capacities. The gradual lifting of local COVID restrictions enabled an increase in the number of monitoring visits, meetings with stakeholders, and overall follow-up on the implementation of risk and incident mitigation measures.

In late 2021, we launched electronic data collection in Burundi. Our team organised training sessions for OBM field agents responsible for tagging and traceability data management in all ITSCI monitored sites to facilitate the transition from paper logbook to electronic data collection through a mobile application.

ITSCI continued to support companies and partners in the Democratic Republic of Congo (DRC) through information sharing and capacity building. In April 2021, our team conducted [a technical training session in Malemba-Nkulu territory, Haut-Lomami province of the DRC](#) to evaluate the impact of the ITSCI joint tag management procedures using lockboxes and strengthen local stakeholders' knowledge of traceability requirements. The SAEMAPE (Service d'assistance et d'encadrement des mines artisanales et de petit échelle), Divimines (Division des mines), the PMH (Police des mines et hydrocarbures), and several processors/exporters and cooperatives were part of the attendees. To reduce traceability risks and increase transparency in tag management, ITSCI spearheaded joint tag management using lockboxes. Each lockbox has several keys, held by different stakeholders and none of the stakeholders has a monopoly of control over traceability materials. These procedures build local stakeholder capacities and state services accountability by drawing together all responsible parties to collaborate in the responsible management of traceability materials.

The joint tag management procedures have reinforced cooperation between different parties along the supply chain and strengthen confidence between mining cooperatives and state services. It is well received by local partners and stakeholders who continue to provide positive feedback on the impact of the collaborative approach these procedures foster.

As an additional step in our ongoing efforts to support responsible mineral supply chains, ITSCI carried out [several due diligence training sessions in Maniema Province](#) to support Local and Provincial Steering Committees (CLS and CPP) in developing risk mitigation strategies. The CLS and CPP were established to discuss and review mining activities including risks raised during meetings facilitated by ITSCI, and agree on actions to mitigate those risks, in order to maintain the integrity of the supply chain. In July 2021, ITSCI DRC Programme Manager Vincent Gbolo Songe and ITSCI Maniema Project Manager Alpy Songoli and other members of the field team conducted capacity building sessions for 263 participants, including agents from the Centre d'Evaluation, d'Expertise et de Certification (CEECE), SAEMAPE, Divimines, mining cooperatives, processor/exporters, and members of the civil society in Kindu, Kalima, Punia, Lubutu, and Kasese.

To further promote stakeholder's engagement in supporting responsible 3T supply chains, ITSCI suggested the development of a risk analysis matrix for each mining area in Maniema province and encouraged committees to discuss measures to fight mineral fraud by ensuring that only the mandated state services are involved in the mining sector and at artisanal mine sites.

Similar capacity building sessions took place in other ITSCI areas. In line with our ongoing efforts to assist our partners and stakeholders in their roles to support due diligence, [ITSCI partnered with civil society to strengthen the capacity of District Mining Task Force committees in Rwanda](#). In May 2021, we collaborated with Action for Education and the Defense of Human Rights (APEDDH) and the Rwanda Mines Board (RMB) on a new initiative to build capacity among members of District Mining Task Forces committees in 9 Rwandan districts. ITSCI encouraged stakeholders and local communities to remain vigilant on issues related to child labour and environment protection and RMB encouraged local communities to report cases of abuse.

ITSCI MEMBERSHIP AND COMPANIES' ACCOUNTABILITY 2021 HIGHLIGHTS

In 2021, ITSCI had 131 active members in 47 countries. The ITSCI membership is open to mining cooperatives, local traders or exporters, international concentrate traders, mineral re-processors, smelters, refiners and any company associated with the upstream mineral trade such as mineral transport and mineral assay companies. ITSCI additionally has downstream member companies and in 2021, we were delighted to welcome HP Inc as a new Associate member. Our Associate Membership is open to metal traders and exchanges, component manufacturers, product manufacturers, original equipment manufacturers (OEMs) and retailers.

When using ITSCI information such as regular alerts on risk, reports on the success of mitigation measures and other information in our monthly reports, Associate members can perform enhanced due diligence on supply chains, and by contributing a membership fee, they support the sustainable financing of ITSCI, sharing the cost of due diligence throughout the supply chain.

