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

METHODOLOGY FOR THE ALIGNMENT ASSESSMENT OF INDUSTRY PROGRAMMES WITH THE OECD MINERALS GUIDANCE

2018

OECD

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About the OECD Due Diligence Guidance

The *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (the Guidance) provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. The OECD Due Diligence Guidance is for use by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas.

About this document

This document provides a description of the methodology for undertaking an Alignment Assessment of an industry programme, institutionalised mechanism or other implementing programme against the recommendations of the OECD Guidance.

This document was published with OECD cote COM/DAF/INV/DCD/DAC(2018)1 in April 2018 and is accompanied by a spreadsheet-based Alignment Assessment Tool available on the OECD website http://mneguidelines.oecd.org/industry-initiatives-alignment-assessment.htm.

This document was prepared with the support of Kumi Consulting.

Co-funded by the European Union

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Terminology

OECD	The Organisation for Economic Co-operation and Development.
OECD Guidance	The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, inclusive of its Annexes and Supplements.
Industry programme	An initiative that has been established to support responsible mineral sourcing, requiring companies operating within or sourcing from mineral supply chains to meet certain standards, including (but not necessarily exclusively) the due diligence standards set out in the OECD Guidance. The term 'programme' includes supply chain due diligence schemes or initiatives established by industry bodies, independent or multi-stakeholder certification mechanisms, government schemes or any other organisations established to support the responsible production and sourcing of minerals.
Company	The company subject to an audit under the requirements of the programme or that is otherwise associated to or participates in the programme in such a way that it is expected by the programme to meet its standards and policies.
Auditor	The firm or individual appointed to audit a company against the requirements of the programme.
Alignment	The extent to which a programme specifies and oversees implementation of measures that require companies to put into practice the recommendations contained within the OECD Guidance.
Alignment Assessment	The process by which an evaluator assesses a programme's alignment with the OECD Guidance using the methodology described in this document.
Alignment Assessment Tool	The spreadsheet-based tool that provides the detailed criteria of an Alignment Assessment and is made available alongside this document.[1]
Evaluator	An independent organisation that evaluates, or individual commissioned to evaluate on behalf of an initiating organisation, a programme's alignment to the OECD Guidance in accordance with this methodology document.
Initiating organisation	The organisation that initiates or commissions the Alignment Assessment. The initiating organisation may be the programme itself or it may be an organisation independent of the programme being evaluated.
Shadow audit	Observations by the evaluator of the activities of an auditor who is auditing a company against the requirements of the programme.

[1] The assessment tool is available at http://mneguidelines.oecd.org/industry-initiatives-alignment-assessment.htm

Introduction

This document sets out a methodology for assessing the extent to which industry programmes are aligned to the recommendations of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

Growing numbers of programmes, often set up by industry bodies or associations, are being developed to promote and support responsible mineral supply chains, including implementation of the recommendations of the OECD Guidance within the context of specific mineral supply chains, industries or geographies. It is important, therefore, that the diverse stakeholders monitoring the implementation of the OECD Guidance have robust means of evaluating industry programmes to support consistent implementation of the recommendations and principles of the OECD Guidance. This Alignment Assessment methodology, together with the accompanying Assessment Tool[2], aims to address that need by providing standard criteria and an assessment process that are available to any body wishing to carry out an assessment, including programmes, individual companies and their stakeholders.

This methodology document provides:

- The **criteria** against which the Alignment Assessment should be made.
- The **process** that should be followed to obtain all information necessary to evaluate a programme against those criteria.
- The **methodology for determining whether the criteria are met**, supported by an Assessment Tool.

This document should be read together with and interpreted on the basis of the OECD Guidance, its supplements and annexes. It does not modify or alter in any way the recommendations contained in the OECD Guidance.

In addition to assessing alignment of a programme's requirements with the OECD Guidance, the recommended approach set out in this document can also be used to assess alignment with specific regulatory approaches that are consistent with the OECD Guidance, in the case of which adaptations may be warranted.

1. Overview of the Alignment Assessment methodology

The Alignment Assessment methodology evaluates the alignment of a programme with the recommendations of the OECD Guidance by establishing:

a) Whether key **overarching due diligence principles** have been incorporated into the **design and implementation of the programme** (set out in the OECD Guidance Introduction and Annexes I and II and assessed in Section A of the Assessment Tool).

b) Whether the programme's requirements for companies and the implementation (as defined below) activities it undertakes itself are aligned to the specific recommendations of the **OECD**

[2] The assessment tool is available at http://mneguidelines.oecd.org/industry-initiatives-alignment-assessment.htm

five-step due diligence framework (set out in Annexes I and II as well as the supplements of the OECD Guidance and assessed in Sections B and C of the Assessment Tool).

A structured assessment is undertaken against detailed criteria that are set out in the Assessment Tool. Each criterion is linked to relevant recommendations within the OECD Guidance. The Alignment Assessment criteria are each individually rated by the evaluator against two aspects:

a) **Standards:** The extent to which the recommendations from the OECD Guidance have been incorporated into the programme's policies, standards, procedures and operating requirements set out for companies.

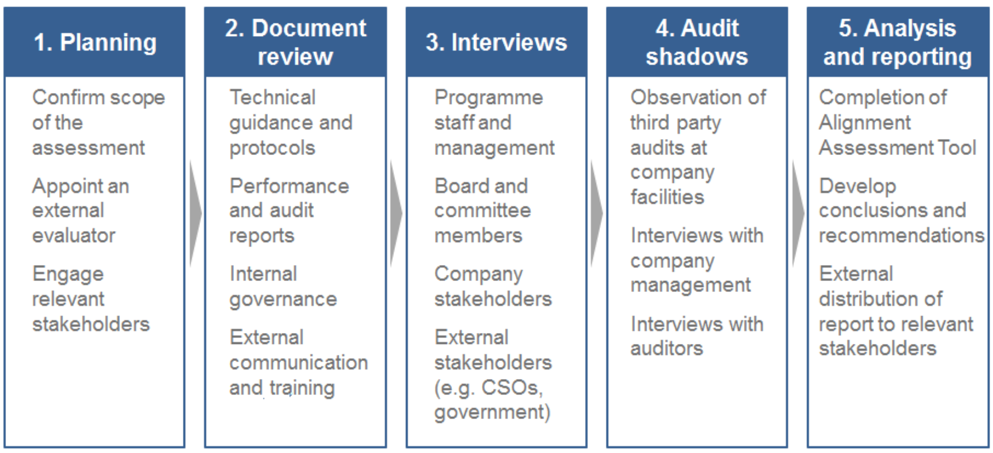
b) **Implementation:** The extent to which it can be reasonably concluded that the criterion is implemented by the programme, including by deploying the necessary measures to ensure compliance and securing adequate remedial action in cases where companies participating in the programme and/or auditors do not adhere to the programme's policies and standards (when applicable to them).

Assessment in both respects (standards and implementation) should be based on the evidence gathered during all assessment activities as set out in Section 2 of this document. It should be noted, however, that the Alignment Assessment is not intended to provide a conclusion about the adequacy of due diligence implementation by every company participating in the programme.

