

OECD DUE DILIGENCE GUIDANCE ANNEX II RISKS

Step 5 report for tantalum, tin and tungsten (3T)

Date range: November 2019 – October 2020



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INTRODUCTION

This report supports corporations reporting under the various iterations of “conflict minerals” legislation, globally, including but not limited to Section 1502 of the Dodd-Frank Wall Street Reform & Consumer Protection Act in the United States of America (DF1502) and the European Union’s Conflict Minerals Regulation (together “conflict minerals” legislation).

The report achieves this by presenting an update of the implementation of Better Mining, the mineral-agnostic Upstream Assurance Mechanism (“UAM”).

The scope of the report is limited to the tantalum, tin and tungsten (3T) sectors, as these are covered under “conflict minerals” legislation. The gold ASM sites in the Better Mining program were not yet exporting during the reporting period and will therefore be covered in subsequent reports alongside other minerals, including cobalt and copper.

In 2020 the Responsible Minerals Initiative recognized Better Mining as a UAM for 3Ts, based on a third party assessment of alignment of Better Mining with the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (‘OECD Due Diligence Guidance’).

The purpose of this OECD Step 5 Due Diligence report is to explain how Better Mining implements OECD Due Diligence Guidance aligned practice and to report on Better Mining’s annual performance.

While Better Mining’s risk monitoring and reporting process extends to seven core risk areas, the report is deliberately designed to focus on the OECD Due Diligence Guidance’s Annex 2 risks. This way it most directly aligns with the reporting requirements of corporations reporting under “conflict minerals” legislation.

Better Mining is the only technology-based and fully operational assurance and improvement program with a permanent staff presence on a relevant number of artisanal and small-scale mining (ASM) sites, globally. This report presents anonymized data from 29 3T ASM sites where Better Mining was implemented during the reporting period of November 2019 to October 2020.

At the time of writing of this report, Better Mining had successfully replicated its approach to the gold, copper and cobalt sectors and had successfully scaled its footprint to 40+ ASM mine sites. Better Mining is in the process of OECD alignment assessment for its operations on copper-cobalt sites in 2021, with gold assessments provisionally planned for 2022.

The program’s proven replicability and scalability makes it attractive to implement in any other ASM mined mineral and in any other geographical context around the world. This is particularly the case for countries where ASM is a reality and where no UAM is locally available yet.

The mineral agnostic program represents a realistic and credible route to global markets for responsibly sourced ASM production and it is supported by a broad-based coalition comprising the development sector and global corporations from all tiers of the value chain, including Original Equipment Manufacturers (OEMs), midstream companies, traders and industrial mining companies.

Indeed, as debate and anecdotal evidence of the risks and incidents in ASM production continue to proliferate, this report offers a comprehensive and timely picture of the current reality within the sector, based on data gathered by our staff to a consistent methodology on a daily basis.

It also offers a powerful example of how a scaled, data-based model, such as Better Mining, can advance transparency, understanding, as well as risk mitigation and impact creation in supply chains, leading to a win-win: improving due diligence and assurance processes; and improving conditions for the communities involved in and around ASM mines.



At a target cost of an average of US\$ 50,000 per site per annum, Better Mining has pioneered a model proven to be scalable that is effective in improving ASM site conditions systematically and at scale within available budgets. In a context where other complementary formalisation approaches debate multi-million dollar budgets to be expended on single ASM sites, Better Mining is creating a sector-wide window of transparency and is demonstrably working to improve practices systemically.

For detailed information on how Better Mining works and how to become a member, please refer to the [RCS Global website](#).

RCS Global Group implements Better Mining with the support of the Responsible Business Alliance, Volvo Cars, General Motors, CATL, Cisco, Intel, LG Electronics, Google, Huayou Cobalt, Hanrui Cobalt, Sony and Techtronic Industries, as well as CMOC, IXM, and Telf AG.

EXECUTIVE SUMMARY

This report shows how Better Mining implements the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ('OECD Due Diligence Guidance') in tantalum, tin and tungsten (3T). While Better Mining's risk monitoring and reporting process extends to seven core risk categories, this report focuses only on Annex II risks stipulated in the OECD Due Diligence Guidance. (Please refer to the Introduction for more details.)

Within this, the core of the report details the process Better Mining implements and the data Better Mining gathers in relation to step 2 (risk identification and assessment) and step 3 (risk management).

This report presents anonymized data from 29 tantalum, tin and tungsten ASM sites in the Democratic Republic of Congo (DRC) and Rwanda where Better Mining was implemented during the reporting period of November 2019 to October 2020. Better Mining has since successfully replicated to gold, cobalt and copper and has successfully expanded its scope to 40+ ASM mine sites.

During the reporting period, over 10,000 miners were involved at the specific mines monitored by Better Mining and reported on in this study, which compares to ~50,000 miners in the Better Mining program when considering all ASM sites in the program as of October 2021.

RCS Global Group developed a risk reporting methodology enshrined in a Risk Management Protocol (RMP), with funding from the RMI. The RMP has undergone stakeholder consultation and is now in use across the ASM sites in the program.

Aligned with the RMP methodology, Better Mining categorizes incident data into seven core risk categories, from a total of 25 individual areas. The seven core risk areas covered are Human Rights; Security; Working Conditions/ Safety; Environment; Legality; Community; and Chain of Custody.

This report analyses RCS Global's data from Better Mining risks identification and assessment and risk mitigation efforts of OECD Due Diligence Guidance Annex II risks only. The 44 incident data entries during the reporting period that relate to Annex II risk correspond to Better Mining's Human Rights, Legality, and Security risk categories.

In response to identified risks, Better Mining issues monthly corrective action plans (CAPs) for each site in the program. The CAPs assign corrective actions to specific local stakeholders for implementation. The corrective actions are work-shopped with local stakeholders at each ASM site in the program in a monthly meeting and the stakeholders' implementation of the corrective actions is subsequently monitored by the program.



As an assurance mechanism, Better Mining does not itself implement corrective actions. Instead, it assigns corrective actions to local stakeholders for implementation and monitors and reports on the progress local stakeholders are making with the implementation of corrective actions.

The record of CAP implementation progress registered across the 3T ASM mine sites covered in the report shows a positive trend. By the end of the reporting period 77% of the CAPs recommended were in progress or implemented. While the performances of ASM sites in the program vary, it is highly encouraging that a significant majority of CAPs addressing risks scored as high are in active mitigation or have been implemented to completion.

Overall, the report has five core objectives:

1. To support improved transparency in the overall conditions of minerals production and trade, supporting companies conducting their own due diligence, including SEC reporting companies and those covered by the EU conflict minerals legislation.
2. To allow readers to understand how Better Mining enables OECD 5-step framework aligned due diligence practices in the upstream of the supply chain.
3. To utilize Better Mining's unique ASM risk and incident data to build a comprehensive and evidenced picture of Annex II risks linked to ASM production
4. To mainstream ASM risk mitigation and continuous improvement by enabling a shift in focus from incident closure, to a more effective focus on risk management.
5. To illustrate the performance of Better Mining as a recognized upstream assurance mechanism and the continuous improvement value of our assurance approach.

KEY FINDINGS AND CONCLUSIONS

Assurance programs with daily staff monitoring on ASM mines, such as Better Mining, can have a positive tangible impact over time on driving down Annex II risks and continually improving ASM mining conditions.

- While spikes in incident categories occurred during the reporting period, annual risk trend analysis highlights that across the three risk categories and eleven risks, all but one risk is at a low or least risk level. This is significant considering the 'high' risk score assigned to most Annex II recorded incidents.
- When looking at the quarterly 'risk heatmap' over the reporting year, risk levels at the Better Mining monitored sites were largely kept at 'low', or 'moderate.'