ITSCI undertakes an independent preliminary audit for companies who wish to join the programme. This part of our membership procedure is relevant to step 1 of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs. The preliminary audit report helps us understand the structure of the company, its ownership and management, and the extent of its previous involvement in trading in high-risk areas. The independent evaluator checks for any links to conflict or other issues related to Annex II of the guidance and recommend whether the company's application should be accepted. As part of this process, companies applying for ITSCI membership provide their due diligence plan and supply chain policy as well as information on company legal ownership.

When joining the programme, companies commit to carrying out due diligence in line with the OECD Guidelines. Step 5 of the OECD Guidance recommends that companies describe annually their due diligence efforts in a public report. Over the years, we have seen significant improvement in ITSCI members' due diligence practices with more than half of companies submitting their annual reports to the ITSCI secretariat.

In line with our objective of supporting transparency in mineral supply chains, ITSCI [publishes members' due diligence reports](#) to allow stakeholders to see what progress has been made by companies in managing risks and increases confidence in supply chains from high risk areas.



SUPPORTING MEMBER COMPANIES

As we continue to improve our systems to further support responsible 3T supply chains, we wanted to hear from our members and partners about the value that ITSCI membership has brought to them. Below are some of their perspectives highlighting the main ways that the programme has benefitted them in their supply chain due diligence.



‘The ITSCI programme has allowed our industry to move past the conflict minerals status quo and allowed access to international markets for the upstream supply chain, contributing to the welfare of the local demographic in various mining areas across the Great Lakes Region of Central Africa. Using the programme to complement our own due diligence and traceability efforts, the monthly reports, incident alerts and constant communication with local colleagues have allowed us to empower and further educate our own supply chain team on the importance of responsible sourcing.’

Halcyon Inc.

‘The ITSCI traceability and due diligence Programme supports transparency and human rights in mineral supply chains. Over the years, using ITSCI information helped MMR conduct its due diligence requirements in line with international expectations. ITSCI incident summaries and regular alerts, for instance, allow us to assess identified risks in our supply chain and put in place necessary mitigation actions. We use the ITSCI monthly report as an important tool to set a task list for consultation with stakeholders at all levels around issues that arise, making our supply chain efficient and reliable. In 2021, MMR participated in several CLS (Local Steering Committee), and CPS (Provincial Steering Committee) meetings facilitated by ITSCI to discuss risk mitigation measures.’

MMR

‘Since joining the ITSCI Programme over ten years ago, the information received from the Secretariat has always been useful to our operations and due diligence efforts. We regularly double-check ITSCI information and engage with our suppliers, and if there are any concerns, we ask them to make their own assessment on the ground and follow up for gradual improvement.’

Trademet



ITSCI IN NUMBERS 2021

Number of
ITSCI Mines

2,523



Number of mines
added to the
programme in 2021

106



Number of
miners

71,632



Number of
incidents recorded

1,325



Number of incidents
recorded via
whistleblowing

34



Number of
joint visits

556



Number of CLS and
CPP meetings

324



Number of
stakeholder groups
supported by ITSCI

56



Number of radio
show promoting ITSCI
whistleblowing
programme

6,216



Number of
training sessions

824

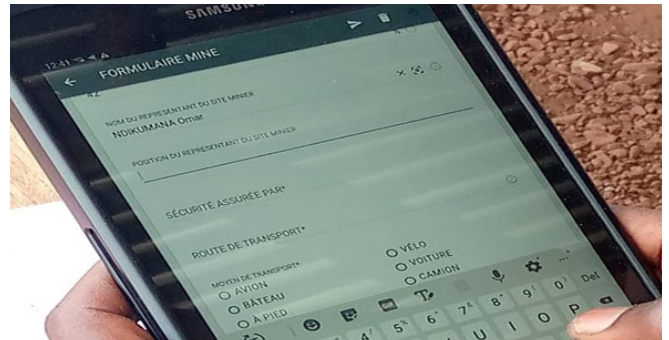


ITSCI LAUNCHES ELECTRONIC DATA COLLECTION IN BURUNDI: DATA IMPROVEMENT THROUGH MOBILE APP

ITSCI continually seeks to improve its systems and, funds permitting, adopt new technologies where relevant and aligned with our objectives for data management and supporting governments in building capacity and improving governance in the 3T mineral sector. In November 2021, we rolled out electronic data collection using a mobile application as a new tool to further develop the Burundian government's capacity and improve data accuracy, transmissivity speeds and reliability as well as work efficiency.