In addition to those two categories, a **governance assessment** can usefully be undertaken for the assessed programme. The purpose of this would be to enable an evaluation of the extent to which the intentions, spirit and principles of the OECD Guidance - beyond the formal recommendations - have been incorporated into the ways in which programmes are managed. While important, the conclusions drawn in this part of the assessment do not inform the judgement on the alignment of a programme to the recommendations of the OECD Guidance because programme governance recommendations are not included within the OECD Guidance.

Figure 1 illustrates the process for performing an Alignment Assessment. The different elements of each stage are described in more detail in following sections.

Figure 1: Overview of the Alignment Assessment process



2. Process to obtain the necessary information for the Alignment Assessment

2.1. Planning

The first step of the methodology is the planning and design of the assessment. This should include the following activities:

***Confirm the scope of the Alignment Assessment*.** Programmes may be situated at different points in the supply chain, or designed to cover some, but not all aspects of the OECD Guidance. Programmes might cooperate with other programmes and cross-recognise activities, for example, a smelter or refiner programme might recognise the due diligence activities of an upstream programme or third party assessment. Consequently, defining the scope of the assessment is crucial.

Box 1. Checks on third parties recognised by a programme

Many programmes have taken steps to cross-recognise other programmes. At the same time, significant differences in the design and implementation between programmes exist, which can create challenges for mutual recognition. Where programmes rely on other initiatives to support certain aspects of their due diligence requirements (for example, when relying on upstream due diligence programmes, or on mutual recognition between various smelter and refiner audit programmes), a robust and regular assessment of these initiatives, including their standards and implementation, will be important.

Even if effective cross-recognition assessments between programmes are in place, individual companies should undertake appropriate due diligence on their suppliers as a programme's alignment with the OECD Guidance does not mean that all companies within that programme are implementing due diligence practices that are aligned with the OECD Guidance. Therefore companies cannot simply rely on a supplier's participation in an industry programme as evidence of effective due diligence by that supplier.

For the evaluator this means checking for every criterion where programmes or individual companies refer to third parties if a credible assessment of that third party was undertaken; such an assessment could be undertaken by a programme and/or by companies individually. This should include an assessment of the scope of due diligence activities undertaken by the third party, as some programmes or due diligence providers have limited scope (for example only traceability or a specific geographic limitation). The evaluator should take into account other assessments that might have already been carried out on programmes, but check the methodology that was used and their credibility.

The scope affects the assessment of alignment: Programmes should be assessed against those aspects of the OECD Guidance which the programme is designed to carry out. For example, the assessment of due diligence activities undertaken by a programme on behalf of companies participating in the programme - such as risk assessments and mitigation activities in mining areas – will need to be included in the assessment scope. Similarly, some of the criteria within the Assessment Tool may not be applicable to the programme being evaluated, for example if the programme does not provide audits of smelters or refiners then many of the criteria under Step 4 of the Assessment Tool may not apply. The definition of the scope may also have to take into account the requirements of specific regulatory approaches consistent with the OECD Guidance if the alignment assessment is conducted with regard to such regulatory approaches. The 'Programme Scope' section of the Assessment Tool can help the evaluator identify the activities that should be in scope. Evaluators should consider what due diligence the programme claims to cover, at what segment in the supply chain the programme is active and what type of cross-recognition the programme might have with third parties.

***Engage with relevant stakeholders involved in the Alignment Assessment project*.** It is particularly important to engage with the subjects of the assessment (the relevant programme and the companies and auditors that are part of the programme) in order to communicate the purpose of the assessment and how the results will be used. This includes gathering information for planning and preparing for other phases of the assessment, such as discussing the sharing of documents to be reviewed and scheduling shadow audits. The use of appropriate Non-Disclosure Agreements may be necessary to protect commercial interests and encourage stakeholders to engage with the Alignment Assessment project. The expectations for the programme that is being evaluated should be clearly explained to relevant stakeholders. The programme should be prepared to proactively provide relevant information, facilitate engagement with companies and auditors and be available to provide comments and factual corrections as the evaluation progresses.

***Appoint an evaluator to undertake the assessment*.** The evaluator can be the initiating organisation or an organisation or individual commissioned by it. The evaluator should be independent of the programme under assessment, including the companies and auditors that are part of the programme. An external evaluator should not have conflicts of interests with the programme under assessment, including business or financial relationships (in the form of equity holding, debt or securities), nor have provided any other services related to the scope of the assessment for the programme within a 24 month period prior to the assessment. An external evaluator should demonstrate a thorough understanding of the industry sector and the application within that industry sector of the OECD Guidance. An external evaluator should have past experience of developing and/or auditing businesses' non-financial supply chain risk management systems and processes.

***Develop a project timetable*.** The timetable for the assessment should be communicated to relevant stakeholders, particularly as it relates to the timing of documentation requests, meetings, interviews and shadow audits (described in more detail in Section 2.2 and 2.3 below). The timing of the assessment and project timetable should take into account the audit cycles of companies within a programme as these can be a significant factor in determining the timing and duration of an Alignment Assessment project. Planning for the assessment should also consider the review cycle of the programme, since any changes (ongoing or planned) to the requirements and/or scope of the programme may impact the outcome and relevance of the assessment.

2.2. Documentation review

The Alignment Assessment itself should begin with a desk-based review of relevant documentation obtained from the programme being evaluated. During the documentation review the evaluator should analyse the detailed requirements that the programmes sets for itself, for companies (or any non-company members) that are part of the programme and for auditors, specifically with respect to the five-step due diligence framework in the OECD Guidance. In addition relevant and credible documentary evidence of how the criteria may have been implemented by the programme, its members or auditors should be considered, including audit reports and reports from relevant governments, international organisations, media, industry and civil society organisations. Programme requirements should be compared against the relevant detailed recommendations of the OECD Guidance; not all text from the OECD Guidance needs to be repeated in full in programme standards, but the most relevant detail should be included in programme standards for companies to sufficiently understand the supply chain due diligence expectations set by the programme.

Relevant documentation to review at this stage should include the following:

Details of programme governance and management. This is information on how the programme itself is managed and should also include information on how the programme seeks to put recommendations from the OECD Guidance into practice based on the way the implementation aspect is set out in Section 1.

Example documents:

- Details of internal governance structures
- Bylaws or the equivalent
- Terms of reference of relevant committees
- Minutes of decision-making meetings
- Policies on key issues such as independence and objectivity
- Auditor accreditation processes

Programme requirements for companies. These are the specific steps that programmes mandate for participating companies relating to mineral supply chain due diligence, risk management, auditing and reporting. It would include, where appropriate, information that these companies are required to prepare and submit to the programme in relation to their supply chains and management activities.