New sites that are being on-boarded to the program on an ongoing basis have a greater risk exposure than sites that have been under a corrective action process for some time. This means with every site that is on-boarded, the overall risk trends in the aggregated data set typically deteriorates in the short-term before it improves again with the sites in the program maturing.

- From these three core risk areas relating to Annex II analyzed over the year, the most prevalent incidents recorded across the ASM mine sites monitored were linked to Human Rights (25) followed by Legality (17). Under the Human Rights risk category, Worst Forms of Child Labor (WFCL) had the most incidents (17). In the Legality risk category, Corruption/Bribery registered the majority of incidents (10).
- When looking at WFCL, as defined by the International Labor Organization (ILO), the study found that while comparatively rare, instances increased during the reporting period. While a challenge on many ASM sites around the world, the increase during the reporting period was also linked to the onset of COVID-19. With school closures, children have joined their parents in economic activities to support their families during the pandemic.

The issuance of monthly corrective action plans (CAPs) and their on-site implementation monitoring is driving results. This is a critical finding as it demonstrates that significant improvements can be achieved even when considering the comparatively limited budgets of the local stakeholders that Better Mining assigns corrective actions to.

- The record of CAP implementation progress registered across the 3T ASM mine sites covered in the report shows a positive trend. By the end of the reporting period 77% of the CAPs recommended were in progress or implemented. While the performances of ASM sites in the program vary, it is highly encouraging that a significant majority of CAPs addressing risks scored as high are in active mitigation or have been implemented to completion.
- 75% of Human Rights mitigation actions are in progress or implemented. Within this category, 66% of recommended actions addressing WFCL have been started or completed. To address the risk of WFCL on sites, mining operators implemented actions, including but not limited to raising awareness among workers that child labor is forbidden, increasing monitoring on sites, and engaging local mining authorities to support patrols on site for the presence of children. These actions were recommended to address the risk of child labor on site and find long term solutions, whereas immediate actions to individual incidents included removing children from the ASM sites and alerting local authorities of their presence.
- Actions still in progress relate to working with mining authorities and local government to identify root causes of child labor, establishing disciplinary measures for miners who employ children, increasing security on inactive sites, and conducting workshops with local communities.
- The remaining 25% of Human Rights mitigation actions that were not started within the period are related to community and government engagement, policy development and implementation, and strengthening access control at sites to prevent children from entering.



In the child labor context, Better Mining has entered into a technical collaboration with UNICEF, funded by the German Government (BMZ) to further strengthen child labor risk mitigation through the development and practical piloting of the implementation of a child labor risk mitigation toolkit for 2021-2022.

- In the Legality/Legitimacy risk category, 75% of mitigation actions were in progress or implemented. Corruption/ Bribery had the most recommended actions in progress or completed in the Legality category at 75% of actions.
- Three Security mitigation actions were issued linked to completing background checks on gross human rights violations for newly recruited workers, a single case of military presence on a mine site unrelated to the financing of state or non-state armed groups (more details further below), and developing and implementing a risk management policy.

Systemic barriers to complete improvement persist and are being worked on at multi-stakeholder level and in complementarity to CAP implementation.

- When looking at causality and barriers to future risk mitigation the drivers behind the incidents recorded in this research are diverse, ranging from the conflict area context, government response time, cultural behavior issues, prioritization of short-term financial gain, access to capital, technical gaps, the mobility of miners, and COVID-19. This is further elaborated in this report.
- Investment to support capital intensive CAP implementation, with external technical support, and active engagement from the downstream value chain has the potential to lead to a rapid improvement in conditions on a site-by-site basis and also lead to more tangible mitigation of the systemic and contextual risks that impact the whole sector.



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Box 1: The Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 and risks relating to armed groups

The Dodd-Frank Act Section 1502(e) (4) is US legislation which requires companies listed on the US stock market to publicly disclose on an annual basis whether conflict minerals that are necessary to the functionality or production of a product originate from the Democratic Republic of Congo (DRC) or adjacent countries. Conflict minerals include tin, tantalum, tungsten, and gold (3TG) and are characterized by operations that directly or indirectly finance or benefit armed groups (state and non-state armed groups).

Companies reporting to the US Securities and Exchange Commission (SEC) are required to report annually on conflict minerals (3TG) in their supply chains. The reporting is required to include a description of due diligence measures taken, a third-party private sector audit of the supply chain, and a description of products that are not conflict free. Companies are further required to disclose the facilities used to process the conflict minerals, the country of origin, and any efforts carried out to determine the mine site location with the greatest possible specificity.¹

Better Mining monitoring is a crucial source of information for companies' due diligence and reporting requirements. Under Better Mining monitoring, incidents relating to armed groups' involvement in mining activities are categorized in the "Non-State Armed Groups" and "Public and Private Security" risks. State armed groups are categorized under public and private security.

During the reporting period considered in this report there were no incidents registered under the "Non-State Armed Group" category. There was a single incident of military presence on a mine site under the "Public and Private Security" category, however this incident was not related to armed group financing.

Within the Better Mining program, incident reports are met with careful monitoring of the situation in consultation with local stakeholders. This type of early warning and ongoing monitoring allows for flexible responses. The Government is the ultimate authority responsible to handle security sector related risks, whereas the United Nations have a specific mandate to investigate security sector related risks.

Better Mining's approach is to closely collaborate with the actors who have a formal mandate in the security sectors. This enables credible reporting of risks, while crucially, it also protects the personal safety of our staff.

¹ Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502: Conflict Minerals

HOW BETTER MINING IMPLEMENTS THE OECD DUE DILIGENCE GUIDANCE A STEP-BY-STEP ASSESSMENT

STEP 1: STRONG COMPANY MANAGEMENT SYSTEMS

As a recognized and RMI accreditation Level 1 upstream assurance mechanism (UAM) in the 3T's, Better Mining is implementing OECD-aligned due diligence through established procedures and strong company management systems. Better Mining's international and in-country field teams ensure the successful implementation of risk management, while also driving improvement at the mine-site level, all in collaboration with local stakeholders.



A third-party audit for alignment with the OECD Due Diligence Guidance, Better Mining policies and implementation for 3Ts found the program to be OECD Due Diligence Guidance aligned.

For Better Mining, due diligence is an ongoing, proactive and reactive process that needs to be undertaken by all companies in a supply chain. Based on this principle, Better Mining expects companies participating in Better Mining supply chains to proactively carry out due diligence and to react to changes of circumstances and risks in the supply chain.