The application is a powerful tool with unique offline capabilities which makes it practical in remote mine sites. Installed on a ruggedised tablet that is used to scan bar codes on tags, the ITSCI application is user-friendly, with a simple, multilingual interface that captures production, processing, and export data. Whilst paper-based systems are fit-for-purpose in the region and continue to serve ITSCI well, the new electronic system enables the Office Burundais des Mines et Carrières, or the Office of Mines and Geology (OBM) to overcome challenges related to delays in aggregating and transmitting data manually. It is also expected to reduce incidents related to the chain of custody.

OBM agents and the ITSCI field team have already seen improvements in making their work easier and more efficient.



"We thank ITSCI for the improvement they are making and for the availability of the budget for the new tool"

Mr. Ndarihonyoye Paul,
OBM's Operations Director

"We appreciate the application because it made data recording faster than before. There is no need to write the traceability data, we only need to scan the tags. This improves efficiency at mine level to a great extent."

Mr. Ndiokubwayo Christophe,
OBM agent assigned at mine level,
Northern Burundi

"We realised many far-reaching improvements with the mobile app. Besides the fact that the new tool is aligned with the Government's digitalization priorities for services, moving from hardcopy to digital came as a solution to facilitate our data collection in the field. Before, the rain could damage the logbooks or an agent could lose them on their journey from the mine site to OBM offices. Electronic data transmission circumnavigated those risks."

