



ITSCI-RMI SHARED UNDERSTANDING OF ENGAGEMENT & INFORMATION AVAILABILITY FOR PURPOSE OF RECOGNITION

I. Introduction: Background information

ITSCI is a **joint industry initiative** that aims to meet the due diligence principles, standards and processes of the OECD Guidance¹ and enable cooperation between companies to facilitate responsible supply chain management. ITSCI informs companies' risk management and broader due diligence by providing information, tools and guidance.²

Responsible Minerals Initiative (RMI) is a multi-industry initiative to support due diligence in the global minerals supply chain; and its Responsible Minerals Assurance Process (RMAP) is an independent third-party assessment program for smelters and refiners.

The OECD explains that when companies use industry initiatives those “**companies retain responsibility** for checking the information they receive, building on and adapting it to the specificities of their own operations and supply chains, and for ensuring that the initiative or other source of information is credible. [Companies] should identify which elements of due diligence the initiative is helping it to fulfil and communicate responsibly on the scope and limitations of the initiative as part of their due diligence reporting and communication to affected stakeholders”³.

The OECD provides an **Alignment Assessment (AA)** methodology and tool so that “the diverse stakeholders monitoring implementation of the OECD Guidance have a robust means of evaluating industry programmes to support consistent implementation of the recommendations and principles of the OECD Guidance”⁴. Both ITSCI and the RMI’s RMAP are initiatives/programs on responsible supply chain management⁵ but each have separate scopes. The OECD “strongly encourages initiatives to publish detailed AA reports, including detailed findings, analysis and ratings and information on the assessment methodology (such as sampling methodologies, number of interviews conducted, and information on the types of stakeholders consulted) completed assessment tools, including detailed criteria-by-criteria analysis, ratings and a list of evidence”⁶.

There are opportunities for recognition agreements and other collaborative activities and efficiencies across aligned and credible initiatives. Recognition may help to enhance credibility and trust in well-designed initiatives and reduce assessment fatigue.⁷

¹ OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

² OECD (2022) [The role of sustainability initiatives in mandatory due diligence](#). Policy note.

³ OECD (2022) [The role of sustainability initiatives in mandatory due diligence](#). Policy note.

⁴ OECD AA methodology. <https://mneguidelines.oecd.org/OECD-Due-Diligence-Alignment-Assessment-Methodology.pdf>

⁵ Footnote 3 of OECD Due Diligence Guidance

⁶ OECD website. <https://www.oecd.org/corporate/industry-initiatives-alignment-assessment.htm>

⁷ OECD (2022) [The role of sustainability initiatives in mandatory due diligence](#). Policy note.

II. Engagement, process and commitments between ITSCI and the RMI for the purpose of ITSCI recognition by the RMI

This document includes two attachments (not public) referred to below

- Annex 1: Non-Disclosure Agreement between ITSCI and the RMI
- Annex 2: Example of Quarterly Incident Tables (QITs) available to the RMI

• Objectives

With this document, the RMI and ITSCI transparently clarify and confirm our organisations' mutual understanding of the engagement, process, and commitments regarding the RMI Recognition Process for ITSCI as an upstream mechanism.

The approach is robust and will enable meaningful recognition. Both ITSCI and the RMI support the OECD Guidance, and the objectives and principles of AA information sharing, self-reporting by initiatives, and programmatic risk-based spot checks by users.⁸

The scope and extent of both the ITSCI alignment assessment and RMI recognition will be communicated transparently to support understanding of participating companies, while also emphasising that companies retain individual responsibilities for due diligence while making use of, but not solely relying on, any initiative.

This document falls within the RMI Recognition Process to the extent that it provides a detailed clarification of that process as implemented regarding the ITSCI Programme. It is noted that ITSCI and the RMI retain full control and responsibility for their own governance, management, decision-making and operations and recognition does not provide or imply any control for one initiative on the other.

• Overall commitments from ITSCI and the RMI

ITSCI commits to engage in RMI recognition according to the content of this document, which clarifies the [RMI Recognition Process](#) as it relates to ITSCI. ITSCI and the RMI agree that the engagement and information sharing is solely for the purpose of enabling RMI's understanding of ITSCI implementation, as assessed by the AA, for the purpose of RMI recognition. A separate NDA agreement provided by ITSCI will accompany this document and ITSCI will only share confidential information outlined in this document once the NDA agreement has been agreed and signed by RMI and ITSCI.

The ITSCI AA report and tool, including the governance tab is expected to be finalised in the first quarter of 2023 unless any other external issues impacting the report and which are beyond ITSCI's control, arise. ITSCI will publish the report as soon as finalised and latest nine weeks before July 1, 2023, The RMI is committed to processing recognition application on publication of the AA of ITSCI per the timeline in the RMI Recognition Process.