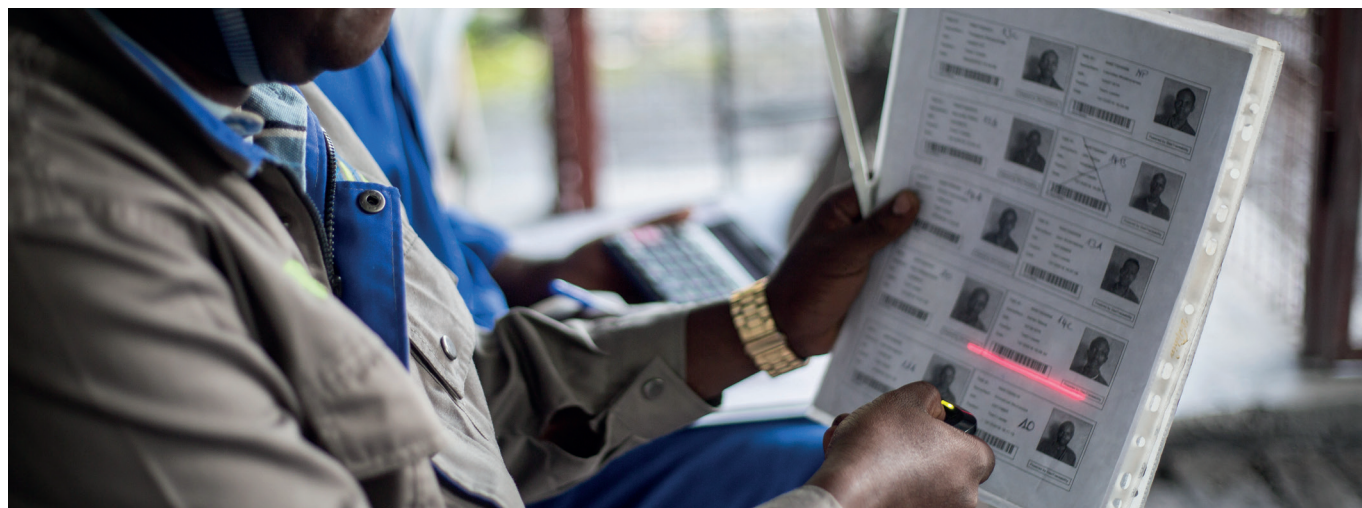
With this in mind, Better Mining implements an ongoing process of robust data collection and stakeholder engagement to encourage conformance with international, national and regional due diligence standards. Better Mining's Risk Management Protocol (RMP) sets out a process for identification and management of reported risks in an OECD Due Diligence Guidance conformant, measurable and accountable manner.

Deployed permanently to the ASM sites in the program, locally recruited and trained Better Mining monitoring agents are equipped with a smartphone application to gather incident and risks data. This data is transmitted to Better Mining's database to be verified and analyzed by RCS Global's international risks expert team. The team translates OECD Due Diligence Guidance Annex II relevant incidents into risks and assigns unique corrective actions to local stakeholders for implementation on the ASM sites in the program.

As part of this process, Better Mining engages the relevant local stakeholders in monthly meetings at each ASM site in the program to discuss risks and to workshop the monthly issued corrective actions assigned by Better Mining. The implementation of the CAPs, in turn, is on-site monitored and data tracked, with a view to map the continuous improvement of conditions at each ASM site in the program.

DIGITAL PRODUCT TRACEABILITY

In addition, Better Mining helps mining operators and exporters to establish a system of controls and transparency over mineral supply chains including implementing RCS Trace, RCS Global's digital product traceability solution, which connects the physical to the digital and provides digitally recorded product traceability data from ASM mine (pit or tunnel) to the smelters and refiners (SORs).



STEP 2: RISK IDENTIFICATION AND ASSESSMENT

The first implementation step in the Better Mining risk management approach consists of a preliminary analysis of a supply chain, known as the Supply Chain Evaluation. This evaluation process serves to identify and assess upstream supply chain risks covered by the program, as well as to propose a tailored risk management strategy aligned with the OECD Due Diligence Guidance, which may include different levels of deployment of Better Mining due diligence systems.

Better Mining trained monitoring agents are deployed on an ongoing basis to mine sites. Monitoring agents collect incidents and socio-economic data through a custom developed smartphone app. The monitoring agents record

these incidents daily in line with an incident and risk categorization (which is in turn aligned with the OECD Due Diligence Guidance Annex II risks and additional risk areas covered by Better Mining).

When an incident is recorded in the Better Mining app, it is transferred immediately to the secure Incident Management System (IMS) database and verified / confirmed by an assigned data coordinator. The collection and verification of incidents and socio-economic data plays an important role in the Better Mining Risk Management Approach. Better Mining has developed a custom procedure to translate the collected incidents and socio-economic data into risks, which is described further below.

A CONSISTENT METHODOLOGY

The Better Mining risk identification and assessment methodology, developed with support from the Responsible Minerals Initiative (RMI), translates single 'incidents' (events that have occurred and have caused a negative impact on the supply chain) into 'risks' (potentially adverse impacts). Better Mining identifies risks from these recorded incidents and assigns corrective actions to mitigate the identified risks.

This explains why there are fewer corrective actions than incidents (e.g. 44 incidents/ 35 corrective actions for the data set covered in this report).



Risk mitigation addresses deeper structural issues than a focus on incident closure would allow and it is therefore a far more meaningful analytical lens and far more practically impactful approach than a focus on incidents closure alone.

Instead of only focusing on closing incidents, ASM sites monitored by Better Mining are expected and supported to implement risk-based due diligence commensurate to the severity and likelihood of identified risks. Risk mitigation is the preferred approach to do so. This provides critical context for the incidents list published in Annex 1.

Box 2: How Better Mining Triangulates Data

While the Better Mining risk levels calculation is based on an algorithm, Better Mining contextualizes collected incidents with other data sources to corroborate the information.

Data sources that complement the raw incident data include:

- daily monitoring reports submitted by Better Mining monitoring agents.
- engagement with local civil society organizations by the Better Mining project team.
- other organizations' reports where they relate to the specific ASM sites monitored by Better Mining.
- qualitative risk analysis conducted by the RCS Global Responsible Sourcing risk expert team.
- Corrective Action Plans (CAPs) submitted to local stakeholders by Better Mining project teams in the DRC and Rwanda.
- CAP progress monitoring by Better Mining monitoring agents; and
- CAP progress evaluations conducted by the Better Mining project management team.

Annex II RISK IDENTIFICATION AND ASSESSMENT

The risk analysis is based on **44 incidents** related to OECD Due Diligence Guidance Annex II risks were registered across the **29 3T ASM sites** in the program during the period under review. The 44 incidents were recorded and categorized into **3 identified risk categories** and their associated **11 risk areas** out of a possible 25 risks in the Better Mining methodology.

44

incidents

29

3T ASM sites

3

risk categories

11

risk areas

Extract of the Better Mining RMP Risk Categories related to OECD Due Diligence Annex II risks.



Human Rights

Risk Areas
Worst forms of child labor (WFCL)
Gender
Forced Labor
Torture, cruel and inhumane treatment



Security

Risk Areas
International humanitarian law
Non-state armed groups
Public or private security forces

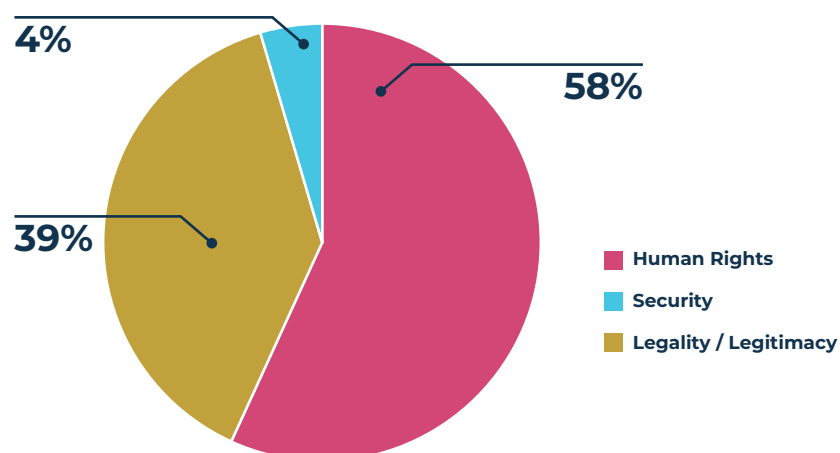


Legality

Risk Areas
Corruption / Bribery
Legal / Transparent tax paying
Money laundering
Transparency / Reporting

The following chart is the proportion of incidents by Annex II risk category.

