



ITSCI PROGRAMME INCIDENT AND OUTCOME REVIEW

November 2021-October 2022

Executive Summary

This report is an overview of the ITSCI Programme’s achievements in working with stakeholders for risk mitigation in mineral supply chains from Burundi, the Democratic Republic of the Congo (DRC), Rwanda and Uganda over the reporting period from 1st November 2021 to 31st October 2022.

The ITSCI Programme has extensive experience supporting companies, governments and civil society in the identification and mitigation of risks associated with 3T minerals supply chains. In June 2023, the programme was confirmed to be Fully Aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance)¹, and we support companies performing due diligence according to those expectations.

Our field teams facilitate traceability to identify, verify, and report risks as a critical part of our incident management system. Whistleblowing is also a critical component of the incident reporting framework. We communicate incidents along the supply chain, recommend mitigation actions, and facilitate the discussion of mitigation among local stakeholders. In addition, we follow up and report on the progress of mitigation.

Salient indicators of ITSCI Programme implementation during the reporting period are given in Table A.

Table A. Salient indicators of the ITSCI Programme

INDICATORS	2021	2022
Monitored mine sites	2,499	2,682
Site visits per month	800*	860*
Mineral transactions	553,831	804,576
Whistleblower calls	989	603
Incidents opened	1,300	1,613
Level 1 incidents	97	159

*Average per month; note the majority of ITSCI field teams are dedicated to carrying out the site visits

Of the 1,613 incidents opened during the reporting period, 159 were categorised as Level 1 seriousness with potential or confirmed association with human rights abuses, the involvement of non-state armed groups, illegal taxation, or involvement in mineral business by rogue individuals of state armed groups. Thirty five Level 1 and 14 Level 2 incidents were categorised as High Risk² with relevance for U.S. Securities and Exchange Commission reporting. The total number of whistleblower calls decreased by 39% in the reporting period. There are numerous factors impacting the number of whistleblower calls, such as the use of the mechanism by local stakeholders, which are outside of ITSCI control. However, we consider the decrease not related to lack of knowledge of the mechanism because local partners continued to raise awareness about the mechanism over the radio, which generated positive feedback among local communities.

¹<https://www.itsci.org/2023/06/08/second-independent-assessment-finds-itsci-fully-aligned-with-the-oecd-guidance/>

²Contact ITSCI at itsci@internationaltin.org for additional information on these high risks incidents which can be provided for a fee and can be used e.g., for Conflict Mineral Reporting obligations.

The majority (61%) of incidents relate to the ITSCI Chain of Custody (CoC) category (one of 5 ITSCI incident categories) and most (80%) concern breaches of ITSCI procedure by government agents. Fewer CoC category incidents concerned plausibility and these issues were relatively more numerous in places with high complexity and risks, which is to be expected. The distribution of the incidents varies within each province with disparities between each area/territory. In terms of severity of CoC category incidents, most (on average 95%) were of lower Level 2 or 3 severity.

ITSCI has 32 indicators of outcomes from incident management (Annex A), which for the purpose of simplification are aggregated into 7 categories. The proportion of outcomes for the 7 incident categories during the reporting period are given in Table B.

Table B. Salient outcomes from incident management

AGGREGATED OUTCOMES	2021	2022
Due Diligence Improvements	42%	40%
Governance and Security Improvements	16%	15%
Mine/Company/Mineral Suspension or Seizure	1%	1%
Awareness-Raising and Mediation	19%	22%
Human Rights/Health and Safety Risk Mitigation	4%	5%
Incident Unsubstantiated	8%	2%
Incident Unresolved	10%	15%

The outcomes of incident management are similar to the previous reporting period. Minor improvements were observed in Awareness-Raising and Mediation while the percentage of unsubstantiated and unresolved incidents decreased and increased by 6% and 5% respectively.

ITSCI was able to increase the number of monitoring visits, meetings with stakeholders, and overall follow-up on the implementation of risk and incident mitigation measures in the reporting period. Notwithstanding this, the average percentage of resolved incidents (76%) is lower than the previous period (81%) due, in part, to higher levels of complexity and multiple stakeholder engagements required to resolve a higher number of Level 1 incidents in the reporting period. In some cases, unresolved incidents do not imply that no successful mitigation measures were implemented but indicate that not all recommended and appropriate mitigation measures were implemented. In North Kivu, the state of siege imposed in April 2021 continued to hinder ITSCI incident resolution, which additionally contributed to lower resolution.

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INTRODUCTION AND SCOPE

The ITSCI Programme assists companies to implement the recommendations of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) by cooperating with governments to implement supply chain traceability, identify risks, and facilitate risk resolution, due diligence training and various forms of independent evaluation. This support for stakeholders enables 3T supply chains to trade responsibly and avoid financing of conflict or support to human rights abuses, as well as to respond to other identified risks. ITSCI is a supply chain initiative which has recently (June 2023) been confirmed by independent evaluation to be Fully Aligned with the OECD Guidance, including our approach to identifying Annex II risks, and response to such risks.³ For the current reporting period ITSCI recorded the export of over 25,000 metric tonnes of 3T mineral concentrate through 804,576 in-region transactions, as well as through the international supply chain.

An essential enabler for due diligence is the presence of field teams, as described in the Appendix of the OECD Guidance, to continuously monitor and evaluate risks, engage local stakeholders and report on mitigation. ITSCI provide expert teams (currently approximately 120 staff) across the Great Lakes Region who made an average of 860 monthly visits to mine or company sites to provide credible risk information, provide guidance and build the capacities of supply chain companies, cooperatives, miners and other stakeholders.

ITSCI receives information on risks from multiple sources including our own field teams, government agents, company representatives, communities, local non-governmental organisations, the United Nations, among others. ITSCI also operates a whistleblowing mechanism in the DRC. This includes a toll-free hotline allowing anyone to report risks or incidents and through which 603 calls were received last year. The mechanism additionally includes the broadcasting of awareness raising campaigns on responsible artisanal mining and Annex II risks in mineral supply chains through two radio spots broadcasted on 21 local community radios across the DRC. The broadcasts took place approximately 800 times a month. All relevant potential and verified supply chain risks are captured in the ITSCI incident management system to enable the tracking of issues in terms of category and severity, and mitigation through incident status and outcomes.

ITSCI's experienced teams provide support and recommendations to stakeholders for actions appropriate for OECD aligned mitigation, and ITSCI also facilitated 59 provincial and mine area level multi-stakeholder committees to transparently discuss mitigation plans. Our teams conduct regular training sessions on a wide range of issues including traceability procedures, overall due diligence principles, risk assessment and mitigation. ITSCI supplements on-the-ground activity with analysis of mitigation actions and outcomes of incidents monitored and closed over a 12-month period to understand the mitigation impact of the programme.

This report provides high level coverage of incident reporting data over the twelve-month period 1st November 2021 to 31st October 2022 relating to mineral supply chains from Burundi, DRC and Rwanda where the ITSCI Programme is implemented. No incident was recorded in Uganda during the reporting period. ITSCI recorded and managed a total of 1,613 incidents during the reporting period across 2,682 monitored mine sites and transport routes in the Great Lakes Region. The majority (61%) related to the ITSCI Chain of Custody category. There is a

³<https://www.itsci.org/2023/06/08/second-independent-assessment-finds-itsci-fully-aligned-with-the-oecd-guidance/>

24% increase in incidents compared to the previous period which includes a 63% increase in Level-1 incidents of highest severity. The cause for the increase cannot be attributed to a single factor, nor can it be considered an indicator of lower impact of the ITSCI programme on the ground. On the contrary, over the reporting period, a large number of new ITSCI sites were integrated into the ITSCI Programme, some of which are located in new areas where the programme had yet to be implemented. Extension into new areas usually results in an uptick in incidents, in particular Level-1 incidents, and in the case of the DRC are generally associated with multiple issues due to instability in the country. Due to governments in the Great Lakes lifting COVID-19 related restrictions, ITSCI resumed training exporters on due diligence procedures which was interrupted by the pandemic and continued to provide safety training related to the pandemic. In North Kivu, the state of siege imposed in April 2021 continued to hinder ITSCI incident resolution.