Example documents:

- ***Programme requirements.*** *The specific programme standards and requirements set for participating companies.*
- ***Technical guidance produced by programmes*****.** Technical guidance may include details of specific risks relevant to companies who participate in or are accredited/certified by the programme, or advice on how to integrate the programme's requirements into business processes and activities, including capacity building for relevant actors in the mineral supply chain.
- ***Audit protocols and guidance*****.** These are any specific requirements that are made in relation to how audits are to be commissioned and performed, alongside any guidance that Programmes provide to auditors to inform their work. Included within this would be any quality assurance/approval processes that the programme conducts on audits or auditors.
- ***Requirements set for other companies or organisations*** who may be involved with the programme as 'members' but may not be subject to audit requirements under the Programme, such as requirements for downstream companies that are not subject to step 4 audit requirements for smelters or refiners.

Performance and audit reports produced by companies and/or auditors. These could include annual reports describing a company's due diligence process and results, as set out in Step 5 of the OECD Guidance, including conformance reports produced by companies and/or auditors under the due diligence and reporting requirements set by the programme.

Example documents:

- Company 'Step 5' reports on supply chain due diligence practices (e.g. due diligence management systems, identified risks and mitigation measures, etc.) published by member companies or those participating in the assurance programme and their suppliers
- Summary audit reports
- Corporate Responsibility/Sustainability reports
- 'Conflict minerals reports' as mandated by Section 1502 of the US Dodd–Frank Wall Street Reform and Consumer Protection Act and any other relevant reports resulting from other regulatory approaches consistent with the OECD Guidance.

***Internal risk assessment and monitoring reports*.** These may include reports produced by or for the programme that relate to risks that could impact the programme or the companies within the programme, such as specific supply chain risks in particular countries. It should also include any additional monitoring that the programme undertakes to gain oversight on the performance of companies in complying with its requirements, programme-approved third parties used by the programme or its members, or assessments of the programme's own impacts.

Example documents:

- Risk assessments of mineral producing regions or specific segments of the supply chain, such as trading hubs
- Monitoring reports by programmes of company performance
- Self or third party assessments of the programme's own impacts, for example in conflict-affected or high-risk areas or on artisanal and small-scale mining

***Communications materials provided by the programme to companies and other stakeholders*.** This includes information relating to risk identification and mitigation within the mineral supply chain(s) covered by the programme. It could also include updates on the development and implementation of the programme, the sharing of performance information, or other relevant information that would be of benefit to programme stakeholders, such as details of risks identified in relevant mineral supply chain(s).

Example documents:

- Newsletters or information emails distributed to participating companies
- Press releases
- Emails or webinars on specific risks that were identified or mitigation action

Self-assessments, third party assessment or assessments of the programme by a regulatory or oversight body. This includes any assessments or reports carried out by the programme itself, commissioned with a third party or carried out by a regulatory or oversight body globally.

Example documents:

- Self-assessments carried out by the programme
- Third-party assessments of the programme or a specific aspect of the programme, such as a review of the programme's risk assessment or grievance mechanism
- Assessment results from an assessment by a regulatory or oversight body

***Reports by external stakeholders*.** External stakeholders, such as civil society organisations, monitoring bodies or experts, may conduct investigations that may warrant further assessment or be considered in the assessment of the programme. Such reports may highlight particular risks in the supply chain or, indeed, positive impacts and performance.

Example documents:

- Civil society or monitoring organisation reports
- Reports by international organisations
- Reports by academic institutions
- Reports by industry
- Media reports

2.3. Interviews and audit shadows

Information gathered and analysed through the documentation review should be supplemented by primary research activities; namely observations of programme management and auditor activities and semi-structured interviews with key stakeholders, including stakeholders within programmes (programme staff as well as member companies or companies participating in the assurance programme) and external stakeholders, such as those impacted by the programme and experts. The sources of information – internal and external to programmes – should be protected and should only be quoted if the evaluator has explicit agreement from the relevant source.

These semi-structured interviews should be performed on a sample basis. The appropriate size of the sample should be determined on a risk-basis and should depend on the nature of the specific programme being evaluated. However, the sample size should be sufficient to at least provide a general understanding of how the programme's requirements and standards are being applied in practice amongst companies within the programme to inform the assessment of how the programme is implemented (based on the approach to implementation set out in Section 1). Any limitations to the assessment as a result of the sample size should be clearly stated in the assessment report, while at the same time recalling that the assessment of implementation is with respect to the programme itself (see section 1).

Box 2. Sample size

It should be noted that the Alignment Assessment is an evaluation, not an audit. Consequently, there is flexibility on the sample size for interviews and shadow audits. However, determining an appropriate sample size for an Alignment Assessment is a key decision for the initiating organisation and/or the external evaluator. Factors to consider when determining the sample size include the number of member companies in a programme, the number of companies audited by a programme, the proportion of member companies at different points in the supply chain, the complexity of the programme activities in scope that are being assessed, the segment of supply chain covered by the programme activities that are being assessed and the geographical scope of the programme and location of members.

To allow for an assessment of the programme's implementation the sample size for both interviews and shadow audits should be defined so as to be able to assess the adequacy of programme's implementing activities based on the understanding of implementation as set out in Section 1. The evaluator should take into account evidence from an assessment of representative sample of member due diligence activities (through among others audit observation, auditor and auditee interviews and audit report reviews) to determine overall effectiveness of programme activities and measures relating to the performance of companies.

It is important that organisations initiating an Alignment Assessment are transparent about the sample size they chose and explain their rationale for the chosen sample.

Activities should include the following:

- ***Interviews with programme management and key staff.*** Interviews with relevant managers and staff from the programme form a key input into the Alignment Assessment. Interviews with programme personnel should examine the various issues set out by the criteria in the Assessment Tool and include a systematic analysis of programme communication with companies as well as any sanctions mechanism the programme has put in place to identify and remediate systematic due diligence failures among its membership. The evaluator should undertake the documentation review activities prior to interviewing programme personnel in order to have sufficient background in the programme's design to be able to appropriately target interview questions. The criteria in the Assessment Tool should guide the focus of these interviews. The interviews with programme personnel also provide a valuable opportunity to identify whether there is additional documentation of which the evaluator has not been made aware but has relevance to the assessment.
- ***'Shadowing' of third party audits.*** Audits at the smelter and refiner level (as they are the identified control points in the supply chains of tin, tantalum, tungsten and gold) are a key control mechanism within the five-step due diligence framework set out in the OECD Guidance and therefore are also a key control mechanism for programmes that implement the OECD Guidance at the smelter or refiner level. In view of their different scope, some programmes chose to carry out audits at other points in the supply chain, for example at the point of mineral export, import or trading. While such audits are not foreseen in the OECD Guidance, they can be an effective way to check company implementation of programme standards and requirements. By shadowing an audit, the evaluator can not only gain valuable insights into companies' application of the industry programme and the OECD Guidance five-step due diligence framework, but also understand how the auditor requirements and guidance set out by the programme are being applied in practice. It is important to note that the evaluator should not interfere with the audit – the purpose is to inform the assessment of the programme's implementation of its standards and requirements, including by the accredited auditors. Where a programme has defined terms for audit observers, the evaluator shall abide by those terms.

