



RCS GLOBAL
Making Sure.

THE OECD UPSTREAM AUDIT

CONTINUOUS COMPLIANCE IMPROVEMENT FROM SOURCE TO STORE
World leading advisory, audit and training in responsible sourcing of natural resources

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THE OECD UPSTREAM AUDIT

The OECD upstream audit is a comprehensive review of the in-country supply chain based on the OECD Due Diligence Guidance. Rather than covering one actor, it covers the entire supply chain from mine site to exporter.

The audit is carried out for supply chains in conflict-affected or high risk areas and is based on a commercial requirement for upstream producers to prove their mineral sourcing is undertaken in accordance with the OECD Due Diligence Guidance prior to sale into international conflict-free markets or downstream responsible sourcing programs. While there is no regulatory obligation to carry out an OECD Upstream Audit the audit is particularly relevant for upstream actors that seek to sell material to a processor or smelter covered by any of the main industry validation schemes including CFSI the RJC, and the LBMA.

Who should implement an OECD upstream audit

As a supply chain audit, responsibility for compliance with the standard is typically at the exporter level. RCS Global works closely with the exporter to ensure other supply chain actors are informed and willing to participate in the audit.

OECD upstream audits can be commissioned by a customer of the exporter, such as a processor or downstream buyer, or may be organised as part of an upstream assurance programme or initiative to promote responsible sourcing of minerals from high risk or conflict-affected areas.

AN AUDIT OVERVIEW

The audit can be broken down into two main levels:

1. Export level:

Audit of the OECD Due Diligence Guidance' Five Steps Audit of the exporter and their own operations. Review of the exporters implementation of the OECD's five due diligence steps:

- a. Management Systems currently in place and implemented;
- b. Risk Assessments currently in place and implemented;
- c. Risk Mitigation processes
- d. Independent third party audit (covered by the OECD upstream audit)
- e. Reporting process

2. Mine and trading sites level:

Audit of risks covered by the OECD Due Diligence Guidance

Audit of the supply chain through to the mine site level. At this level the focus shifts to the identification of risks such as evidence of child labour or armed group activity in or around the mine site.

WHAT ARE THE BENEFITS OF PARTICIPATING

1.

Validation of conformance by the exporter and supply chains with the OECD Due Diligence Guidance and its applicable Supplements.

2.

Industry validation scheme (e.g. CFSI, RJC, LBMA etc) approval to sell material to processors and refiners, as well as into supply chains of international customers implementing responsible sourcing programs.

3.

Acts as the foundation for risk mitigation and continuous improvement in an upstream assurance programme