METHODOLOGY OF INCIDENT MANAGEMENT AND REVIEW

ITSCI developed the incident management process in alignment with the OECD guidance, and with added direct experience and vital lessons learned over the course of programme's growth and implementation. Both the incident categorisation and reporting system have evolved significantly and progressed since our work piloted in 2010. A public summary of the ITSCI incident reporting matrix used to categorize and assign levels of severity to incidents is given in Annex B.

Categories

Incidents are evaluated as relevant to one or more key issues under the ITSCI categories of due diligence, Chain of Custody (CoC), corruption, armed groups and security forces and human rights and other concerns. This report includes a discussion on CoC category incidents which comprise the majority in the reporting period. Other concerns go beyond topics mentioned in the OECD Annex II to include health and safety or mining in protected areas, although the primary focus remains on human rights abuses and conflict financing. In total ITSCI has defined 49 sub-categories of incident to sufficiently classify the many potential risk types.

Levels of seriousness

In addition to categories of type, incidents are allocated a level of seriousness. There are 3 levels, where 3 is ranked the lowest and 1 the highest level of seriousness. Priority issues requiring immediate and High-Level attention and possible disengagement in the supply chain are classified as Level 1. For the current reporting year, we report Level 1 and Level 2 incidents as High Risk when relevant for U.S. Securities and Exchange Commission (SEC) reporting. Low level incidents relating to mistakes or lack of capacity or training are considered Level 3, with intermediate or repeated issues as a mid-category of Level 2. It is important to note that the categorisation of levels of seriousness is, amongst other aspects, based on the veracity of the allegations and evidence. Incidents may remain open for up to six months while the ITSCI team and/or involved stakeholders are verifying information with further evidence, monitoring the situation and/or implementing mitigation action. If sufficient evidence is found and/or the incident is unresolved on a persistent basis, the severity of incidents may be raised and considered as High Risk.

Status

ITSCI investigates the causes of incidents to help determine and advise stakeholders on mitigation activities and to focus on where efforts are needed to achieve improvements. Incidents may remain open for up to six months while the ITSCI team and/or involved stakeholders are verifying information, monitoring the situation and/or implementing mitigation actions but after six months the incidents will be closed off and allocated a final status chosen from one of the three possibilities below:

- ▲ **RESOLVED** - THE ITSCI TEAM AND/OR INVOLVED STAKEHOLDERS HAVE AGREED AND IMPLEMENTED ACTIONS WHICH HAVE RESULTED IN SATISFACTORY MITIGATION.
- ▲ **UNRESOLVED** - THE INVOLVED STAKEHOLDERS MAY NOT HAVE AGREED, OR COMMONLY HAVE NOT EFFECTIVELY IMPLEMENTED ALL RECOMMENDED MITIGATION ACTIONS.
- ▲ **INCONCLUSIVE** - THE ITSCI TEAM DO NOT FIND SUFFICIENT EVIDENCE TO SUPPORT AN ALLEGATION OR NEED FOR MITIGATION.

In some cases, incidents are re-opened after six months if the mitigation of the incidents was not sufficient to achieve full resolution, and therefore allowing additional follow-up, monitoring, mitigation and possibly resolution.

Outcomes

Following closure of each incident, the team identifies whether positive outcomes were achieved, such as arrest or sanction by authorities, or whether some or all expected outcomes were not achieved due to lack of engagement from responsible stakeholders. For metrics, stakeholders were analysed based on their ability and success in influencing, shaping and improving final outcomes of reported incidents. Outcomes were identified for four core groups:

- ▲ COMPANIES
- ▲ AUTHORITIES
- ▲ CIVIL SOCIETY
- ▲ ITSCI

In total ITSCI has defined 32 potential outcomes to enable identification of trends. For this public summary, outcomes have been aggregated into 7 outcome groups to reduce the complexity of reporting.

INCIDENT NUMBERS AND RESOLUTION STATUS

The 1st November 2021 to 31st October 2022 reporting period has been selected by ITSCI to enable downstream companies who report on their due diligence activities in the first quarter of any calendar year to reference ITSCI data and explain how they have evaluated the potential impact on their own supply chains. Direct comparison with other ITSCI publications which refer to calendar years should not be made.

Figure 1 shows the division of incident occurrence and outcomes across ITSCI operating areas listed as follows.

- ▲ AT THE COUNTRY LEVEL FOR BURUNDI (BU), RWANDA (RW) AND UGANDA (UG)
- ▲ AT THE SUB-NATIONAL LEVEL FOR DRC, INCLUDING ‘KATANGA’ (KT), MANIEMA (MN), NORTH KIVU (NK) AND SOUTH KIVU (SK)
- ▲ NOTING THAT AGGREGATED DATA IS REPORTED FOR ‘KATANGA’ WHICH ENCOMPASSES THE PROVINCES OF HAUT-LOMAMI, HAUT-KATANGA, TANGANYIKA AND LUALABA TO ALLOW FOR COMPARISON AGAINST OTHER ITSCI PUBLICATIONS

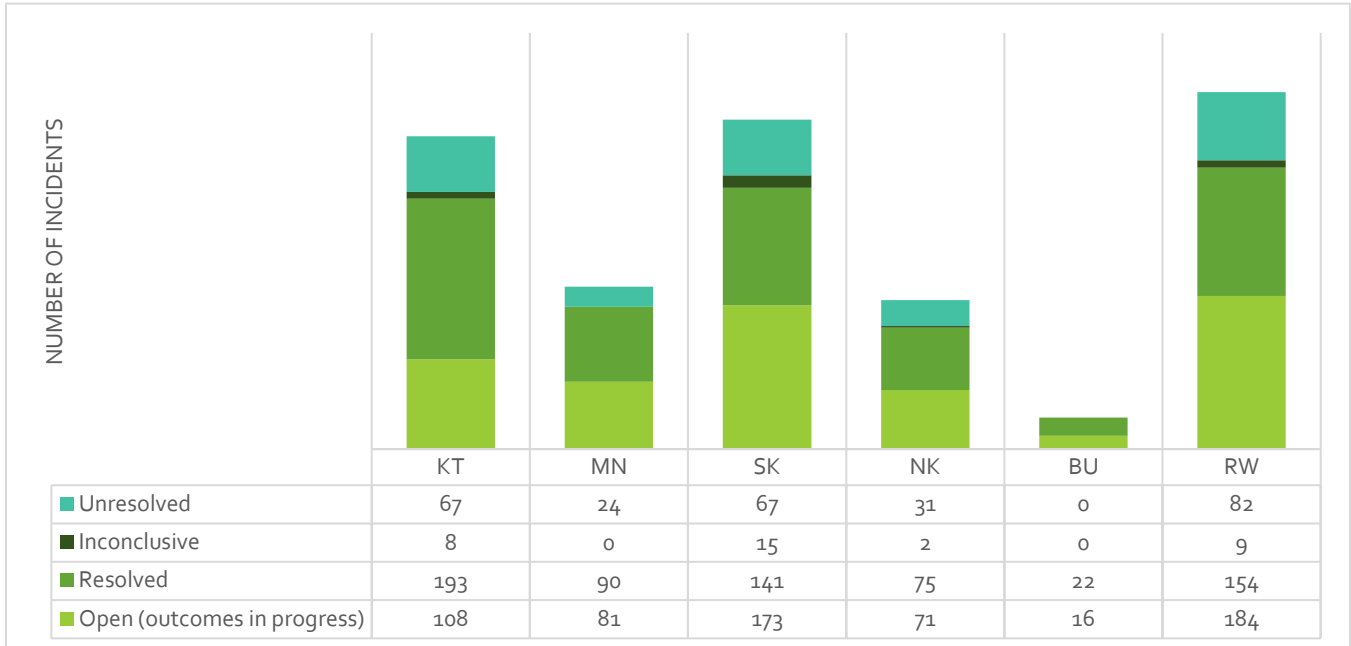


Figure 1. Division of incident occurrence and status across ITSCI operating areas