- ***Interviews with management of participating companies and auditors*****.** Interviews with company management and relevant staff and auditors enable the evaluator to capture useful contextual information about companies' and auditors' experiences of participating in the programme and applying the programme's standards and requirements in practice. In some instances, there may be partner organisations who are involved in implementing the programme, in which case interviews with relevant personnel from these organisations will also be appropriate.
- ***Stakeholder interviews*****.** Interviews with relevant industry, government or civil society stakeholders, impacted stakeholders or subject matter experts may provide useful information to support the evaluator's analysis of the programme's alignment with the recommendations and intent of the OECD Guidance. These groups will often have a key role in the identification and mitigation of risks with the relevant mineral supply chain(s) and therefore the representation of their views and experiences forms an important input into the Alignment Assessment.

3. Analysis and methodology for assessment

3.1 Analysis of the information and use of the Alignment Assessment Tool

The final stage of the Alignment Assessment is the structured assessment of information gathered in order to conclude whether the criteria (as set out in Section 1) are met. The Alignment Assessment criteria are set out in Annex 1 and also within the Assessment Tool accompanying this document.

Information gathered through the assessment activities should be evaluated against each of the specific criteria, facilitated by the Assessment Tool. It is recommended that the Assessment Tool is completed on an on-going basis by the evaluator as they are progressing through the assessment steps. The Assessment Tool includes the specific criteria that an evaluator should use in order to guide data collection, inform interviews and evaluate the information obtained. The assessment of these criteria (and the in-built thresholds further presented below) will enable the evaluator to determine whether a programme is aligned to the OECD Guidance.

The Alignment Assessment criteria (set out in full in Annex 1 and directly based on the recommendations of the OECD Guidance) are grouped in three categories:

A. Overarching due diligence principles within programme standards
B. Alignment of programme requirements with the five-step due diligence framework
C. Specific responsibilities of programmes

Category A relates to whether key overarching due diligence principles have been incorporated into the design and implementation of the programme. Categories B and C relate to whether the programme's requirements for companies and the activities it undertakes itself are aligned to the specific recommendations of the OECD five-step due diligence framework and implemented in practice.

The Assessment Tool also provides a set of governance criteria through which the governance and management of the assessed programme will be reviewed. As discussed in Section 1, these criteria should not impact the evaluator's assessment on alignment of a programme with the Guidance as such aspects are not covered by the Guidance. Nonetheless, they can be an important component of the evaluation and if included in the assessment the corresponding conclusions and recommendations on programme governance should be included in the assessment report.

3.2. Alignment Assessment

Annex 1 sets out the 97 criteria that should be used in the Alignment Assessment (excluding those applicable to governance; see section 3.3). Not all of these are necessarily applicable to the specific programme being assessed; some are specific for gold or for tin, tantalum and tungsten, while others are specific to upstream or downstream due diligence activities only and the selection of criteria depends notably on the definition of the scope of the programme being assessed.

As set out in section 1, each criterion should be assessed with regard to policies and standards on the one hand and implementation on the other. This is also reflected in the Assessment Tool, which provides drop-down menus for each of the two aspects.

Interpretative issues relating to specific criteria in the tool will involve judgement calls by the evaluator. As a first step, the evaluator should refer to the relevant provisions of the OECD Guidance and interpret the text of the OECD Guidance literally, to the extent possible. If the literal interpretation of the text of the OECD Guidance is not sufficient to form a conclusion on a specific criterion, the evaluator may refer to other OECD documents and reports related to implementation of the OECD Guidance. If this does not prove to be conclusive, the evaluator should note the interpretation issue, and provide detail in the completed Assessment Tool and Alignment Assessment report on how they interpreted and applied the specific criterion.

The different ratings should be made as follows:

Rating for policies and standards

- *Fully Aligned*: The criterion is fully and explicitly addressed in the programme's policies, standards, procedures or other formal documentation.
- *Partially Aligned*: The criterion is only partially addressed in the programme's policies, standards, procedures or other formal documentation; and / or the criterion is addressed but informally or inconsistently.
- *Not Aligned*: The criterion is not addressed in the programme's policies, standards, procedures or other formal documentation.

Rating for implementation

- *Fully Aligned*: There is sufficient evidence, based upon the assessment activities undertaken, to reasonably conclude that the criterion is implemented by the programme (based on the way the implementation aspect is set out in Section 1).
- *Partially Aligned*: There is sufficient evidence, based upon the assessment activities undertaken, to reasonably conclude that the criterion is partially implemented by the programme; including by undertaking *some but not fully adequate* measures to implement the programme (based on the way the implementation aspect is set out in Section 1).
- *Not Aligned*: There is sufficient evidence, based upon the assessment activities undertaken, to reasonably conclude that the criterion is not implemented by the programme; for example by

undertaking *no or inadequate* measures to implement the programme (based on the way the implementation aspect is set out in Section 1).

This assessment should include consideration of all the information gathered in the process set out in Section 2. The assessment of the extent to which adequate measures and remedial action has been taken by the programme should be informed by the performance of the entities within the programme, as evidenced by the information gathering, while at the same time considering the character of the specific programme and the profile of its membership.

Box 3. Rating decisions when companies are not implementing a programme's requirements

In cases where an evaluator identifies that companies participating in a programme are not implementing the criteria, the onus is on the programme to demonstrate its efforts to build capacity and establish corrective actions with indicators and clearly defined timescales that are monitored. If those are not met, or in cases of severe non-conformance, the programme needs to be able to demonstrate that it removes entities from its programme all together. In such cases, the evaluator should seek to understand the extent to which these efforts are robust and undertaken in good faith.

Overall rating of the criteria

From these two ratings (standards and implementation), the **overall rating for each applicable criterion set out in Annex 1** should be made according to the following approach (as facilitated by the Assessment Tool):

- *Fully Aligned* = 'Fully Aligned' for both 'Policies and Standards' and 'Implementation'
- *Partially Aligned* = all combinations between 'Fully Aligned' and 'Partially Aligned' for 'Policies and Standards' and 'Implementation'
- *Not Aligned* = all combinations including 'Not Aligned' ratings

There is also a 'not applicable' (n/a) option if a particular criterion is not relevant for the programme, for example if the programme only covers upstream companies and the criterion is only applicable to downstream companies, or if the criterion is only applicable for '3T' minerals (tin, tantalum and tungsten) and the programme focuses solely on gold[3].

The evaluator should use the comments section of the Assessment Tool to justify the rating allocated, referencing the evidence used to inform the rating and other key facts or observations relevant to the assessment.

Evaluators should ensure that it is clearly noted where a programme, or companies participating in the programme, depend on external organisations or third parties (for example another programme or a due diligence provider) for certain activities under the five-step due diligence framework; please see 'Box 1: Checks on third parties recognised by a programme' for more detail.

[3] It is important to note that other than exclusions relating to mineral type or the position in the supply chain on which the Programme focuses, all criteria in the Assessment Tool are considered relevant to the Alignment Assessment. In the event that the particular circumstances of the programme under assessment mean that certain criteria outside of these parameters are considered not relevant, the justification for this decision should be clearly explained following the conclusion of the assessment. It is also impossible to be graded only for 'Standards' and not also for 'Implementation' – the Tool will return an error message if this is done by accident.