Mr. Jean Baptiste Sabukwigura,
ITSCI Burundi Team Leader

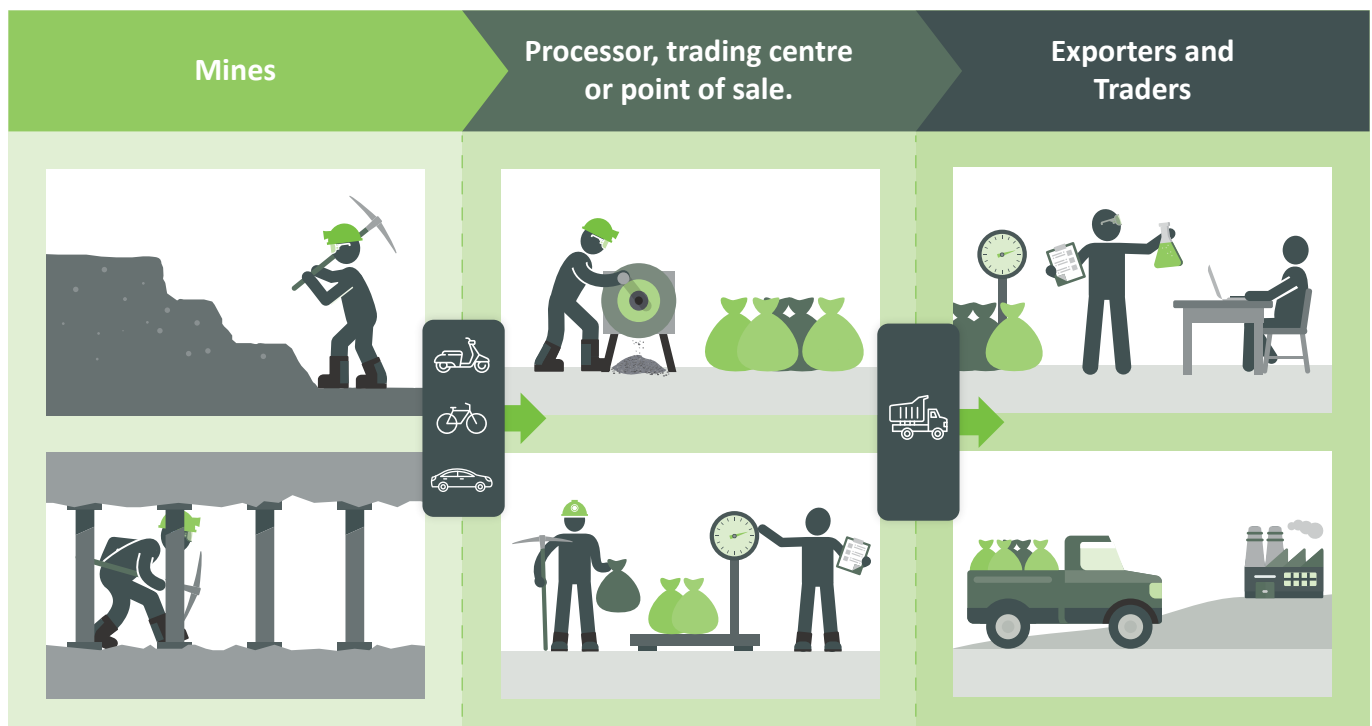


ITSCI TRACEABILITY AND DUE DILIGENCE EXPLAINED – MONITORING 3T SUPPLY CHAINS AND TRACKING MINERALS FOR MINE TO SMELTER

ITSCI is a due diligence programme which supports member companies in managing risks in their supply chains. Although sometimes misunderstood as a certification scheme (ITSCI does not deliver any certificates!), what we provide is full visibility of minerals from mine to smelter, information and tools to support the management of OECD Annex II risks related to 3T mineral supply chains and companies' due diligence overall. We facilitate mineral traceability from mine to export and also record data from export to smelters. We train government agents to implement in-region tagging and data recording to ensure traceability from the mine sites to processors and exporters, via monitored transport routes.

Once a mine is identified and approved, traceability is implemented by government agents. ITSCI issues tags to agents for the approved sites and they tag and record the relevant data associated with each bag of minerals. Similar data recording takes place at processor and exporter locations and all data is transmitted to the ITSCI data team, where any anomalies that may indicate risk are recorded as incidents for follow up. After export, minerals are physically delivered to the smelter and their data reported back to ITSCI for verification of mineral source and associated mine information. Traceability data can be accessed by smelters for their due diligence procedures and company audit. Smelters can request tag information from the ITSCI data team who will complete the tag request and verify if the ITSCI data matches the information received by the smelters with physical tags including mineral weight at arrival.

Although traceability is an important aspect of ITSCI, it is one small part of due diligence which also includes an incident management system to identify and verify risks. Our teams report and where relevant, assist in the mitigation of OECD Annex II risks according to the expectations outlined in the OECD guidance. We provide companies, government partners and stakeholders with risk management tools that allow them to perform their due diligence duty and foster greater transparency in the 3T sector. We communicate incidents identified along the supply chain, recommend mitigation actions, facilitate incident management discussions among local stakeholders and follow up and report on the progress of mitigation.



SUPPORTING RISK IDENTIFICATION THROUGH A WHISTLEBLOWING MECHANISM

ITSCI is committed to supporting whistleblowers who disclose evidence of wrongdoing relating to the mineral supply chain covered by the programme. Our teams ensure that appropriate and secure channels are available and accessible for them to communicate their information and to ensure that their identity is protected. Our whistleblowing mechanism supports ongoing monitoring of programme activities by civil society, especially regarding the OEDC Annex II risks.

ITSCI currently implements the whistleblowing mechanism in seven provinces of the DRC (North Kivu, South Kivu, Maniema, Haut-Lomami, Haut-Katanga, Tanganyika and Lualaba) and the costs are partly supported by an ITSCI Associate member.

Whistleblowing is a critical component of the incident reporting framework. In 2021, ITSCI opened 34 incidents through the whistleblowing mechanism, allowed ITSCI teams to follow-up with stakeholders appropriately.

As radio can be an effective way to reach local communities in remote areas of the Democratic Republic of Congo, ITSCI

implemented since 2019 a community radio campaign to raise awareness of the ITSCI whistleblowing programme, advertising the toll-free hotline for anyone who wants to anonymously report human rights, security and other risks on the ground.

In partnership with Studio Hirondelle in the DRC, we continued our radio campaign in 2021, broadcasting 6,216 radio spots in French and Swahili. The shows focused on responsible artisanal mining and aired on 21 local community radios.

The initiative is well received by local communities who continue to provide positive feedback on the impact of the radio spots in raising awareness on supply chain issues, including those related to child labour. In Kindu city of Maniema province, for instance, Radio Mali received encouraging text messages from parents who became more conscious of the risks and dangers associated with children working at mine sites. Feedback received in North Kivu's Radio Kanyabayonga showed that although miners were aware of the whistleblower hotline, the lack of network coverage undermined the level of engagement.

In several locations, listeners called on state authorities to act more efficiently to prevent the Armed Forces of the Democratic Republic of the Congo (FARDC), the police and non-state armed groups from interfering at mine sites and along the supply chain. ITSCI investigated this feedback and opened incidents as appropriate.