ITSCI recorded a total of 1,613 incidents in the reporting period, which is 24% higher compared to the previous period (1,300). The greatest number of incidents occurred in Rwanda (429), followed by South Kivu (396) and Katanga (376). Burundi had the lowest (38) number of incidents mainly due to relatively lower level of activity. No incidents were recorded in Uganda during the reporting period. At the time of reporting 633 incidents remained open with outcomes in progress.

In any reporting period the total number of recorded incidents is influenced by a range of factors, including, but not limited to the following.

- ▲ TOTAL LEVEL OF PRODUCTION
- ▲ NUMBERS OF MINES, AS WELL AS THE ACTIVITY LEVEL OF THOSE MINES
- ▲ NUMBERS OF OPERATORS, AS WELL AS THE AMOUNT OF BUSINESS THE OPERATORS COMPLETE
- ▲ LOCAL POLITICAL AND SECURITY ENVIRONMENT, INCLUDING ACTIVITIES RELATED TO NON-SATE AND STATE ARMED GROUPS
- ▲ LEVEL OF GOVERNANCE, IN PARTICULAR IN NEW ITSCI AREAS

For example, new companies setting up a business in 3T trading may be less familiar with due diligence requirements, and therefore potentially increase the number of incidents. From a governance perspective, the extension of ITSCI activities to new mining areas commonly correlates with weaker levels of governance. A lack of knowledge of mining laws, regulations or ITSCI procedures by state services or state security forces commonly results in cases of illegal or unlawful interference in mining activities or trade. During the reporting period, this was the case in South Kivu Province in particular, where ITSCI started activities at a large number of new mining areas in Shabunda territory. The remoteness of the territory from the provincial capital and government as well as regular rotation of security forces further contributed to increasing incident numbers in South Kivu.

Outcomes for resolution of incidents can be assessed by considering the percentage of those incidents resolved from the total number verified as incidents and not found to be inconclusive. The percentage of resolved incidents for the reporting period is given in Table 1. Incidents may result in actions taken by stakeholders and thus positive outcomes but may be categorised as unresolved if not all expected outcomes based on ITSCI, and OECD Guideline expectations were achieved.

Table 1. Percentage of resolved incidents for the reporting period

ITSCI INCIDENT RESOLUTION	KT	MN	SK	NK	BU	RW
Resolved	193	90	141	75	22	154
Unresolved	67	24	67	30	0	82
Total	260	114	208	105	22	236
Resolved incidents (%)	74%	79%	68%	71%	100%	65%

The average percentage of resolved incidents (76%) is lower than the previous year (81%). In South Kivu the relatively high number of unresolved incidents (32%) generally relates to lack of engagement by state services or state security forces in implementing adequate mitigation measures to resolve incidents. This is particularly the case in the new mining areas where ITSCI started activities in 2022 as mentioned above. These unresolved incidents in South Kivu generally concern: 1) illegal involvement or interference of FARDC in mining; 2) illegal taxation and fines by rogue Congolese army soldiers (FARDC), Mining Police (PMH), SAEMAPE or Divimines agents; and 3) misrepresentation of origin of minerals and misuse of ITSCI tags and logbooks. A number of incidents of weight discrepancies between processor/negotiant and exporter/comptoir level were unresolved due to lack of sufficient mitigation measures implemented. Additionally, ITSCI reported increased cases of banditry or non-state armed groups committing acts of mineral and/or property theft and violence in the province. These incidents are closed as unresolved mainly due to lack of engagement from local authorities. However, the majority have been re-opened for follow up by ITSCI. In some cases, it is important to note that unresolved incidents do not imply that no successful mitigation measures were implemented but indicate that not all necessary and appropriate mitigation measures were implemented within 6 months.

In North Kivu and Maniema incidents of a similar nature to those in South Kivu are unresolved, however a greater number are associated with plausibility and some to companies obstructing ITSCI activities. In Rwanda, the majority of incidents (80%) relate to CoC issues; refer to Section CHAIN OF CUSTODY CATEGORY INCIDENTS for further detail.

In Katanga the relatively low level of incident resolution (74%) is mainly due to; 1) unresolved weight discrepancies between processor/negotiant and exporter/comptoir level; 2) presence of children at a limited number of mine sites; 3) increase in plausibility and weight discrepancies issues at mine level; 4) duplication of mine tags; 5) informal mining; and 6) mineral fraud. As stated earlier, the incidents are closed as unresolved mainly due to lack of engagement from local authorities and the majority re-opened by ITSCI for follow up.

In Burundi 100% of incidents are resolved which indicates strong follow up and engagement by ITSCI, authorities and companies. The incidents are of generally low severity and typically resolved with refresher training on traceability procedures and correction of data.

The relative proportion of Level 1, 2, and 3 incidents in ITSCI regions is given in Table 2 and shown on Figure 2. Level 1 incidents relate to OECD Annex II risks and include serious breaches of due diligence or traceability, and more commonly relate to weaker governance or greater insecurity in particular locations.

Table 2. Relative proportion of Level 1, 2, and 3 incidents in ITSCI regions

LEVEL	KT	MN	SK	NK	BU	RW	TOTAL DRC	TOTAL
Level 1	26	46	63	17	0	7	152	159
Level 2	148	85	211	113	14	178	557	749
Level 3	202	64	122	49	24	244	436	704
Total	376	195	396	179	38	429	1,146	1,613