Programme Governance rating

The criteria in the programme Governance Review section should be rated as follows:

- *Fully addressed*: The governance arrangements and/or activities of the programme address the criterion.
- *Improvement opportunity*: The governance arrangements and/or activities of the programme partially address the criterion, but there are some gaps or areas that should be improved.
- *Not addressed*: The programme's governance arrangements and/or activities do not address the criterion.

As with the Alignment Assessment, the evaluator should use the comments boxes to justify or provide evidence for how each criterion is rated.

4. Drawing conclusions and reporting assessment results

The ***overall conclusion*** of the Alignment Assessment should be calculated and reported as follows:

- *Fully Aligned*: (Section A = 100% of criteria 'Fully Aligned) + (Sections B and C = 80% or more of criteria 'Fully Aligned') + (no 'Not Aligned' criteria)
- *Partially Aligned*: All other combinations between 'Fully Aligned' and 'Not Aligned' criteria
- *Not Aligned*: (Section A = <50% of criteria 'Fully Aligned') OR (Sections B and C = 20% or more of criteria are 'Not Aligned')

The results of the Alignment Assessment and programme governance review are provided in the 'Results and charts' section of the Assessment Tool.

For a programme to claim to be aligned to the OECD Guidance it must achieve a rating of 'Fully Aligned' in the overall conclusion of the Alignment Assessment. Where a rating of 'Partially Aligned' or 'Not Aligned' is achieved, the programme should be transparent about this in any communications that reference the OECD Guidance. It is recommended that in such instances the programme also describes the actions it is taking in order to achieve full alignment.

Annex 1 – Full list of alignment assessment criteria (as used in the accompanying Assessment Tool)

	Alignment Assessment Criteria	Mineral	Upstream / downstream	Reference in Guidance
A	**Overarching due diligence principles within Programme standards and guidance**			
	Due diligence is an on-going, proactive and reactive process			
A.1	The Programme explicitly recognises due diligence as an ongoing process to be undertaken by companies.	All	All	Introduction p13, Step 1.c footnote 4 p 37, Step 3.D p46, p63, Step 3.I/II.E p102/105
A.2	The Programme expects companies to proactively carry out due diligence and to react to changes of circumstances and risks in the supply chain.	All	All	Introduction p13, Step 3.I/II.E p46, p102/105
	Due diligence is dynamic and improves over time			
A.3	If a programme choses to make a final determination on a company or its products, such determination should be based on the conformity of the companies' due diligence or sourcing practices with the OECD due diligence guidance.	All	All	Introduction p12, p15, p63
A.4	The Programme expects companies to progressively improve their due diligence activities and risk management performance over time.	All	All	Annex I Step 3 p18, p64
A.5	The Programme encourages companies to source responsibly from conflict-affected or high-risk areas and, where relevant, from artisanal and small-scale mineral producers.	All	All	Introduction p12, p15, p63, Appendix p114-118
	Due diligence is risk-based			
A.6	The Programme expects companies' due diligence activities to be guided by their *own* risk assessments.	All	All	Introduction p13, Annex I Step 3 pp18,44, 99
A.7	The Programme expects companies' due diligence activities to consider at least all risks covered in Annex II (serious abuses associated with the extraction, transport or trade of minerals, direct or indirect support to non-state armed groups, public or private security forces, bribery and fraudulent misrepresentation of the origin of minerals, money laundering, payment of taxes, fees and royalties due to governments and bribery).	All	All	Annex I Step 1.A p18, Step 2.B p18, p20, p41, p86
A.8	The programme expects that the measures that a company takes to conduct due diligence should be commensurate to the severity and likelihood of the identified risks.	All	All	Annex I, Step 3.B p18
A.9	The programme includes in the definition of red flags considerations of location of mineral origin and transit, supplier characteristics and trade-related circumstances.	All	All	Introduction p14/15, p33/34, Step 2.B p79/80

	Alignment Assessment Criteria	Mineral	Upstream / downstream	Reference in Guidance
A.10	The Programme expects that due diligence activities on red-flagged supply chains should involve on-the-ground assessments, to be undertaken by upstream companies. Upstream companies may cooperate through joint initiatives but retain individual responsibility for their due diligence and should ensure that all joint work duly takes into consideration circumstances specific to the individual company.	All	All	Introduction p14/15, Step 2.A p18, p32, Step 2.I.B p41, Step 2.I.C p80, Step 2.II.C p89
	Due diligence is undertaken in good faith			
A.11	The Programme explicitly recognizes that companies should use good faith and reasonable efforts in their due diligence, taking into account factors such as the size of the enterprise, the location of the activities, the situation in a particular country, the sector and nature of the products or services involved.	All	All	Introduction p14, p64, p69, Step 2 pp78,79,86,97, Step 3.II.C.1 p103,p116
	Companies are responsible for ensuring that appropriate due diligence is undertaken			
A.12	Responsibility for determining the actions that a company undertakes in response to identified risks rests with the company's management.	All	All	p63, Step 3 p44/99
A.13	The Programme states clearly that the use of Industry Programmes, Institutionalised Mechanisms or multi-stakeholder initiatives does not release companies from being responsible for the scope and quality of due diligence in their own supply chains and for reporting on the due diligence that is undertaken in their supply chains.	All	All	Introduction p15, Step 2.I and II p41/42, Step 3 p44/99, Step 2 p78, Step 3 p99
	Due diligence is global in scope			
A.14	Due diligence should be global in scope unless a programme is designed to cover a specific geography or region only. In particular any programme designed to implement step 4 should be global in scope.	All	All	Introduction p12, Annex II p20
B	**Alignment of Programme requirements with the five-step due diligence framework**			
	Step 1: Establish strong company management systems			
	Requirements set by Programmes for those companies subject to audit under the Programme:			
B.1	Adopt, and clearly communicate to suppliers and the public, a policy, applicable to the company and its suppliers, providing the principles and standards for identifying and managing the risks in the supply chain of minerals potentially from conflict-affected or high risk areas, against which the company will assess itself and the activities and relationships of suppliers.	All	All	Annex I Step 1.A p17, Step 1.A.1 p36, Step 1.A.1 p72
B.2	Ensure that the supply chain policy is consistent with the standards provided in Annex II of the Guidance.	All	All	Annex I Step 1.A p17, Step 1.A.1 p36, Step 1.A.1 p72
B.3	Within the supply chain policy, set out a clear and coherent management process for risk management. Commit to the due diligence steps as described in Annex I and, where relevant, the Supplement.	All	All	Annex I Step 1 p17, Step 1.A.2 p36, Step 1.A.2 p72