• Information from the second AA of ITSCI available to the RMI

The second independent alignment assessment of ITSCI is currently underway in line with the [public](#) commitment made on this matter. ITSCI is committed to undergoing an AA every 5 years to the latest available OECD methodology conducted by a credible, qualified, and independent third-party assessor who will provide expert judgement on the alignment and implementation of ITSCI via the information listed below.

ITSCI supports considerations of the OECD aiming to increase transparency on assessment methodologies and outcomes, including for example through mandatory publication of information.⁹ The AA report and the AA tool will therefore be published on the ITSCI website for public reference, including for use by the RMI.

⁸ OECD (2022) [The role of sustainability initiatives in mandatory due diligence](#). Policy note.

⁹ OECD (2022) [The role of sustainability initiatives in mandatory due diligence](#). Policy note, p.15.

The public AA report of ITSCI will provide clear descriptions of how the AA was undertaken with reference to OECD methodology:

- The qualifications of the lead and any supporting alignment assessors, their demonstrated relevant experience and conflict of interest statement
- The AA process followed (planning, document review, interviews, shadows, analysis and findings) and timelines
- A list of evidence such as documents or shadows, respecting confidentiality and commercial details¹⁰
- The approach to stakeholder engagement, including potential users of the AA report, or any stakeholder group
- A stakeholder consultation list respecting confidentiality and informant details¹¹

The public AA report of ITSCI will also provide clear descriptions of ITSCI and the findings of the AA including the following:

- The scope of ITSCI's activities
- Key strengths and key areas for potential improvement for ITSCI
- ITSCI's overarching approach to due diligence
- ITSCI's activities supporting companies in each of the 5 Steps of the OECD Guidance
- Specific responsibilities of ITSCI
- An optional statement from ITSCI regarding the AA outcome

The public AA tool of ITSCI, excluding confidential text identifying individuals, or commercially confidential information, will provide the following:

- Clear indications of alignment rating against each criteria of the tool
- Sufficient evaluator's comment to indicate the relevance of each criteria and on what basis rating was determined for each of standards and implementation

As part of the ITSCI Stakeholder Group (SG), the RMI will be invited to the presentation of the AA to learn and discuss results and to ask clarification questions on the AA results, which ITSCI may choose to answer bilaterally or publicly. The RMI will also welcome ITSCI to present outcomes of the AA to the RMI Steering Committee call or the RMI's quarterly multi-stakeholder call. Equally, members of the RMI will be welcome to join ITSCI as a member or join meetings held by ITSCI for downstream companies.

- **ITSCI incident information and sample set of alerts available to the RMI during the recognition period**

ITSCI incident tables are transparently available regularly, online, and free of charge to enable all stakeholders and recognising schemes, including the RMI, to understand and perform on-going monitoring and due diligence review of mitigation, measures of improvement, and final results. ITSCI incident tables provide information on all identified risks per national or sub-national area, including the following:

- Category and level of seriousness
- Location (including mine site if relevant) and relevance to tagged minerals
- Responsible companies, government services and other affected actors
- Summary of allegations leading to the incident
- Suggested mitigation actions and updates on success
- Relevant local stakeholder groups and discussion dates
- Timelines and closure date

¹⁰ Details of evidence and consultation may be included within confidential sections of the tool. References may also be coded by the assessor for additional protection.

¹¹ Details of evidence and consultation may be included within confidential sections of the tool. References may also be coded by the assessor for additional protection.

ITSCI incidents are closed after 6 months whether inconclusive, resolved, or unresolved as this timescale reflects the expectations on risk mitigation in OECD Annex II. All categories are included in the incident tables. Sensitive and unverified information which is contained in incident tables prior to 6 months and incident closure is not considered appropriate for sharing beyond ITSCI companies, local stakeholders and relevant authorities requiring the information to make their own supply chain assessment and take their own actions.

In addition, and upon signature of a non-disclosure agreement [Annex 1] by the RMI, closed ITSCI incident tables containing the same fields of information as listed above will be made available on a significantly accelerated timescale to enable timely review of closed incidents on a quarterly basis (by the end of January, April, July, October, respectively covering the previous quarter [see example of the Quarterly Incident Tables (QITs) for the RMI in Annex 2]).

For example, incidents opened in the first quarter of any year, January-March, will be closed after 6 months (i.e., latest September), and then made available to the RMI by the end of the following month, i.e., October, giving ITSCI sufficient time to collate and prepare the data. This means that incidents will be between 7 and 9 months 'old' (based on the month they were opened). Using this methodology, the RMI will not receive any incident older than 9 months. ITSCI will share examples of Alerts with the RMI using the same approach as for Quarterly Incident Tables, i.e., three Alerts per quarter corresponding to a closed incident that will be between 7 and 9 months 'old' at the time of sharing. Neither QITs nor examples Alerts will be used by the RMI to inform, follow-up, perform, or review any individual company RMAP audit, nor communicated in any format to RMI members. The information serves only to enable RMI's internal understanding of ITSCI programmatic activities.