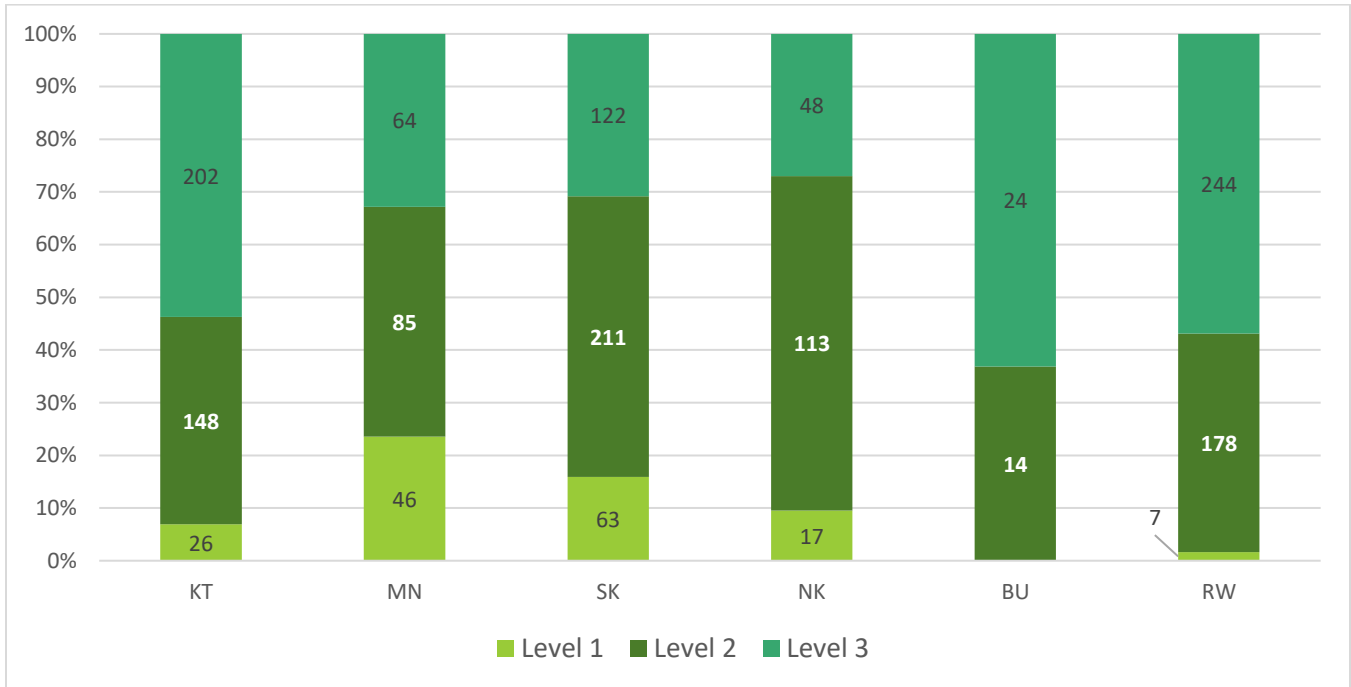


Figure 2. Seriousness of incident per area for the reporting period

The majority (96%) of Level 1 incidents took place in the DRC. The total number of Level 1 incidents increased by 63% compared to the previous reporting period. Level 1 incidents in the DRC increased by 39% compared to 2021 (152 versus 92) with the majority (63 or 41%) occurring in South Kivu. The increase in the DRC is mainly associated with increases in security risks related to rogue state armed groups (e.g., FARDC, PMH, and PNC) involvement in mining-related issues, and activity of non-state armed groups or bandits responsible for sporadic acts of harassment, violence and mineral or property theft. A rise in plausibility weight discrepancies issues is also notable in the DRC. ITSCI has increased targeted monitoring of these types of risks with improved ITSCI tools and procedures.

The majority (90%) of incidents are Level 2 and Level 3 of lower severity. Increases in Level 2 incidents are apparent in all the regions. Level 3 incidents decreased marginally in North Kivu and notably (by 60%) in Burundi. Many incidents of all levels in the DRC are still open and under ongoing monitoring and mitigation.

CHAIN OF CUSTODY CATEGORY INCIDENTS

Under the ITSCI incident reporting system incidents are evaluated as relevant to one or more key issues under 5 incident categories (Figure 3). Incidents relevant to the ITSCI CoC category comprise the majority (61%) of incident categories in the reporting period.

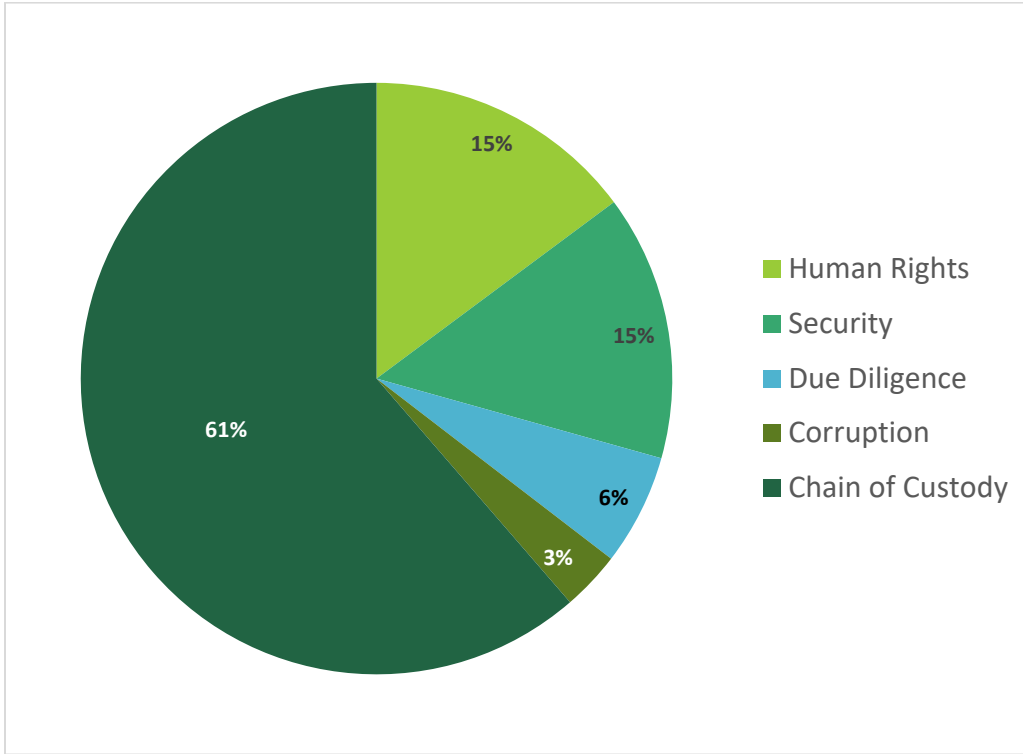


Figure 3. Proportionality of incidents in ITSCI incident categories

Table 3 gives the number and proportion of CoC category incidents in the regions relative to total incidents.

Table 3. Number and proportion of CoC incidents versus total incidents in the regions

	KT	MN	SK	NK	TOTAL DRC	BU	RW	GRAND TOTAL
CoC Category Incidents	237	119	196	68	620	26	343	989
% of total incidents	63%	61%	49%	38%	54%	68%	80%	61%

ITSCI CoC category incidents make up greater than half (between 61% and 80%) incidents in all the regions except North Kivu (38%) and South Kivu (49%). In Rwanda the majority (80%) of the incidents fall under the CoC category generally on account of field teams and the District Mining Task Force (DMTF) actively monitoring mine sites and informal mining and on account of a proportionally lower number of incidents in other categories such as security.

Incidents under the CoC category can be divided into two sub-categories: i) plausibility risks to the ITSCI supply chain; and ii) breaches of ITSCI and/or traceability procedures by local stakeholders (e.g., government agents or mining operators), for instance agents recording errors on logbooks or miners not respecting tagging procedures. Other issues such as broken or lost tags may constitute breaches of ITSCI procedure. Plausibility type issues are

generally more serious than breaches of ITSCI procedure due to the inherent risk of misrepresentation of origin of minerals at concerned ITSCI sites.

Figure 4 is a regional comparison between incidents falling under the two CoC sub-categories mentioned above.