SUPPORTING RISK MANAGEMENT ON THE GROUND – JOINT SITE VISITS, CAPACITY BUILDING AND STAKEHOLDER ENGAGEMENT

ITSCI helps foster stronger local governance of the 3T mining sector through stakeholder engagement. As well as regular mine and processing facility visits by our local teams (~700 per month), ITSCI performed 556 joint site visits with government partners in the Great Lakes Region in 2021.

Joint visits with local partners represent a critical aspect of capacity building for traceability and due diligence among stakeholders. They can vary from short day visits to follow up on a specific risk to much longer itineraries to multiple or remote sites. In Burundi, ITSCI and the Office Burundais des Mines et Carrières (OBM) agents carried out several joint visits in Bujumbura, Cibitoke, Bubanza, Gitega, Kirundo, Muyinga, Ngozi, and Kayanza provinces. These joint field visits with local partners enable further collaboration with local stakeholders, companies and mining communities.

In the DRC, these missions may include representatives of mining cooperatives, processing and exporting companies, and state technical services. In the Masisi territory of North Kivu, for instance, ITSCI field teams helped to spearhead the evaluation of improved traceability procedures implemented for several years across multiple mine sites and locations to address possible risks and enhance traceability and mining governance. In December, our teams took part in a joint field visit ordered by the provincial Governor and organised under the auspices of the Division of Mines and Geology, aiming to evaluate activities, potential gaps, and achieved improvements.



In Rwanda, ITSCI and RMB perform joint visits to update baseline studies, conduct plausibility assessments at mine sites and evaluate the implementation of traceability procedures. Site visits with RMB and the District Mining Task Force (DMTF) help identify risk and enhance the implementation of mitigation measures through guidance and recommendations on traceability procedures and due diligence checks.

Throughout 2021, ITSCI continued to provide due diligence training and capacity building to companies, government partners and stakeholders. We worked with local and provincial multi-stakeholder committees (Comité Local de Suivi or CLS and Comité Provincial de Pilotage or CPP) in the DRC to support incident management. ITSCI facilitated 324 meetings of stakeholder groups consisting of mining cooperatives, state services and security forces, negociants (local traders), companies, and civil society groups meet regularly to plan and implement strategies to resolve incidents and mitigate risks in the 3T supply chain.



LOOKING AHEAD

Successful implementation of traceability and due diligence in mineral supply chains supports local livelihoods and community well-being. By promoting transparency in mineral production and export, ITSCI continues to play an important role in promoting investment in mining communities. Profits from artisanal and small-scale mining supported through the ITSCI Programme [facilitates local development initiatives](#).



Through our ever-evolving programme, we helped drive significant improvements in mineral supply chains in conflict-affected and high-risk areas. We are proud to continue to work hard, with our member companies, partners and stakeholders, in maintaining standards in due diligence and delivering real and positive outcomes on the ground. ITSCI always aims to maximise transparency, make extensive information [publicly available](#) and encourage positive engagement.

Progression is at the heart of ITSCI and one of the core values of our programme. Our 2018 alignment assessment showed that ITSCI standards are 100% aligned with the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#), while ITSCI implementation on the ground achieved the highest score among all 5 industry programmes assessed and the second highest score for governance. Since then, we have worked on continuous improvements of our programme and remain focused on ITSCI's purpose and its positive impact on 3T supply chains.

Moving forward, ITSCI will appoint a qualified, experienced, independent evaluator to undertake an Alignment Assessment next year. We believe an alignment assessment is the best and most appropriate means of independently demonstrating progressive improvement and the credibility of our programme.

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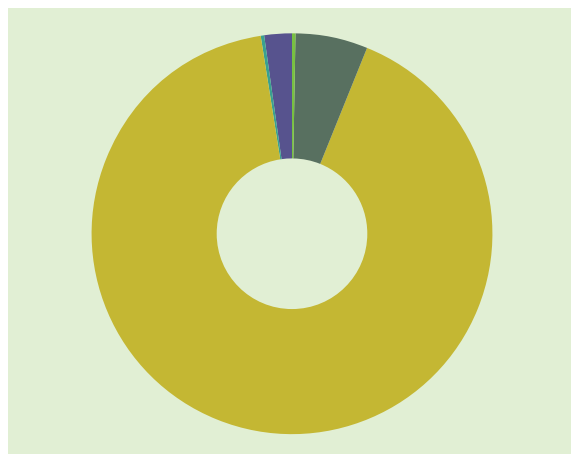
We must recognise that there has been better management of upstream actors in the 3T sector, especially in the ASM. Since the implementation of ITSCI, artisanal miners regrouped into cooperatives to gain lasting benefit from the more sustainable supply chain.