Figure 1: Proportion of incidents by Annex II risk category



The following charts the proportion of incidents by Annex II risk.

Figure 2: Proportion of Incidents Per Annex II risks

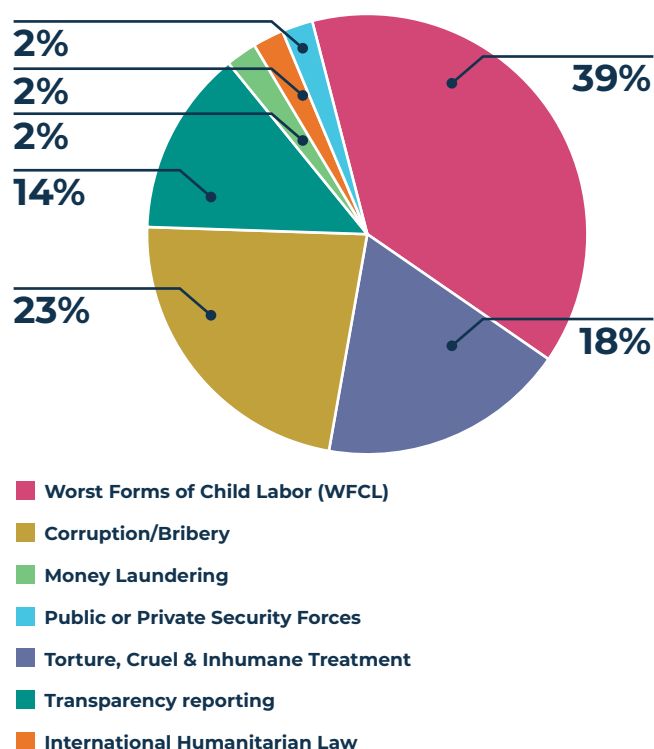
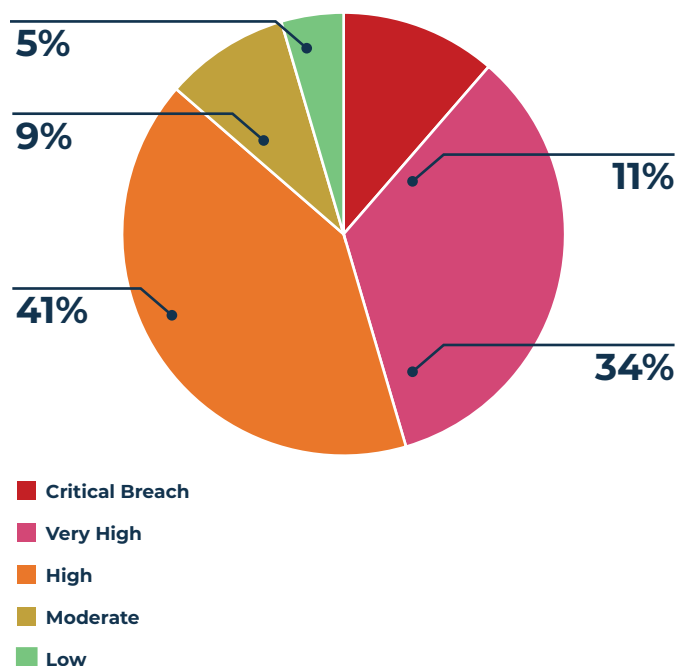


Figure 3: Proportion of Annex II Incidents by Score Category



All incidents are automatically assigned an overall score which correlates to a six-scale scoring logic (very low, low, moderate, high, very high and critical breach).

CRITICAL BREACHES

A critical breach incident corresponds to a case where a significant non-conformance with the Better Mining Standard and the OECD Due Diligence Guidance is identified and is insufficiently mitigated within an accelerated timeline.

General examples of Critical Breach incidents could include control of a mine site by a state or a non-state armed group, as well as the Worst Forms of Child Labor.

Box 3: Critical Breach Procedure

Critical Breaches represent significant non-conformances with Better Mining requirements and the OECD Due Diligence Guidance. Better Mining has a Critical Breach procedure that defines a process in line with Annex II of the OECD Due Diligence Guidance. Critical Breaches can be observed during the initial Supply Chain Evaluation (SCE), which Better Mining implements prior to system deployment on ASM sites or during the on-going risk monitoring at sites. They can also be identified in the course of implementing RCS Trace, the digital product traceability system, which Better Mining deploys from ASM pit level to the SORs.

Critical Breach incidents trigger an immediate alert for users of the Better Mining system and relevant stakeholders. In response to a Critical Breach, a CAP is issued for implementation to relevant stakeholders with an escalated timeline. The timeline depends on the type and severity of the risk identified, as well as the context. If mitigation action does not occur during the assigned timeline, Better Mining recommends to stop sourcing from the site and also disengages from the site.

During the reporting period, five out of 44 incidents related to Annex II risks were classified as Critical Breaches. Six corrective actions were issued in response to the risks associated to the Critical Breaches, two of which have been implemented. Four actions remain in progress at the end of the reporting period. Three of the corrective actions that remain in progress relate to mitigating Worst Forms of Child Labor risks involved in illegal mining, and the other incomplete corrective action was issued in the final month of the reporting period, not allowing enough time for the mitigation process to complete before the end of the period.

Risk category	Risk	Number of incidents
Human Rights	Worst Forms of Child Labor	5
	Total	5

Risk				
Category	Risk	Mitigation Action	Date Assigned	Date of Resolution
Human Rights	Worst Forms of Child Labor	Host a workshop with local traders to explain to them the zero-tolerance policy towards child labor and reminding them that they must not purchase minerals from children, and if approached by a child this must be reported to the cooperative and/or company.	May 2020	June 2020
		Conduct workshops with the local community to inform about the dangers of mine sites and the illegality of children's presence at the site. (Ideally organized by or in cooperation with civil society)	August 2020	In Progress
		In cooperation with Mining Authority and local authorities assess the root causes of child labor within the concession and to devise a joint action plan.	August 2020	In Progress
		Increase security in and around inactive mine sites to prevent child labor linked to illegal mining.	November 2020	In Progress
		Increase patrols for child labor monitoring at Mine Site.	October 2020	November 2020
		Draft and implement disciplinary measures for pit leaders who are found to engage children for work at the mine site.	November 2020	In Progress

RISK ANALYSIS

Better Mining applies an algorithm that calculates risk levels based on the location, the severity scores of the incidents and the times when incidents occur within predefined monitoring periods. The risk levels assigned by Better Mining are on a four-scale logic (least, low, moderate, and high), where “least” is a level assigned in cases where no incidents have been registered over a monitoring period.

Figure 5 shows the simple average of the calculated risk levels across all sites for each quarter during the reporting period. Based on the Better Mining algorithm, risk levels assigned and shown in the below risk heatmap are:

0 = least risk

1 = low risk

2 = moderate risk

3 = high risk

It is important to note:

1. These values are generated from a wide range of mine sites. Thus, a low average score can mean two things: a) all sites have a low risk rating, or b) all but one site has a low risk rating and one has a high risk rating.
2. Developments over time can have two causes: Improvement or deterioration of the risk situation across sites; or the addition or removal of a site with a risk level that differs largely from the overall average (e.g. Figure 5, scenario b in point 1).