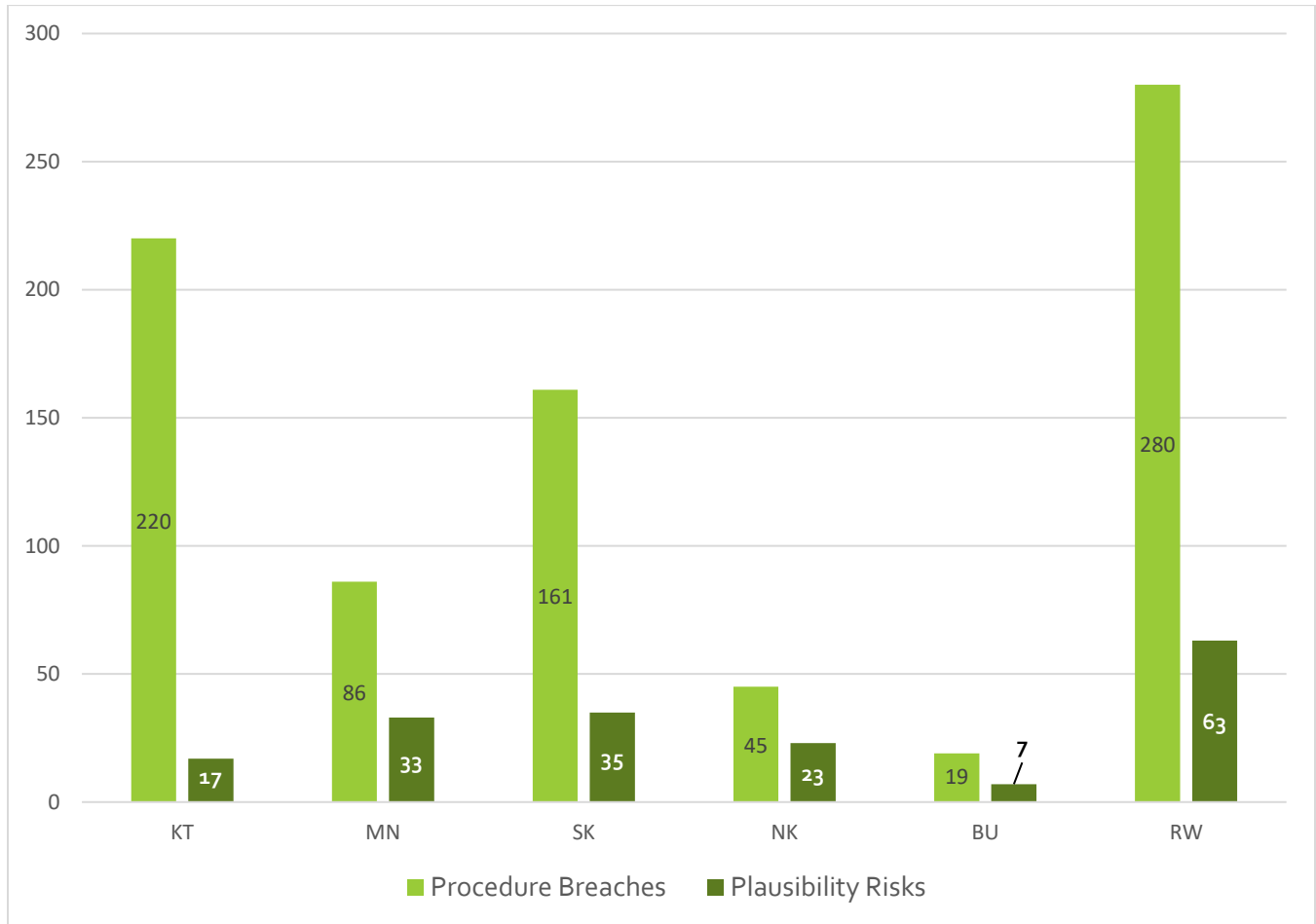


Figure 4. Regional breakdown of procedural breaches versus plausibility incidents

Figure 4 shows the majority (80%) of CoC category incidents are associated with less severe breaches of ITSCI procedure in all regions, which is to be expected as a result of ITSCI field teams regularly monitoring implementation of ITSCI procedures and reporting non-conformances and re-training accordingly.

As shown in Figure 5 below, the majority (on average 95%) of CoC category incidents were of lower Level 2 or 3 severity with Level 1 incidents comprising between 2% (Rwanda) and 13% (Maniema) of these incidents. No CoC Level 1 incidents were recorded in Burundi in the reporting period. Refer to Section INCIDENT NUMBERS AND RESOLUTION STATUS for further detail.

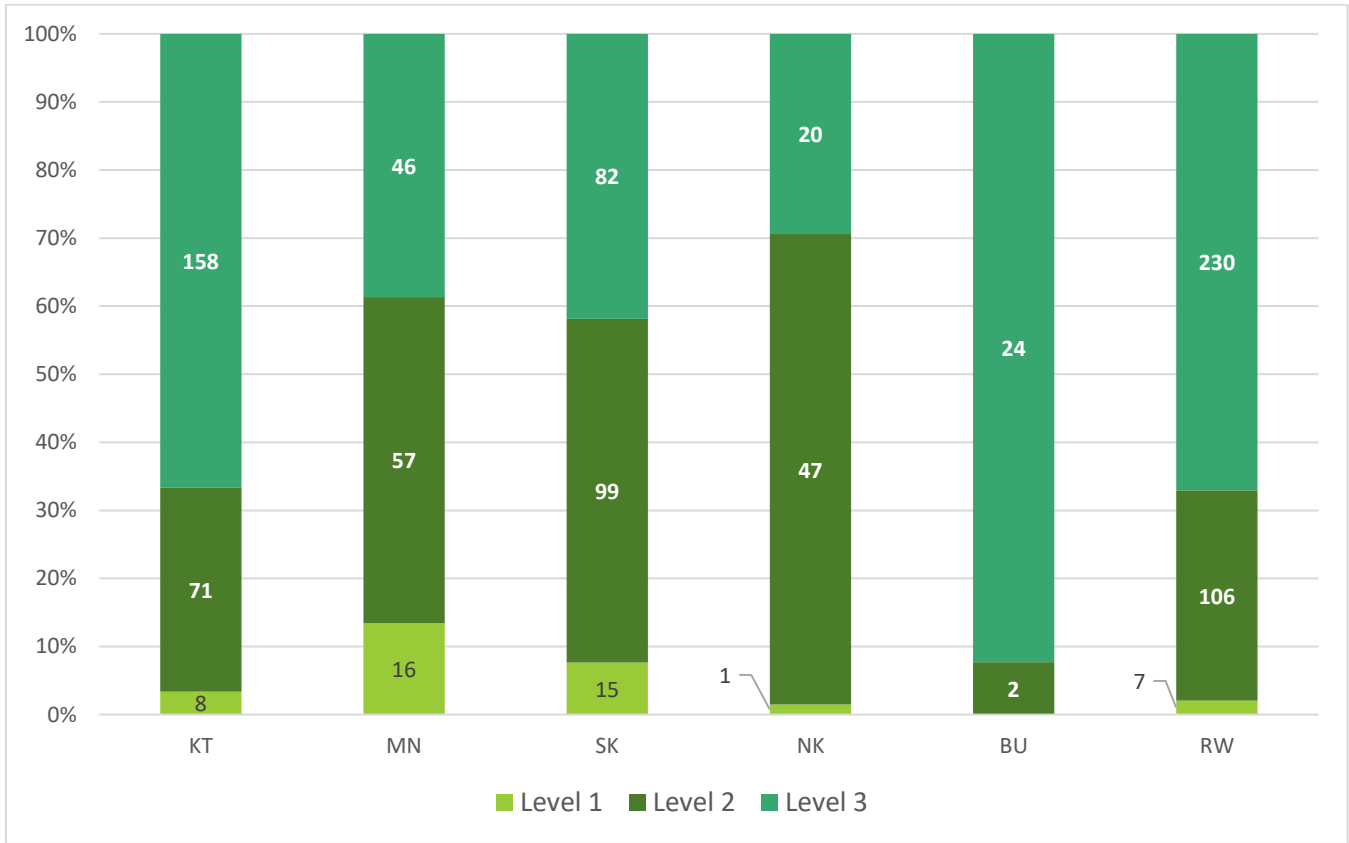


Figure 5. Regional breakdown of CoC category incident severity levels

Overall CoC plausibility incidents represent a small proportion (11%) of the total number of incidents across all implementation areas (Figure 6) and the incidents occur in all ITSCI implementing provinces or countries, but not uniformly in each (Figure 7).