Mr. Emmanuel Ndimubanzi,
Head of Metallurgical Department at the
Mines Direction, DRC

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FINANCIAL SUMMARY FOR YEAR 2021



FUNDING	US\$	%
Downstream member fees	22,500	0.3%
Upstream member fees	474,600	6.0%
Upstream mineral levy	7,200,667	91.2%
Upstream direct payments	19,492	0.2%
Donation/other	174,159	2.2%
Donor, field implementation	0	0.0%
TOTAL	7,891,418	100%
Sub-total via ITA	7,891,418	100%

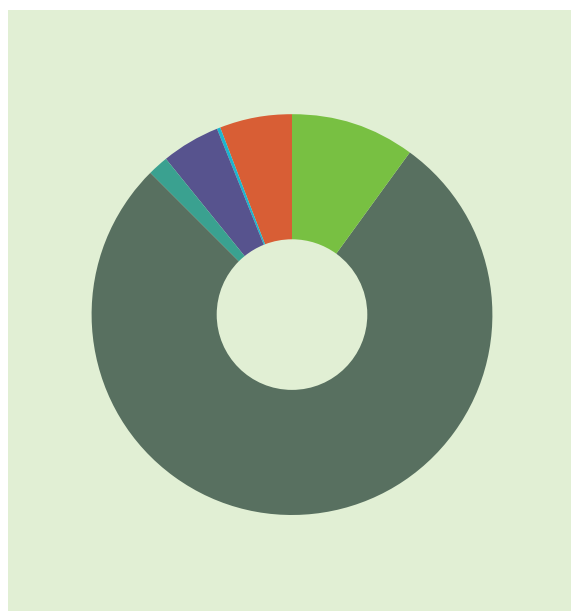
NOTES:

In years when Pact are directly funded for field work by donors figures are included in 'Total' but not 'Sub-total'. ITSCI has operated at large scale with no donor funds since January 2017.

Upstream funding from levies and fees represented 97.3% of total funding. Since 2019, the levy rate for each of coltan and wolframite has been harmonised across the region.

'Donation/other' includes a contribution from a downstream company to support incident, whistleblowing activities.

US\$458k has been written off. Annual loss of US\$415K occurred but the overall balance is stable. The programme currently has a reserve equivalent to 3 months operations for emergency needs or in case of programme close-out plans.



EXPENSES	US\$	%
Traceability and data	832,970	10.0%
Field implementation	6,433,977	77.5%
Field implementation, donor	0	0.0%
Independent evaluation	144,611	1.7%
Secretariat	385,170	4.6%
Governance Committee	24,272	0.3%
W/blowing & Ombudsman	485,526	5.8%
TOTAL	8,306,525	100.0%
Sub-total via ITA	8,306,525	100.0%
3-month reserve fund	2,076,000	
2021 bad debts written off	458,063	
2021 annual loss	-415,106	
On-going Programme balance	689,902	

FUNDING

ITSCI has operated at large scale with no donor funds since January 2017. The programme is operated at cost by not-for-profit associations and all revenues are held in trust for sole use for ITSCI activities. Since our establishment in 2010, we have improved due diligence, and supported companies, government and civil society to understand and mitigate risks aligned with the OECD due diligence guidance. We continue to engage downstream companies and encourage their financial support to the programme.

AUDITORS STATEMENT FOR YEAR 2021

AF183/961922/GD/HT

27 June 2022



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TO WHOM IT MAY CONCERN

ITSCI PROGRAMME ACCOUNTING – INTERNATIONAL TIN ASSOCIATION LIMITED

Rayner Essex LLP are the statutory auditors of International Tin Association Limited, the company which is the Secretariat of the ITSCI Programme. We confirm that income, expenditure and the reserve fund related to the ITSCI Programme is recorded separately within the International Tin Association Limited accounting systems and included within our audit of the financial statements of International Tin Association Limited for the year to 31 December 2021. We also confirm that separate bank accounts are held exclusively for the ITSCI Programme and in September 2016 a formal declaration of trust was established over the funds to confirm use only for purposes stated in the ITSCI Membership Agreement. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland).

In accordance with our invariable practice this information is given strictly without responsibility on the part of the writer or the firm and we cannot be held responsible for any financial liability under any circumstances.

Yours faithfully

RAYNER ESSEX LLP



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