The simple averages in the heatmap in Figure 4 below highlight trends for Annex II Risks, with a more detailed analysis of the different risk categories following below:

Figure 4: Risk Heatmap – Annex II Risks

Risk Category	Risk	Q1	Q2	Q3	Q4
Human Rights	Worst Forms of Child Labor	1	1	1	1
	Forced Labor	0	0	0	0
	Gender	0	0	0	0
	Torture, cruel and inhuman treatment	1	0	0	1
Security	International Humanitarian Law	0	0	1	1
	Non-state armed groups	0	0	0	0
	Public or Private Security Forces	0	0	1	1
Legality/Legitimacy	Corruption / Bribery	1	1	2	0
	Legal Transparent Tax Paying (EITI)	0	0	0	0
	Money Laundering	0	0	0	0
	Transparency / Reporting	2	2	2	2

- Most risks (10 out of 11 risks) assessed under the Annex II scope were assessed to be ‘low’ or ‘least’ by Q4.
- Five risks remained at the ‘least’ risk level throughout the period.
- One risk (Transparency and Reporting) was at a moderate level for more than one consecutive quarter.
- During the reporting period the monitored ASM mine sites have observed an upward trend with risk levels across 3 risks deteriorating when comparing Q1 to Q4. Increasing risk levels in the simple averages model must be understood in the context of the addition of new mine sites to the monitoring data. New sites almost always start at a higher risk and lower performance level than ASM mine sites that have been in the program for longer. On-boarding new ASM sites increases observed risks in the sample.

KEY FINDINGS BY ANNEX II RISK CATEGORY – CORRESPONDING RISK MITIGATION EFFORTS ARE DISCUSSED IN THE NEXT SECTION

Human Rights risk category

Worst Forms of Child Labor (WFCL)

is defined as the confirmation of a child performing hazardous work at a mine site, in line with ILO definitions of WFCL. WFCL risk increased during this reporting period, in part due to COVID-19. With school closures, children have joined their parents in economic activities to support their families during the pandemic.

Better Mining reported 17 incidents of WFCL where children were directly involved in mining activities. Twelve cases of WFCL were identified, in which children were observed e.g. washing ore, which were scored with a “very high” severity. Five cases of WFCL incidents were classified as critical breach incidents, where children participated in highly hazardous work, i.e. carrying ore bags or mining.

Two incidents were reported on temporarily inactive or closed parts of concessions, which attracted illegal ASM miners. Illegal mining activities are typically linked to increased risks across different categories.

8 incidents fell under the **Torture, Cruel and Inhumane Treatment** risk. These incidents are in regards to private security missing training on the Voluntary Principles on Security and Human Rights, lack of background check policies for new recruit and a single case of arbitrary detention, completed by two cases of excessive force.

Legality / Legitimacy risk category

The risk of **Corruption and Bribery** showed improvement in Q4 and is overall a risk with low numbers of incidents reported (10). Recorded incidents of corruption are primarily state agents or traditional authorities collecting illegal payments from miners.

Transparency/Reporting remained steady at a “moderate risk” level throughout the reporting timeframe as a result of some mining operators, particularly during their immediate on-boarding period, lacked a published OECD Step 5 annual due diligence report.



In order to advance transparency and reporting and to advance the implementation of the OECD Due Diligence Guidance in the sector, in 2021, Better Mining recommends to participating companies to publish their policies and OECD Step 5 reports on the Better Mining website. Companies in the program have started to implement this recommendation.

Money Laundering was a least risk during all quarters with only one incident where a mining operator was compensating miners in cash as opposed to electronic payments.

None of the reported corruption and bribery or money laundering incidents involved benefit to or financing of state or non-state armed groups. Furthermore, none of these incidents are classified as a Dodd-Frank incident.

Security risk category

Both **International Humanitarian Law** and **Public or Private Security Forces** were at a “least risk” until Q3, where a single incident for each risk increased the risk level to “low”. In International Humanitarian Law, a mining operator was not conducting background checks on newly recruited workers for gross human right violations. A single incident of two state military officers present on site was related to a conflict between miners and police, but increased the Public or Private Security Forces risk to “low” at the end of the reporting period. As the argument intensified, the military officers were among a group involved in a confrontation on the subsite near the mining village. The two military officers were arrested by police. A request was sent to the national military office to investigate the reasons why the two officers were on the mine site. At the end of the reporting period the investigation by the relevant government authorities were still ongoing and intensified monitoring at the site and local stakeholder engagement did not yield further evidence that would suggest a conflict financing risk. An isolated incident of two officers being present on site does not by default indicate that state or non-state armed groups are being financed from minerals produced at the site.

Forced Labor, Gender, Non-state Armed Groups, and Legal Transparent Tax Paying had no incidents during the reporting period.

STEP 3: RISK MANAGEMENT

Better Mining drives risk management through the following process: Corrective Action Plans (CAPs) are issued on an ongoing, monthly basis to stakeholders at the mine sites under monitoring, with unique corrective actions assigned to each relevant stakeholder for implementation. CAPs are continuously updated based on risk information recorded by the Better Mining monitoring agents permanently working on the sites, as well as the local Better Mining project teams. Better Mining issues good practice aligned CAPs most appropriate for the site context and the specificities of each supply chain.



In 2021, Better Mining is engaged in two technical collaborations with the RMI and also with UNICEF to advance best practice risk mitigation measures per risk category. Better Mining entered into these technical collaborations as such technical guidance was not yet available to the market during the reporting period covered in this report.

Better Mining evaluates CAPs to be implemented, in progress, or not started on a monthly basis based on a thorough review of implementation evidence, including documentation, statistics, government letters, or monitoring of implementation by the Better Mining monitoring agents and the Better Mining project teams. Progress on CAPs implementation is the primary indicator for Better Mining reporting to downstream buyers that a supply chain meets continuous improvement requirements.

ANNEX II RISK MITIGATION ANALYSIS

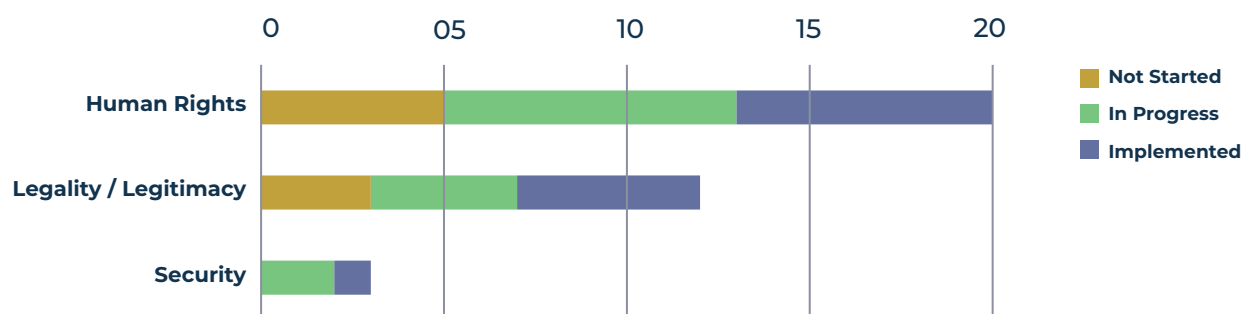
Across the 29 ASM sites in scope² and in response to the 44 incidents registered relating to OECD Annex II risks, Better Mining has recommended 35 corrective actions during the reporting period.



This is an aggregated data set, which comprises mine sites performing at different levels. Annex II relevant corrective actions are therefore of course only assigned at those ASM sites where OECD Annex II relevant risks are present. This is a small minority of the sites in the sample.