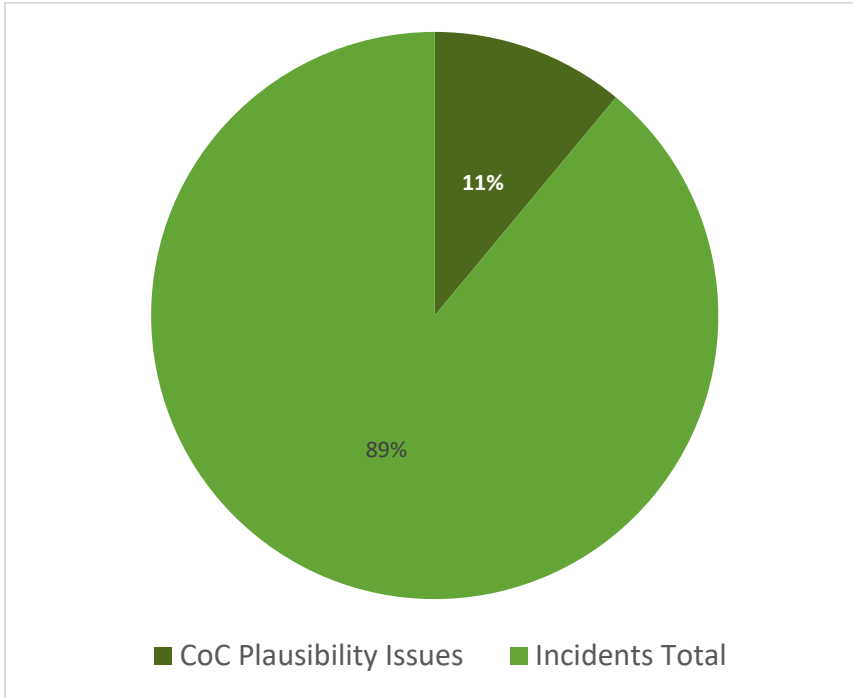


Figure 6. CoC Plausibility risks versus total incidents

The distribution of CoC plausibility incidents varies within each province or country (Figure 7) with sometimes significant disparities between each mining area/territory within provinces or countries. Comparison of plausibility related CoC incidents between provinces or areas is not possible considering that these incidents occur in places with high complexity and multiple factors playing a role. In Burundi, for instance, breaches in ITSCI procedure incidents reduced by greater than half compared to the previous period (due to implementation of electronic data collection), while occurrences of plausibility incidents were similar in number. Consequently, CoC plausibility incidents are proportionally higher in Burundi than in previous reporting years.

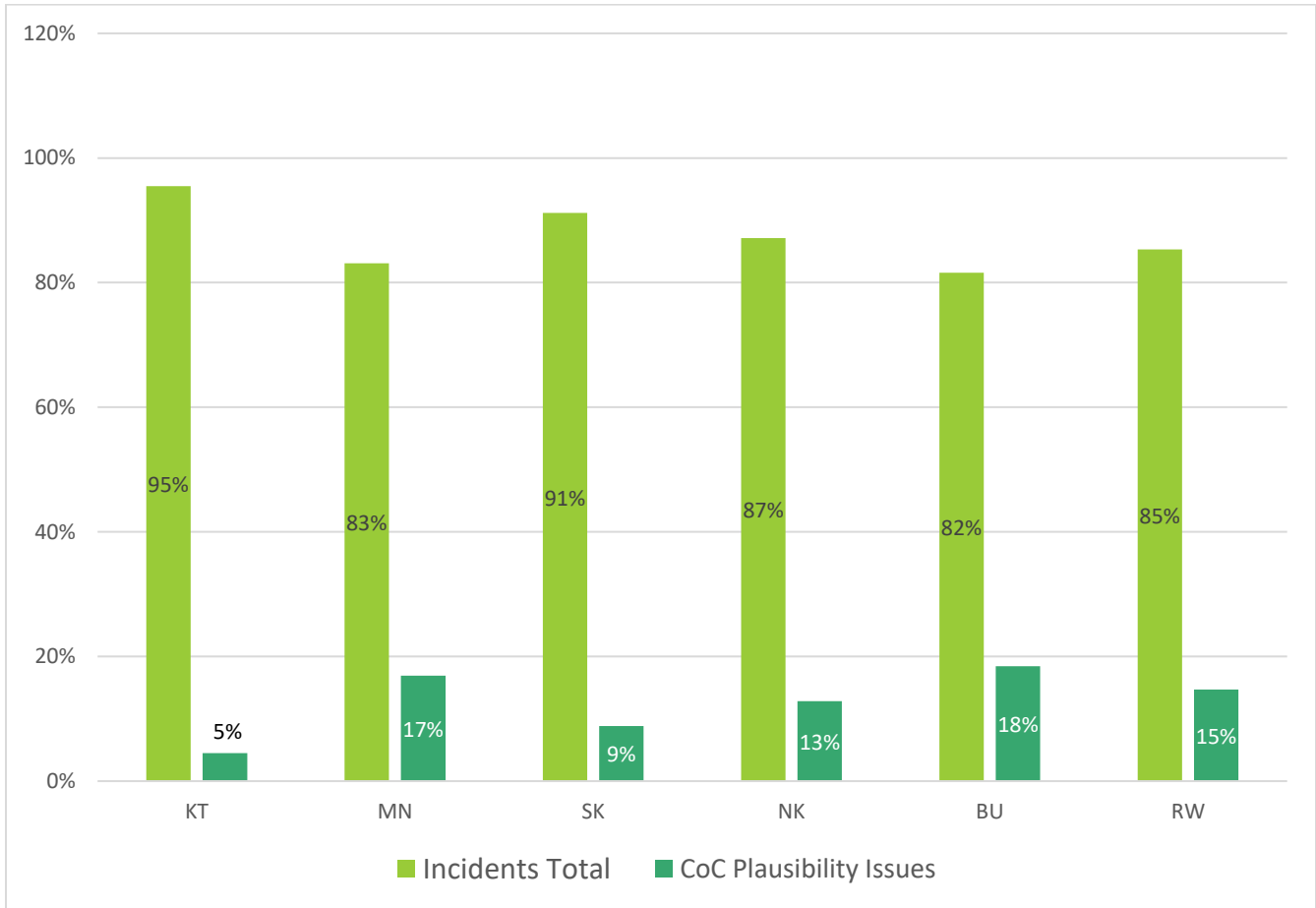


Figure 7. Distribution of CoC plausibility incidents relative to total incidents

INCIDENT OUTCOMES

ITSCI has defined and uses 32 outcomes which measure the impacts achieved through the management of incidents and indicate the type of stakeholder engaged in the mitigation process. Outcomes of successful resolution are determined once any incident has been closed. Under ITSCI procedures this requires 1) all details of the identified risk are known; 2) mitigation actions appropriate to OECD Annex II have been recommended and discussed; 3) the mitigation actions have been implemented; and 4) improvement confirmed by ITSCI.