ITSCI will share incident and alert information as described above during the full period of the RMI's recognition of ITSCI.

- **ITSCI Annual reporting**

ITSCI reports annually information on the ITSCI programme's ongoing activities and achievements and show continued implementation in support of the principles for transparency, supply chain due diligence and continuous progressive improvement outlined in the OECD due diligence guidance. Annual reports are made public via the ITSCI website and include the following information:

- Progressive and continuous improvement in implementation, including on any potential recommendation for improvements or gaps identified in AA, according to priority and available resource
- Major changes to systems or operating context including challenges
- An analysis of incident collection, classification, communication, and resolution as well as an overview of achieved outcomes based on policies and procedures
- Information on stakeholder meetings and training

Annual reports will include commentary on the AA results including plans for improvement for the coming year to address potential AA gaps, as well as achievements of the past year. ITSCI will publicly communicate about progress on addressing gaps and making improvements through annual reports or other communication means, at least annually including over the time period of RMI recognition of ITSCI.

Continuous improvements implemented by ITSCI may additionally be reported through other ITSCI communication channels at the discretion of ITSCI; for instance, statements, press releases, stories from the field.

- **ITSCI Stakeholder Group**

The RMI has been invited and participates in the international level Stakeholder Group (SG) which takes place on a quarterly basis and has the following objectives:

- To explain ITSCI's processes and provide updates including major challenges, changes, and improvements (including as suggested by any AA)
- To promote constructive dialogue and exchange ideas

- To enable any stakeholders to ask questions regarding on-going implementation, including continuous improvements

Stakeholder engagement offered by ITSCI also provides additional direct opportunities to understand the AA and on-going activities in support of the principles for supply chain due diligence and continuous progressive improvement outlined in the OECD due diligence guidance.

- **ITSCI whistleblowing mechanism**

ITSCI offers an early-warning whistleblowing mechanism via our website and locally in DRC via a whistleblowing toll-free and anonymous hotline.

- **Grievances processes**

Grievances concerning the ITSCI programme received by the RMI will be referred by the RMI to ITSCI according to the established principle of de-escalation and handling at the lowest level. Any such grievance will be recorded and managed through the ITSCI incident mechanism.

Grievances referred by the RMI concerning companies participating in the ITSCI programme may further be referred by ITSCI to company mechanisms according to the same principle of de-escalation.

Any grievance received will be first vetted by the RMI by confirming sources to the best of the RMI's ability, before referring them to ITSCI, along with any evidence that was provided to the RMI. The vetting process may result in the dismissal of grievances if the grievance:

- Is determined out of scope at the time of submission or during the review process.
- Appears to have been made with a malicious intent, deliberately injurious to a person or body's reputation.
- Is found to have been made with the deliberate purpose of financial gain and/or to be related to business competition and/or any other clear conflict of interest.

All grievances referred by the RMI to ITSCI will be followed-up by ITSCI within 6 months through an initial incident, and if requiring additional time for resolution, via follow-up incidents for further 6-month periods until resolution to the extent possible. The overall time period to achieve resolution may therefore exceed 6 months. Outcomes of grievance management will be available to the RMI through the sharing of the QITs, which will demonstrate actions taken by the ITSCI programme to mitigate the grievance, leading to its resolution or non-resolution. Non-resolution of a grievance may fall beyond control or responsibility of the ITSCI programme.

A review of ITSCI recognition status may take place in case of a lack of good faith efforts by the ITSCI programme to address the grievance, as evidenced by the QITs. While due diligence is progressive within time bound measures, flexibility is expected to be applied in the high-risk and complex contexts of CAHRA in which ITSCI operates. In cases where grievances are escalated back to the RMI after being referred to ITSCI, RMI will follow its Grievance Mechanism process.

- **RMI's threshold for recognition**

The RMI's recognition thresholds for ITSCI and future upstream mechanism recognition are equivalent to OECD methodology alignment thresholds. ITSCI will be assessed to the OECD methodology and therefore using the scoring system of the methodology. This means that 'Fully Aligned' status will be reached when achieving the following scores:

- 100% for Section A (Overarching due diligence principles within programme standards)
- 80% or more for Section B (Alignment of programme requirements with the five-step due diligence framework) and C (Specific responsibilities of programmes) and
- No 'Not Aligned' criteria

ITSCI is committed to the general principle of progressive improvements and will continuously aim to increase its alignment rate, taking local context, conditions, and available funding into account.

Any threshold that differs from the OECD methodology, will not be required for recognition.

Finally, ITSCI will work with RMI to provide one basic 1- to 2-hour training session for RMAP auditors on the ITSCI system within the first year of recognition. ITSCI will share content of the training for RMAP auditors with the RMI as well as with ITSCI smelters participating in RMAP. As part of regular ITSCI processes, ITSCI will also conduct training for smelters participating in ITSCI program and provide information on such training, including content, in public reporting (e.g. annual reports) or within the framework of the ITSCI Stakeholder Group.