Alignment Assessment Criteria		Mineral	Upstream / downstream	Reference in Guidance
B.4	Structure internal management to support supply chain due diligence and assign authority and responsibility to senior staff with the necessary competence, knowledge and experience to oversee supply chain due diligence.	All	All	Annex I, 1.B p17, Step 1.B.1 p36, Step 1.B.1 p72
B.5	Ensure that sufficient resources are made available to support the operation and monitoring of supply chain due diligence processes, taking into account company size, location and circumstances.	All	All	Step 1.B.2 p36, Step 1.B.2 p72
B.6	Establish the necessary organisational structure and communication processes that will ensure critical information about supply chain due diligence, including the company's policy, reaches relevant employees and suppliers.	All	All	Annex I 1 B-D p 17, Step 1.B.3 p36, Step 1.B.3 p72
B.7	Assist suppliers in building due diligence capacities and provide training as appropriate to employees and suppliers on the policy and its practical application.	All	All	Annex I.1.D p17, Step 1.D.3 p 40, Step 1.D.3 p74
B.8	Ensure internal accountability with respect to the implementation of the supply chain due diligence process.	All	All	Annex I Step 1 p17, Step 1.B.4 p36, Step 1.B.4 p72
B.9	Establish a system of controls and transparency over the mineral supply chain, including a chain of custody or traceability system or the identification of upstream actors in the supply chain. Create and maintain internal documentation and records of supply chain due diligence processes, findings and resulting decisions.	All	All	Annex I.1.C p17, Step 1.C pp37-39, Step 1.C.1 p73
B.10	*For all upstream companies*: Support the implementation of the principles and criteria of the Extractive Industry Transparency Initiative (EITI).	3T + Gold	Upstream	Annex II para13, Step 1.C.4.4 p39, Step 1.II.A.3 p75
B.11	*For local mineral exporters*: Collect and disclose information on taxes/payments and details of mineral origin and transportation as set out in the 3T Supplement (taking account of business confidentiality and competitive concerns).	3T only	Upstream	Step 1.C.1.1 p37, Footnote 12 p40
B.12	*For international concentrate traders, mineral reprocessors and smelters/refiners:* Incorporate disclosure requirements into commercial contracts and contractually require local exporters to provide the taxes/payments and origin information set out in the Supplements (information can be disclosed to and held by an Institutionalised Mechanism with a mandate to collect and process information on minerals from conflict-affected and high risk areas).	3T only	Upstream	Step 1.C.3.1 p37, Step 1.C.2.1 p38,Footnote 12 p40
B.13	*For international concentrate traders and mineral reprocessors:* Collect and disclose to downstream purchasers and relevant Institutionalised Mechanisms all export, import and re-export documentation including records of all taxes and any other payments made to public or private security forces or other armed groups, the identification of local exporters and the information provided by local exporters (information can be disclosed to and held by an Institutionalised Mechanism with a mandate to collect and process information on minerals from conflict-affected and high risk areas).	3T only	Upstream	Step 1.C.2.2 p38, Footnote 12 p40

Alignment Assessment Criteria		Mineral	Upstream / downstream	Reference in Guidance
B.14	*For all upstream companies:* For minerals from a red-flagged location generate, on a disaggregated basis, information on taxes/payments and details of mineral origin and transportation as set out in the 3T Supplement. Make this information available to downstream purchasers and relevant Institutionalised Mechanisms (information can be disclosed to and held by an Institutionalised Mechanism with a mandate to collect and process information on minerals from conflict-affected and high risk areas).	3T only	Upstream	Step 1.C.4.1/2 p38/39, Footnote 12 p40
B.15	*For all downstream companies*: Introduce a supply chain transparency system that allows the identification of smelters/refiners in the mineral supply chain and, for minerals from red-flagged locations, provides the identification of all countries of origin, transport and transit for the minerals in the supply chains of each smelter/refiner.	3T + Gold	Downstream	Step 1.C.5.1 p39, Step 1.C.5.1 p39, Step 1.III pp97-98
B.16	*For all upstream companies:* Avoid cash transactions were practicable and ensure cash transactions are supported by verifiable information.	3T + Gold	Upstream	Step 1.C.4.3 p39, Step 1.I.C.3 p73
B.17	Assign a unique reference number to each input and output and adopt tamper proof physical security measures as set out in the Gold Supplement.	Gold only	Upstream	Step 1.II.A p75, Step 1.II.B p75, Step 1.II.C p76
B.18	*For gold exporters, recyclers and traders*: Seek to deal directly with legitimate ASM producers or their representatives where possible.	Gold only	Upstream	Step 1.II.B.5 p76
B.19	*For gold exporters, recyclers, traders and refiners*: Inspect all shipments for conformity to the information provided by the supplier on the type of gold, weight and quality. Report any inconsistency to management responsible for due diligence, with no further action taken until the inconsistency is resolved, and physically segregate and secure any shipments with unresolved inconsistencies.	Gold only	Upstream	Step 1.II.B.3/4 p75, Step 1.II.C.3/4 p76
B.20	Maintain inventory and transaction documentation that can be retrieved and should include the physical descriptions set out in the Gold Supplement, supplier details including KYC information and unique references for processing, purchases and sales.	Gold only	All	Step 1.C.2 p73
B.21	Cooperate fully and transparently with law enforcement agencies regarding gold transactions. Provide customs officials with access to complete information on all international shipments.	Gold only	All	Step 1.C.4 p73
B.22	Maintain due diligence information for a minimum of five years, preferably on a computerised database. For 3T supply chains, smelters/refiners and downstream purchasers should also make due diligence information available to downstream purchasers and relevant Institutionalised Mechanisms.	3T + Gold	All	Step 1.C.3.2 p38, Step 1.C.5.2-3 p39, Step 1.C.5 p73
B.23	Aim to establish long-term relationships with suppliers in order to build responsible sourcing relationships with them.	3T + Gold	All	Step 1.D.1 p40 & 74
B.24	Communicate to suppliers the company's expectation that suppliers will undertake mineral supply chain due diligence and risk management consistent with the standards defined in Annex II of the Guidance.	All	All	Annex I Step 1.D p17, Step 1.D.2 p40, Step 1.D.2 p74