For the purpose of providing a simplified overview of the positive impacts achieved through the ITSCI programme, the 32 outcomes have been combined into 7 aggregated groupings as follows.

- ▲ DUE DILIGENCE IMPROVEMENTS
- ▲ GOVERNANCE & SECURITY IMPROVEMENTS
- ▲ MINE/COMPANY/MINERAL SUSPENSION OR SEIZURE
- ▲ AWARENESS-RAISING & MEDIATION
- ▲ HUMAN RIGHTS/HEALTH AND SAFETY RISK MITIGATION

- ▲ INCIDENT UNSUBSTANTIATED
- ▲ INCIDENT UNRESOLVED

Figure 8 illustrates the type of outcomes which have been achieved by the work and cooperation of all stakeholders, and the programme itself, in this reporting period. Note that there may be more than one outcome per incident.

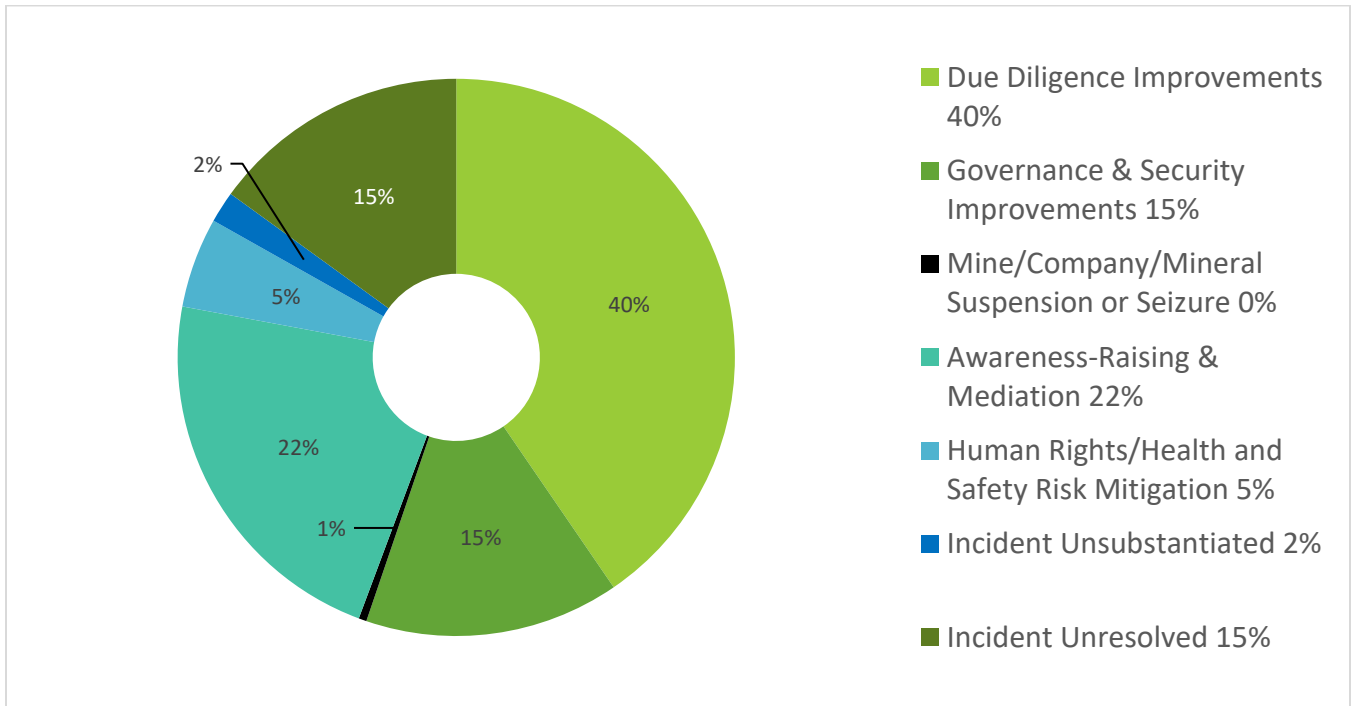


Figure 8. Types of incident outcomes

Companies take actions in line with their due diligence responsibilities, such as making additional mine site visits, improving working practices, drafting risks assessment reports, participating in stakeholder meetings, and implementing other mitigation measures. These actions are supported through focused monitoring and training by ITSCI field staff.

For the reporting period the percentage of outcomes leading to improvement in due diligence and governance and security, and mitigating human rights/health and safety, are similar to the previous year. Unresolved incidents increased by 5% and unsubstantiated incidents decreased by 6%. Examples of outcomes include improvement in governance and security performance covering arrests, court martial, reposting of mining or security service staff or similar legal actions against perpetrators, as well as improved performance through training or new commitments to due diligence principles.

In addition to direct actions related to specific incidents, it is also positive to note awareness raising and mediation improved in the current reporting period, which enabled the ITSCI team, stakeholders, and multi-stakeholders to continue sharing information, discussing risks, and agreeing mitigation of incidents. This contributed to greater accountability of local stakeholders and improved due diligence practices. In the DRC, ITSCI currently facilitates

local consultation and mitigation at 7 provincial and 44 local committees, which are chaired by local authorities with state services and civil society participation. ITSCI continued to encourage the establishment of active national steering committees in Burundi and Rwanda. In Rwanda, ITSCI continued to encourage the establishment of DMTFs, and support training of their members while participating in DMTF meetings or joint visits. By the end of this reporting period, 13 DMTFs were established. These form the bedrock of continued improvement and improved identification and management of risks in the longer term and these actions accounted for 22% of the total outcomes compared to 19% in the previous reporting year.

One key role of ITSCI field teams is to assist companies in performing their due diligence and to support state services and authorities with enhancing their management of mining activities and improving overall governance of the mining sector. To achieve these objectives, ITSCI teams conduct regular training sessions, one-to-one coaching sessions, capacity-building activities or group workshops for state agents, security forces, miners, negociants ('middlemen'), mining cooperatives, and exporters. Topics include a wide range of issues including tagging and traceability procedures, overall due diligence principles and risk assessment and mitigation. In the current reporting period, ITSCI field teams conducted 716 training sessions with a total of 12,309 beneficiaries. The extensive training activities performed by ITSCI over this time helped to achieve and maintain the high proportion of due diligence improvement (40%) as incident outcomes.

HIGH RISK INCIDENTS FOR SEC REPORTING

High Risk incidents for the reporting period

Of the total 1,613 incidents recorded in the reporting period, 49 were identified as High Risk in relation to U.S Securities and Exchange Commission (SEC) reporting. The process of identifying incidents potentially relevant to US SEC reporting took place via rigorous assessment and analysis by ITSCI working in close collaboration with our field implementation partner to check facts on the ground. Of these incidents 14 are Level 2 and 35 are Level 1 which are associated with the potential involvement of individuals who are, or may be, members of an armed group identified as a perpetrator of serious human rights abuses in annual Country Reports on Human Rights Practices under sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (22U.S.C. 2151n(d) and 2304(b)) relating to the DRC or an adjoining country. This may relate to non-state armed groups or rogue individuals in state armed groups such as the police or national army whether the individual themselves was armed at the time of the incident.

The numbers of High-Risk incidents derived from Level 1 incidents and relevant to US SEC reporting are given in Table 4.