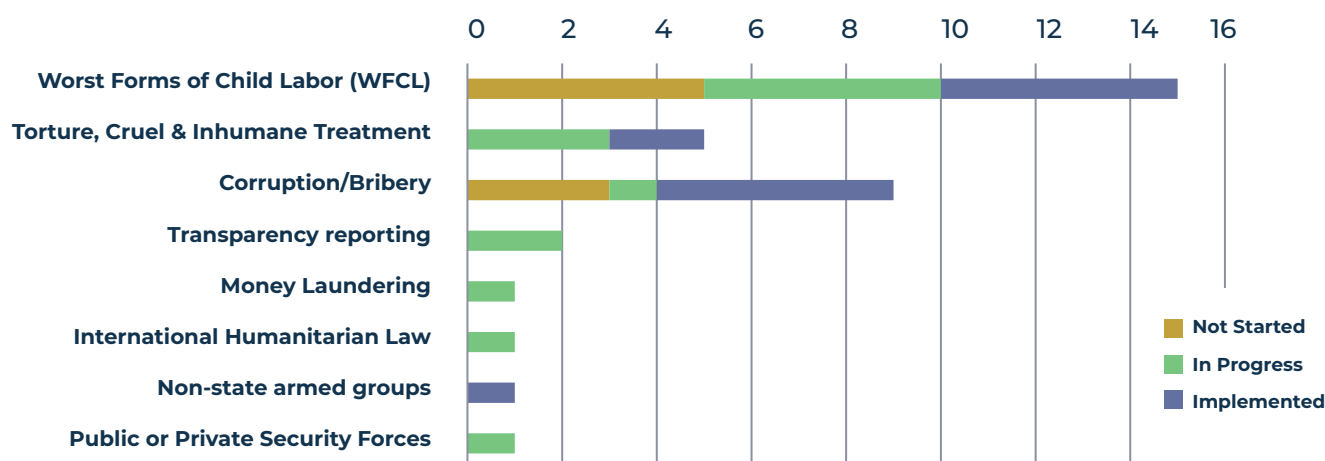
The progress of these corrective actions is demonstrable impact and is summarized below:

Figure 5: CAP implementation Progress Per Risk Category



² If a mine site leaves the program, this typically leaves a high number of incomplete mitigation activities. To prevent this negative bias in the data set, CAPs data for sites that left the program have not been included in this report.

Figure 6: CAP implementation Progress Per Risk



Figures 5 and 6 show the CAP implementation progress across the identified risk areas. At the end of the reporting period, there has been good progress and all categories have at least some CAPs implemented.



It is important to consider that corrective actions that were recommended towards the end of the reporting period mostly remain under a not started status as insufficient time for their implementation had passed at the end of the time frame considered in this report.

The graphs also highlight the following:

Human Rights

- 5 out of 15 CAPs relating to **Worst Forms of Child Labor** have been implemented. These mitigation actions include, but are not limited to increased monitoring on site for child labor, workshops with local traders and miners explaining the zero-tolerance policy towards child labor, and engaging with mine police and state agents to regularly patrol for children present on site.
- 5 out of 15 mitigation actions were still in progress and include drafting and implementing new disciplinary measures for those who engage children in work on site, workshops with pit leaders forbidding child labor, increasing security in and around inactive mine sites to prevent child labor linked to illegal mining, assessing the root causes of child labor in cooperation with mining and local authorities, and conducting communications campaign with local community to inform about the dangers of child labor.
- By the end of the reporting period, 5 out of 15 recommended actions were not started. 3 of these actions were assigned in the final month of the reporting period and did not have sufficient time to make progress. Recommended actions were in regards to communication with local churches to raise awareness of the dangers of child labor, engagement with relevant government ministries on eliminating the presence of children on site, and communicating with local authorities such as village leaders on the issues of WFCL, developing a child labor policy and risk management plan, and implement a security check at mine site entrances.
- Oftentimes, actions that require financial resources such as hiring additional security guards or joint actions involving engagement with multiple stakeholders require a longer timeframe to be implemented.
- 2 out of 5 **Torture, Cruel and Inhuman Treatment** recommended actions were completed by the end of the reporting period. Implemented CAPs addressed the use of excessive force by suggesting the mining operators to issue disciplinary measures against police agents or pit leaders for using excessive force on miners.
- The 3 CAPs remaining in progress relate to training on the Voluntary Principles on Human Rights, requesting support from a local organization to deliver a workshop to all workers on basic legal rights which covers arbitrary detention, the concept of burden of proof, the right to a fair trial and the right to being informed on the reasons for an arrest. The final mitigation action relates to a specific incident of arbitrary detention. The action recommends a meeting with the national army to raise an incident of unlawful detention and seek a valid justification or explanation of the arrest.

Legality

- Over half of all **Corruption/Bribery** mitigation actions (5 out of 9) were implemented by the end of the reporting period. Actions involve mitigating instances of illegal taxation by state agents and traditional authorities as well as irregular taxation or payments by other stakeholders. Implemented actions comprised of issuing disciplinary warnings to state agents on illegal taxation, sending a letter to the relevant state agency requesting agents engaged in the illegal collection of payments from miners to be relocated, and raising awareness around illegal taxation with miners.
- The remaining recommended actions involved developing an anti-corruption and anti-bribery policy, in addition to reporting corrupt behavior of state agents to the agency in charge of fraud and corruption on a single mine site.
- The two actions falling under the **Transparency/Reporting** risk were both in progress by the end of the period. Better Mining encouraged all operators and exporters to publish an OECD Step 5 aligned annual report on due diligence available to the public, including through the Better Mining [website](#). This action was assigned in Q4 and, while subsequently the first companies implemented the recommendation, it did not have sufficient time to be fully implemented within the reporting period of this report.
- The **money laundering** risk was identified in Q4 at a single mine site, and therefore only has one CAP recommendation, which was issued late in the reporting cycle. Generally, money laundering CAPs require a longer time as they involve changes required to ASM actors' working procedures (i.e., ASM operators favor the use of cash payments instead of mobile or electronic payments).

Security

- One mitigation action was issued relating to **Public or Private Security Forces**. This mitigation action is a result of an isolated incident that triggered an increase in risk level. The single incident of two state military officers present on site was related to a conflict between miners and police. As the argument intensified, the military officers were among a group involved in a confrontation on the subsite near the mining village. The two military officers were arrested by police. A request was sent to the national military office to investigate the reasons why the two officers were on the mine site. At the end of the reporting period the investigation by the relevant government authorities were still ongoing and intensified monitoring at the site and local stakeholder engagement did not yield further evidence that would suggest a conflict financing risk. An isolated incident of two officers being present on site does not by default indicate that state or non-state armed groups are being financed from minerals produced at the site.

- **International Humanitarian Law** risk has one corrective action assigned addressing lack of background checks for workers. The action recommends mining operators to adjust company policies to require background checks during the recruitment process for past violations of international humanitarian law.
- A mitigation action regarding **non-state armed groups** was issued in March 2019, before the monitoring period covered in this report. The action was issued during the initial evaluation of a single mine site and recommended the mining operator to provide an updated risk management policy including a plan for identifying and addressing security risks on the concession. The updated policy was provided in January 2020 along with confirmation of implementation, marking the action complete. As is true for most policies, implementing the policy requires a longer timeframe to complete than simply developing a policy.



None of the monitored and traced 3T supply chains are controlled by state or non-state armed groups or finance armed conflict.

Reports of activity of insecurity and or the movement of armed groups in the same region as ASM sites, and in an isolated incident [with two state military officers involved in an altercation] on one ASM site within the program do exist. However, this reality is to be expected given that the program by definition covers mining activities in conflict-affected and high-risk areas and such incidents do not necessarily mean that armed groups are financed by mining activities. In the Better Mining program, such reports are met with very careful monitoring of the situation in consultation with local stakeholders. This type of early warning and ongoing monitoring allows for flexible responses. The Government is the ultimate authority responsible to handle security sector related risks, whereas the United Nations have a specific mandate to investigate security sector related risks. Better Mining's approach is to closely collaborate with the actors who have a formal mandate in the security sectors. This enables credible reporting of risks, while it crucially also protects the personal safety of our staff.