Alignment Assessment Criteria		Mineral	Upstream / downstream	Reference in Guidance
B.25	Incorporate the company's supply chain policy into contracts or written agreements with suppliers which can be applied and monitored.	All	All	Annex I Step 1.D p17, Step 1.D.2 p40, Step 1.D.3 p74
B.26	Seek to support and build capacities of suppliers to improve risk management performance and comply with the company's supply chain policy.	All	All	Annex I Step 1.D p17, Step 1.D.3 p40, Step 1.D.4 p74
B.27	Commit to designing measureable improvement plans with suppliers, involving external stakeholders such as government or civil society as appropriate.	3T + Gold	All	Step 1.D.4 p40, Step 1.D.5 p74
B.28	Establish a grievance mechanism that enables any affected stakeholders or whistle-blowers to voice concerns regarding the circumstances of extraction, trade, handling and export of minerals. The grievance mechanism may be provided directly, through collaboration with other companies, or through an industry programme or institutionalised mechanism.	All	All	Annex I Step 1.E p17, Step 1.E.1 p40, Step 1.E.1 p74
B.29	Bullion banks should maintain inventories in such a way that gold from refineries with due diligence practices verified to be consistent with the Guidance can be identified and provided to downstream companies.	Gold only	Downstream	Step 1.II.D p76/77
B.30	Downstream companies should request suppliers to identify the gold refiners in the supply chain and provide verification that the refiner(s) has conducted due diligence in accordance with the Guidance.	Gold only	Downstream	Step 1.II.E p77
	Step 2: Identify and assess risks in the supply chain			
	Requirements set by Programmes for those companies subject to audit under the Programme:			
B.31	Identify risks in supply chains taking into consideration that the scope fo the risk assessment will depend on the position in the supply chain (e.g. upstream, downstream).	All	All	Annex I.2.A-B p18
B.32	Ensure that the scope of risk identification and assessment extends to all of the risks set out in Annex II and the recommendations in the Due Diligence Guidance.	All	All	Annex I.2.A-B p18
B.33	Identify and assess whether the locations of mineral origin and transit, the nature of suppliers or the circumstances within the supply chain may trigger 'red flags' as defined by their policy and the relevant Supplement of the Guidance.	3T + Gold	All	Step 2.I/II.A p41/43, Step 2.1.A p78, Step 2.II.B p87
B.34	*For local exporters, recyclers, traders and refiners*: Using reasonable and good faith efforts and steps proportional to risk, determine whether gold is mined gold, recyclable gold or grandfathered stocks as set out in the gold supplement.	Gold only	Upstream	Step 2.II.A p86-87
B.35	*For gold producers:* Determine whether upstream gold producers also purchase gold (including ASM gold) and, through the steps described in the Supplement, determine whether this may trigger 'red flags'.	Gold only	Upstream	Step 2.I.B p79
B.36	*For all upstream companies:* Map the factual circumstances of the supply chain, including the origin of minerals and the activities/relationships of suppliers.	3T + Gold	Upstream	Step 2.I.B p41, Appendix p54/57/58, Step 2.I.C

Alignment Assessment Criteria		Mineral	Upstream / downstream	Reference in Guidance
				p80, Step 2.II.C p89
B.37	For gold mined by or purchased from medium and large-scale mining operations determine risk through evidence gathered with reference to the criteria set out in the Supplement.	Gold only	Upstream	Step 2.I.C.3 p82-84
B.38	For ASM gold mined by ASM mining enterprises in red-flagged operations or purchased by medium and large-scale mining companies, determine risk through evidence gathered with reference to the criteria set out in the Supplement.	Gold only	Upstream	Step 2.I.C.4 p84/85
B.39	*For all upstream companies:* Undertake an in-depth review of the context of all red-flagged locations and the due diligence practices of any red-flagged suppliers, covering all of the aspects referenced in the Supplements.	3T + Gold	Upstream	Step 2.I/II.B/C p41/42/43, Step 2.I.C.1 p80
B.40	*For all upstream companies:* Undertake on-the-ground assessments, performed by suitably qualified and independent assessors, of red-flagged sources of mined minerals. Provide this information to downstream companies in the supply chain.	3T + Gold	Upstream	Step 2.I.B p41, Step 2.I.C.2 p80, Step 2.II.C.2 p89
B.41	For mined gold, obtain evidence of the factual circumstances of gold extraction, trade, handling and export, having regard to the differences between LSM and ASM gold and the relevant criteria for each provided in the Supplement.	Gold only	Upstream	Step 2.II.C.3 p90-94
B.42	For recyclable gold, collect additional information from red flagged supply chains, prioritising higher risk persons, places and transactions with regard to the risk factors and testing activities described in the Supplement.	Gold only	Upstream	Step 2.II.C.4/5 p94-96
B.43	*For downstream companies*: Use best efforts to identify the smelters/refiners in their supply chains.	3T + Gold	Downstream	Step 2.II.A p43, Step 2.III.A p97
B.44	*For downstream companies*: Obtain from smelters/refiners in their supply chains details of countries of mineral origin, transit and transportation routes from the mine to the smelter/refiner.	3T only	Downstream	Step 2.II.B p43
B.45	*For downstream companies*: Determine whether refiners have, or reasonably should have, identified red flags in their supply chain.	Gold only	Downstream	Step 2.III.B p97-98
B.46	*For downstream companies*: Obtain evidence on the due diligence practices of the smelter/refiner, including information generated from on the ground assessments, and review this against the due diligence processes of the Guidance	3T + Gold	Downstream	Step 2.II.C p43, Step 2.III.C p98
B.47	*For downstream companies*: Where necessary, undertake spot checks at the smelter/refiner's facilities.	3T only	Downstream	Step 2.II.D p43
B.48	Assess risks against the requirements of the company's supply chain policy (consistent with Annex II), the relevant Supplement of the Guidance, national laws and other relevant legal instruments. Any reasonable inconsistency between these requirements and the information obtained through due diligence should constitute a risk.	3T + Gold	All	Step 2.I.C p42, Step 2.I/II.D pp85-86/96-97
	Step 3: Design and implement a strategy to respond to identified risks			
	Requirements set by Programmes for those companies subject to audit under the Programme:			

Alignment Assessment Criteria		Mineral	Upstream / downstream	Reference in Guidance
B.49	Report findings of risk assessment to designated senior management, outlining the information gathered and the actual and potential risks identified in the supply chain risk assessment.	All	All	Annex I Step 3.A p18, Step 3.A p44, Step 3.I.A p99
B.50	Enhance engagement with suppliers and strengthen internal controls, having regard to the specific measures for upstream and downstream companies provided in the Supplement.	Gold only	All	Step 3.I/II.B p99/103
B.51	*For downstream companies*: Companies that have been unable to identify refiners in their supply chain(s) should devise a risk management plan that will enable them to demonstrate significant measureable improvement in doing so.	Gold only	Downstream	Step 3.II.C.1 p103
B.52	Manage the identified risks by either: (i) continuing to trade but with measurable risk mitigation, (ii) temporarily suspending trade while mitigation is put in place, or (iii) ceasing trade with the relevant supplier. In doing so have regard to the specific recommendations of the relevant Supplements.	All	All	Annex I Step 3.B p18, Step 3.B p44, Step 3.I/II.C p100/103
B.53	*For downstream companies*: Companies should take immediate steps to disengage with a refiner if the refiner has not immediately suspended or discontinued engagement with its suppliers where reasonable risks of serious abuses or direct or indirect support to non-state armed groups exist.	Gold only	Downstream	Step 3.II.C.2.A p104
B.54	Measurable risk mitigation should result in significant and measureable improvement towards eliminating the identified risks, other than serious abuses, within six months from the adoption of the risk management plan. If there no such measurable improvement within six months, companies should suspend or discontinue engagement with the supplier for a minimum of three months.	All	All	Annex II footnote 8/10 p23/24, Step 3.I/II.C p101/104
B.55	Build and/or exercise leverage over the actors in the supply chain who can most effectively and most directly prevent and mitigate the risks of adverse impacts.	All	All	Annex I Step 3.B p18, Step 3.B.2a p44, Step 3.I/II.C.2 p101/104
B.56	Consult with suppliers and affected stakeholders to agree on the strategy for measurable risk mitigation in the risk management plan.	All	All	Annex I Step 3.B p18, Step 3.B.2b p45, Step 3.I/II.C.2 p101/104
B.57	*For upstream companies*: Publish the supply chain risk assessment and the supply chain management plan, with due regard to business confidentiality and other competitive concerns, and make them available to external stakeholders as set out in the relevant Supplement.	3T only	Upstream	Step 3.B.2b p45
B.58	*For upstream companies*: Gold producers with red flagged operations and other upstream companies sourcing ASM gold should assist and enable legitimate ASM producers to build supply chains consistent with the Guidance.	Gold only	Upstream	Step 3.I.C.2c p102, Appendix p114-118
B.59	Implement the risk management plan, monitor risk mitigation and report performance to designated senior management, and consider suspending or discontinuing trade with a supplier after failed attempts at mitigation.	All	All	Annex I Step 3.C p18, Step 3.C p46, Step 3.I/II.D p102/105