Table 4. High Risk incidents identified in the reporting period

ITSCI OPERATING AREAS	LEVEL 1 TOTAL	LEVEL 1 HIGH RISK*	% AS LEVEL 1
KT	26	5	19%
MN	46	10	22%
SK	63	18	29%
NK	17	2	12%
BU	0	0	0%
RW	7	0	0%
Total	159	35	22%

*Relevant to US SEC reporting

Overall, across all ITSCI areas, 22% of Level 1 incidents were considered High Risk and relevant to US SEC reporting. Of the 14 Level 2 incidents which were considered High Risk, 3 were in Maniema and the remainder in South Kivu. At the end of the reporting period 17 of the High-Risk incidents were still open and under mitigation and ITSCI will continue to monitor the incidents⁴ in accordance with ITSCI procedures. Twelve of the remaining incidents were closed as resolved, 18 as unresolved and two as inconclusive.

Update On 2020-2021 High Risk incidents

In the 2021 reporting period, 16 of the 1,300 incidents were identified as High Risk with potential links to rogue elements of the police in the DRC and/or the DRC national army in connection with a variety of alleged illicit activities such as fraud, bribery, illegal payments, or taxation. All the incidents are closed. Of the seven incidents closed in 2022, one related to attempted mineral fraud, in which the minerals were re-introduced into the supply chain following plausibility analysis on mineral origin and conformance with ITSCI procedure and local legislation. Another incident was closed following sanctions against rogue FARDC and the return of extorted minerals to the owner. A third incident was closed after it was determined not to have impacted ITSCI activities. Three incidents were closed following reports that illegal taxation ceased, including following transfer of involved rogue FARDC personnel to other areas. The remaining incident was closed as unresolved as illegal tax collected by rogue FARDC was not returned however this did lead to the dismissal of the involved rogue FARDC and multiple awareness-raising sessions carried out with local stakeholders.

⁴Contact ITSCI at itsci@internationaltin.org for additional information on these high risks incidents which can be provided for a fee and can be used e.g., for Conflict Mineral Reporting obligations.

FURTHER INFORMATION

We welcome the participation and engagement of companies that wish to be informed regularly of individual incidents. Companies that join as ITSCI members receive a monthly report with; 1) an incident summary table for each province or country; 2) recommendations on actions taken and/or to be taken; 3) responsible stakeholders to implement these actions; and 4) whether the incident has been resolved. In addition, ITSCI members receive alerts on Level 1 incidents as soon as sufficient information is available to describe the risk so that companies can determine their own due diligence strategy in response to that risk.

Further to this report, ITSCI can also support downstream companies in their individual compliance reporting requirements based on individual agreements, including a reasonable financial contribution towards the costs of reporting on our comprehensive incident management. Such support can for instance consist in providing additional detail and analysis of high risks incidents, including incident status, information on mitigation actions and outcomes, and their possible relevance for SEC reporting.

Information on all incidents is also made public with a delay of three months after all incidents in any six-month period have been closed. Incident information is available on the Info pages of the ITSCI website: <https://www.itsci.org/incident-summaries-public/>

For requests, suggestions or enquiries please contact the ITSCI Programme via +44 (0)1727 875 544 or itsci@internationaltin.org

Our special thanks go to the ITSCI reporting and field teams for their commitment and continued hard work.

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ANNEX A. Overview of incident outcomes and aggregated outcome groupings

OVERVIEW LEVEL	DETAILED LEVEL	DESCRIPTION
Due Diligence Improvements	Improved company due diligence	Company gathers more information from suppliers, through mine visits or other sources and follows up
	Improved company procedures	Company improves working practise or formalises documentation and systems
	Improved data	ITSCI and the company, in cooperation with relevant state services, resolve questions on data or supply chain of custody information
	Plausibility control	ITSCI manages risks from implausible mineral type or production level at mines or weight changes
	Risk alert to companies	ITSCI provides alerts on higher risk mines, suppliers or locations to participants
	Improved ITSCI procedures	ITSCI enhances method of working or documentation including adapting processes to local requirements
	Continued monitoring	ITSCI continues focused monitoring beyond incident period of issues considered high risk or likely to reoccur
Governance & Security Improvements	Improved private security	Company formalises contracts with private security provider, vets or trains the security firm on human rights
	Completed legal process inc. arrests	Authorities take corrective action which may include arrest, fine or other enforcement measures through the legal process
	Change in legislation or procedure	Authorities or customary leaders introduce national or local law or revised procedures to protect traceability and reduce risk
	Change in customary behaviour	Tribal or other traditional leaders adopt new behaviour to support supports due diligence
	Improved state security	Authorities provide added security, train or improve protection around mineral areas
	Action from command	Authorities take corrective action which may include a hearing and enforcement measures against rogue individuals in official position
	Improved government performance	Authorities replace poor performing or missing agents, increase number of agents, or participate in training
	Protection of national park	Authorities prevent minerals originating from national parks entering the supply chain
	Increased local accountability and monitoring	Stakeholders take action to protect responsible supply chains including through whistleblowing
	Reduced corruption	Stakeholders identify, report or prevent corruption

OVERVIEW LEVEL	DETAILED LEVEL	DESCRIPTION
Mine/Company/Mineral Suspension or Seizure	Membership or mineral trade suspension	ITSCI suspends companies or mines from participation or freezes mineral movement
	Mineral quarantined	ITSCI requests participants to set aside mineral from trading during incident investigation
	Suspension of operators	Authorities suspend mining licenses or operators
	Minerals seized	Authorities seize questionable minerals
Awareness-Raising & Mediation	Awareness raising	Stakeholders participate in informal training or receive general advice on processes or activity
	Formal training	Stakeholders participate in formally organised training or coaching sessions with specified ITSCI objectives
	Stakeholder dialogue	Stakeholders participate in negotiation between commercial parties or others to resolve disputes
Human Rights/Health and Safety Risk Mitigation	Improved safety	Stakeholders close mines or act to prevent repeated accidents through measures such as training
	Company contribution	Company pays compensation to injured miners or community
	Reduced child labour	Stakeholders train, raise awareness or take measures to reduce child labour
	Reduced forced labour	Stakeholders take action to prevent forced labour
Incident Unsubstantiated	Unresolved inconclusive	Unresolved due to lack of sufficient information or any evidence to enable a conclusion to be reached
Incident Unresolved	Unresolved lack engagement	Unresolved due to lack of requested information or action from company or authorities
	Unresolved incomplete legal process	Unresolved due to failure to complete legal process following arrests or similar
	Unresolved lack international agreement	Unresolved due to no agreed solution, including for disposal of seized minerals

ANNEX B. Public, high-level summary of the ITSCI Incident Matrix

Level	Due diligence	Chain of custody	Corruption	Armed groups and security forces	Human rights and other concerns
1	Inadequate action on due diligence or false information	Inexplicable or deliberate traceability or procedural issues	Bribes influencing stated mineral origin	Non state armed groups, or illegal behaviour of state security impacting minerals	Serious human rights abuses or attacks on personnel
2	Failure to implement due diligence plans or lack of response	Repeated traceability or unresolved procedural issues	General bribery or non-payment of official fees	Non state armed groups, or state security without reason, near minerals	Worst forms of child labour, accidental death, mining protected areas, intimidation of personnel
3	Lack of general policies or company updates	Indications of traceability or procedural errors	Offers of bribes, non-contractual or receipted payments	State security missions disrupting minerals, poorly contracted security	Child labour, community dispute, lack of stakeholder meetings