- Across all categories, risks that usually are classified as low or moderate, generally show slower progress in implementation. Moreover, as the program reaches maturity at specific sites and several CAPs have been implemented already, this leaves stakeholders with more complex CAPs outstanding, which are aimed at addressing systemic issues for which Government support, technical implementation support and/or more capital may be necessary.

Figure 7: CAP Implementation Per Type of Mitigation Action

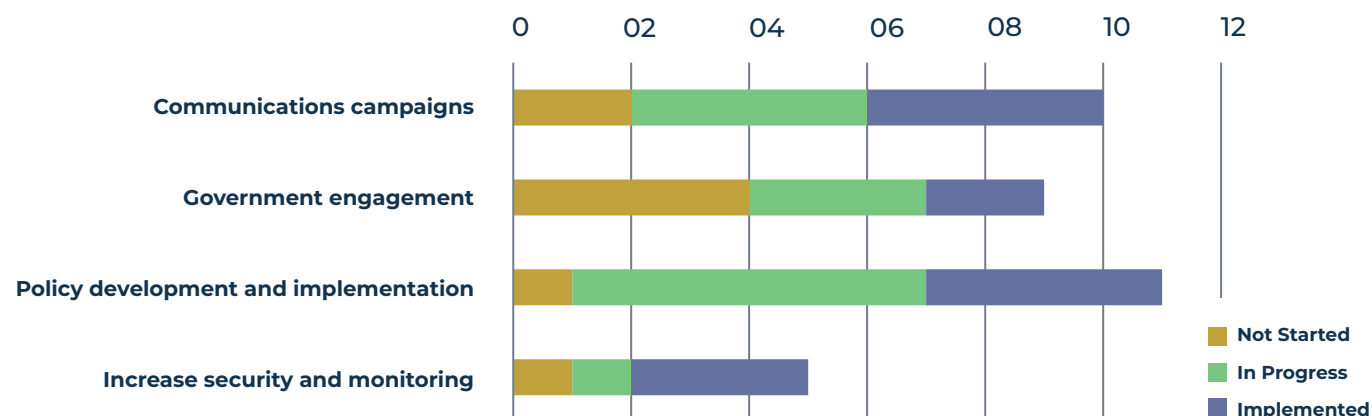


Figure 7 shows the implementation progress of mitigation actions based on the type of recommended action.

Recommended actions for Annex II risks can be placed in four categories' comprised of Communication campaigns, Government engagement, Policy development and Implementation, and Increased security and monitoring.

Communication campaigns have the highest number of actions implemented (4). This group includes communications campaigns directed towards workers, local communities, and traders. The campaigns objectives are to raise awareness around topics such as WFCL, illegal taxation and basic legal rights.

Only two mitigation actions remain not started relating to communications campaigns, these include engaging with local churches to raise awareness of WFCL, and holding a workshop to communicate that illegal taxation is not allowed.

Government engagement has the most mitigation actions not started. Requests to local or national government tend to move slowly.

Developing and implementing policies has 6 mitigation actions still in progress at the end of the reporting period. In general, developing policies does not require a long timeframe, however implementing the policy tends to take more time. Four policies have been successfully developed and implemented, including an updated risk management policy and implementing policies linked to illegal taxation or payments.

The majority of mitigation actions suggesting **increased security and monitoring** are implemented. The remaining action relates to hiring additional security personnel to patrol an inactive site for WFCL linked to illegal mining activities. This requires investment from the mining operator to hire sufficient security to cover the closed areas.

Figure 8: Overall CAP implementation status

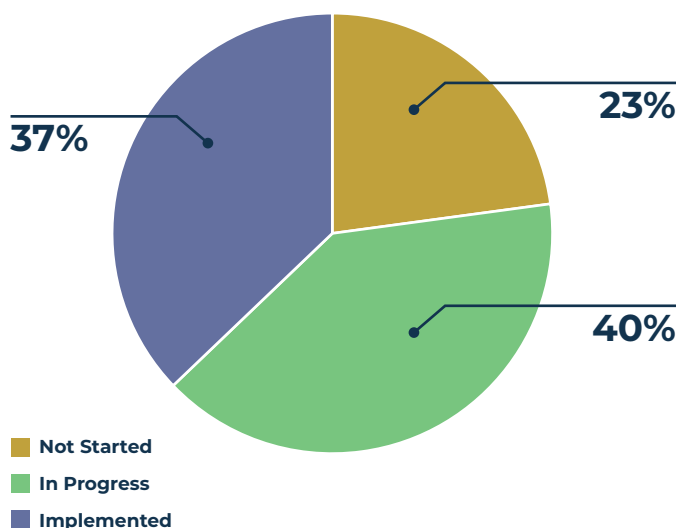


Figure 8 shows the overall implementation status across all sites and all Annex II risks by the end of the reporting period.



For the reporting period 77% of CAPs have either been implemented or are in progress of implementation, which is an encouraging sign that local actors respond well to Better Mining and its CAP process and are committed to demonstrating continuous improvement to the market.

23% of CAPs remain not started. The reasons are multi-fold and are explained in the subsequent combined section "Barriers to CAP Implementation".

BARRIERS TO CAP IMPLEMENTATION

When discussing and reviewing CAPs implementation at the site, Better Mining seeks to also understand and record barriers to implementation of recommended CAPs. Common barriers communicated by both mining cooperatives and other local stakeholders to Better Mining are:

COVID-19 limitations

- Challenges and restrictions on gatherings have severely affected the regularity of CAP review meetings.
- Slowdown of economic activity due to COVID-19 has also affected the number of miners on site and therefore CAPs focused on capacity building may have been less effective as the audience reached is smaller.
- School closures have significantly increased WFCL risks.

Financial and technical barriers

Upstream actors in the ASM space have limited funding and technical capacity to implement CAPs that require a significant investment.

Government engagement

Can slow down the implementation of CAPs even if the operator has the best intentions. While the Government is an important partner in the implementation of responsible sourcing and responsible mining, requests to local or national government tend to move slowly.

Cultural aspects

Many ASM sites have long operated informally. Certain corrective action recommendations, while appropriate, may require a longer timeframe to fully implement at an ASM site. This includes implementing policies, changing the acceptance of poverty driven child labor and changing cultural “norms” around illegal taxation.

Short-term financial view

ASM can be both a poverty-driven activity and poverty-alleviating activity³. Artisanal miners respond to financial incentives and often hold a short-term view. Proposed changes to the supply chain structure can meet resistance. This means incentives can conflict and miners can grow frustrated or corrective actions can be resisted.

Miners’ mobility

Artisanal miners are highly mobile and move from sites in search of the higher prices paid for the material they produce. This is an additional challenge to effective CAP implementation, particularly CAPs related to trainings and capacity building. If, for example, a comprehensive training on basic legal rights is delivered in January, it is possible that by the end of March a portion of the workforce of that mine site has changed due to new miners arriving to the site or miners deciding to leave for other mine sites. This further strengthens the case for ongoing and permanent site monitoring and CAP implementation and review.



To implement complex or significantly capital intensive corrective actions recommendations upstream actors require more support.

STEP 4: AUDIT

Better Mining’s process has been independently assessed and found to be aligned with the requirements of the OECD Due Diligence Guidance. A third-party OECD Alignment Assessment evaluated Better Mining against the criteria set out by the Responsible Mineral’s Initiative for Upstream Assurance Mechanisms. The scope of the audit included 3T monitored sites in Rwanda and DRC.