Alignment Assessment Criteria		Mineral	Upstream / downstream	Reference in Guidance
B.60	*For upstream companies*: Implement, monitor and track performance of risk mitigation in cooperation/consultation with local and central authorities and other relevant stakeholders. Consider establishing or supporting community-based networks to monitor risk mitigation.	3T + Gold	Upstream	Step 3.C.1 p46, Step 3.I.D p102
B.61	Maintain ongoing risk monitoring, evaluate the effectiveness of risk mitigation efforts and undertake additional fact and risk assessments as required, for example following changes to the supply chain.	All	All	Annex I Step 3.D p18, Step 3.D p46, Step 3.I/II.E p102/105
	Step 4: Carry out independent third party audit of supply chain due diligence at identified points in the supply chain			
	Requirements set by Programmes for those companies subject to audit under the Programme:			
B.62	Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain.	All	Upstream	Annex I Step 4 p19
B.63	Facilitate auditor access to company sites, documentation, records and, as appropriate, access to suppliers and other relevant stakeholders, such as on-the-ground assessment teams.	3T + Gold	Upstream	Step 4.B.1 p50, Step 4.B.5 p110
	Requirements that Programmes set for auditors			
B.64	Audit scope covers all of the smelter/refiner's business activities and management processes related to mineral supply chain due diligence.	3T + Gold	All	Step 4.A.1 p47, Step 4.A.1 p106
B.65	The audit criteria assess the conformity of the smelter/refiner's due diligence practices against the requirements of a standard based on the Guidance.	3T + Gold	All	Step 4.A.2 p47, Step 4.A.2 p107
B.66	Auditors are required to be independent of the smelter/refiner and its supply chain, both with respect to business or financial relationships and with any services provided to the auditee company or its supply chain relating to due diligence practices.	3T + Gold	All	Step 4.A.3 p47, Step 4.A.3 p107
B.67	Auditors should be technically competent with appropriate mineral supply chain knowledge, as described in the Supplements.	3T + Gold	All	Step 4.A.4 p48, Step 4.A.4 p107
B.68	Audit activities should include audit preparation, document review, in-site investigations, risk-based sampling of due diligence records and data, and audit conclusions, as described in the Guidance.	3T + Gold	All	Step 4.A.4 p48, Step 4.A.4 p108
	Step 5: Report on supply chain due diligence			
	Requirements set by Programmes for those companies subject to audit under the Programme:			
B.69	Annually report, or integrate into annual sustainability or corporate responsibility reports, information on supply chain due diligence.	All	All	Annex I.5 p19, Step 5.A p52, Step 5.A p111
B.70	*For all upstream companies (including smelters/refiners)*: The report should describe the company's management systems, the methodology and results of the risk assessment and the steps taken to manage risks, consistent with the specific content described in the Guidance. The report should be published.	3T + Gold	Upstream	Step 5.A.1 p52, Step 5.A.1 p111

Alignment Assessment Criteria		Mineral	Upstream / downstream	Reference in Guidance
B.71	*For smelters/refiners*: The audit reports should be published.	3T only	Upstream	Step 5.A.2 p53
B.72	*For gold refiners*: In addition to reporting on management systems, risk assessment and risk management as defined in the Supplement, refiners should publish the summary audit reports including details of audit dates, activities, methodology and conclusions (either directly or through cooperation with an Industry Programme or Institutionalised Mechanism).	Gold only	Upstream	Step 5.A.2 p112
B.73	*For downstream companies*: The report should describe the company's management systems, the methodology and results of the risk assessment and the steps taken to manage risks, consistent with the specific content described in the Supplement.	3T + Gold	Downstream	Step 5.A.3 p53/p113
C	**Specific responsibilities of Programmes**			
	Step 1: Establish strong company management systems			
C.1	Undertake due diligence on the ownership (including beneficial ownership) and corporate structure of refiners/smelters seeking accreditation/certification or membership status under the Programme.	3T + Gold	All	Step 1.C.1 p37, Step 1.C.2/3 p38, Step 1.C.2c and footnote 14, p73
C.2	Provide training to companies and/or their suppliers on due diligence management systems and processes.	3T + Gold	All	Step 4.B.2 p51, Step 1.B.3 p72
C.3	Programmes that provide support for downstream companies should collect and process information from suppliers, including smelters/refiners, on due diligence in the supply chains of minerals from conflict-affected or high risk areas.	3T only	Downstream	Step 1.C.5.3 p39
C.4	Provide or facilitate access to a grievance mechanism that allows any impacted stakeholder to voice concerns relating to the extraction and supply chain activities of the relevant mineral(s) covered by the Programme.	3T + Gold	All	Step 1.E.2 p40, Step 4.B.2 p51, Step 1.E.2 p74
	Step 2: Identify and assess risks in the supply chain			
C.5	Support companies sourcing minerals from red flagged operations in establishing on-the-ground assessment teams with appropriate capabilities and access rights as set out in the Guidance.	3T + Gold	All	Step 2.A p18, p32, Step 2.I.B p41, Step 2.I.C p80, Step 2.C.2 p81, Step 2.II.C p89
	Step 3: Design and implement a strategy to respond to identified risks			
C.6	Demonstrate an understanding, gained through some form of impact analysis or qualitative or quantitative evaluation, of the social and economic impacts that the Programme's requirements may have on developing countries and the Programme's relevance to or linkages with other existing internationally recognised standards.	Gold only	All	Step 3.I.C.2c p101

Alignment Assessment Criteria		Mineral	Upstream / downstream	Reference in Guidance
	Step 4: Carry out independent third party audit of supply chain due diligence at identified points in the supply chain			
C.7	Draft Audit Standards in accordance with the recommendations of the Guidance.	Gold only	All	Step 4.B.1 p109
C.8	Accredit the auditors who may perform audits under the Programme.	3T + Gold	All	Step 4.B.2 p50, Step 4.B.2 p109
C.9	Oversee, periodically review and monitor the ability of auditors to carry out audits in conformity with the Programme's requirements, based on the objectives, scope and criteria of the audit and judged against audit programme records.	3T + Gold	All	Step 4.B.2 p50, Step 4.A.3c p107, Step 4.B.3 p109
C.10	Publish summary audit reports of smelters/refiners that include: (a) Smelter/refiner details, date of the audit and the audit period, (b) Audit activities and methodology and (c) Audit conclusions.	3T + Gold	All	Step 4.B.2 p51, Step 4.B.4 p109

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