The timeframe for the 3T sites was September 2018 to September 2019 for Rwanda and the DRC assessment covered January 2019 to January 2020. Better Mining was found to be meeting the standards to be considered a Level 1: Full Recognition Upstream Assurance Mechanism. The standard, implementation and governance of Better Mining was found to be fully aligned with the OECD Due Diligence Guidance.

Furthermore, in DRC, Better Mining is currently completing the OECD Due Diligence Guidance alignment assessment for recognition by the Responsible Minerals Initiative (RMI) as an Upstream Assurance Mechanism for Copper-Cobalt. Better Mining is currently implementing its solution on 11 copper and/or cobalt ASM sites in DRC and will be scaling to 12 copper-cobalt sites in 2022. An assessment for gold is envisioned for 2022.

³ Hruschka, F and Echavarría, C. (2011), Rock Solide Chances for Responsible Artisanal Mining, Alliance for Responsible Mining.

CONCLUSION

This report provides evidence that data driven risk management can drive improvements towards more responsible ASM, which, in turn, is an important factor enabling a greater volume of responsibly sourced ASM materials to enter global markets. The report also proves that the implementation of a systematized, consistent approach to monitoring and risk mitigation is replicable and scalable.

The approach also embeds a positive cycle of improvement. In this case, Better Mining successfully drives local ASM actors to demonstrate continuous improvement, which manifests itself in the positive CAP progress registered across the sites in scope.

Overall, the approach represents a critical part of the solution to the challenge of ASM formalisation and continuous improvement.

From a downstream perspective, the Better Mining process opens up tangible and concrete opportunities for companies and other stakeholders to:

- a. support the implementation of the Better Mining program;
- b. support the implementation of corrective actions; and
- c. benefit from ensuring positive improvement of supply chains and the mining communities at their source.

The challenge now is securing sufficient external support, active participation, and funding required to long-term implement and scale Better Mining beyond the 40+ ASM mine sites in scope (2021).

As highlighted at the start of this report, the Better Mining approach represents a 'win-win' scenario: improving due diligence and assurance processes; and improving conditions for those involved in and around ASM mines.



There are several ways your company or organization can get involved in the Better Mining Program. For more information, please refer to the [RCS Global website](#).

ANNEX I: INCIDENTS AND RISKS DATA

1. INCIDENT DESCRIPTION				
Date	Risk Category	Risk Indicator	Incident Detailed Indicator	Anonymized Incident Description
06-Nov-2019	Human Rights	Public or private security forces	Excessive force	Mr. Miner Name was severely beaten by Mr. Miner Name's pit manager at the Mine Site Name site on November 06, 2019. Mr Miner Name was suspected of stealing mineralized product.
13-Nov-2019	Legality	Illegal taxation	Irregular taxation or payments	An illegal payment of \$25 is required by the Cooperative Name mining cooperative for each active pit in the Mine Site Name mine. These fees are known as "Pit & Washing Station Registration fees". These fees began to be collected on 13 November 2019.
20-Nov-2019	Legality	Illegal taxation	Illegal taxation by traditional authorities	Illegal taxation of 5% of the total production required by agents of the Customary Authority (Village Name village) for all Mine Site Name mine productive pits in the Village Name mining area. It is noted that four (4) agents including Mr. Agent Name, Mr. Agent Name, Mr. Agent Name, and Mr. Agent Name are in charge of the perception of this tax called "ABC" in local language.
20-Nov-2019	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	Presence of three (3) children including two boys and a girl and whose ages are between 10 and 16 years old. The children wash the mixed mineralized product and collect water for the adults at Mr. Miner Name pit situated in the Mine Site Name mine.
22-Nov-2019	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	Presence of three (3) children, including two (2) girls and one (1) boy, whose ages are between 10 and 16 years old, washing the ore at the washing basin of Mr. Miner Name's pit.
28-Nov-2019	Legality	Illegal taxation	Irregular taxation or payments	Illegal taxation by means of the collection of 25kg of mineralized product from each active pit in the Mine Site Name and Mine Site Name mines of the Concession Number concession. Two young men, identified as Mr. Name and Name passed themselves off as agents of the Region Name State Agency Name on a mission to Mining Area Name and began to collect 25kg of mineralized material from each pit, telling the diggers that this was a tax. The agents of the State Agency Name 1 and State Agency Name 2 were alerted of this and went to the place where these tax collections were being made and found that these two men were not real agents and do not work for the Region Name State Agency 1.
06-Dec-2019	Legality	Illegal taxation	Illegal taxation by traditional authorities	Illegal taxation by traditional authorities at the Mine Site Name mine. The illegal tax, called "ABC" in the local language, consists of the collection of a handful (about 100 grams) of ore from each productive pit.
30-Dec-2019	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	Presence of three (3) girls whose ages were between 15 and 16 years washing ore at the washing basin of the Mine Site Name mine.
08-Jan-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	Presence of three (3) children working at the Mine Site Name mine. Two of them (a girl & a boy) who are 14 - 16 years old were washing mineralized product in a small pond. The third child is another girl of the same age as the other two, is digging in a pit located in the Mine Site Name mine.

2. INCIDENT & RISK ANALYSIS DATA					
Incident Score	Incident Score Category	Risk Category	Risk	Risk Level	Risk ID
20	Very High	Human Rights	Torture, Cruel & Inhumane Treatment	High	Risk 2
9	Moderate	Legality/ Legitimacy	Corruption / Bribery	Moderate	Risk 3
12	High	Legality/ Legitimacy	Corruption / Bribery	High	Risk 3
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
9	Moderate	Legality/ Legitimacy	Corruption / Bribery	Moderate	Risk 3
12	High	Legality/ Legitimacy	Corruption/ Bribery	High	Risk 3
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1

1. INCIDENT DESCRIPTION				
Date	Risk Category	Risk Indicator	Incident Detailed Indicator	Anonymized Incident Description
13-Jan-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	Presence of around six (6) children washing mineral product waste in a small river that crosses the Mine Site Name mine. It is noted that these children work in close collaboration with their parents who work at the mine.
15-Jan-2020	Legality	Illegal taxation	Illegal taxation by state agents	Mr. Agent Name and Mr. Agent Name, both of whom are State Agency agents posted at the Mine Site Name site, demand a payment of 3000 XYZ from diggers before placing the traceability tags on their minerals.
07-Feb-2020	Legality	Illegal taxation	Irregular taxation or payments	A tax of 3000 XYZ or 25 kgs of mineralized product is required from each pit of the Mine Site Name mine by Mr. Agent Name, a former member of the Police based in Village Name. Mr. Miner Name, one of the workers of the pit of Mr. Miner Name which is located at the Mine Site Name site (Mine Site Name mine) wanted to avoid this payment and he was chased by Mr. Agent Name until the digger jumped into a water retention basin, from which his teammates pulled him out.
20-Feb-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	On February 20, 2020 at approximately 11:00 a.m. at the Mine Site Name site washing station, two children by the names of Child Name aged 13 and Child Name aged 14 were washing mineralized product in a plastic basin.
10-Apr-2020	Human Rights	Child labor	Children (U18) engaged in worst forms of Child labor (underground/ underwater work)	Presence of five (5) children (both boys and girls) and whose age varies between 12 and 14 years old, digging and collecting mineral product tailings and rejects and then selling the material they collect to local traders that are present at the Mine Site Name site.
15-May-2020	Legality	Illegal taxation	Illegal taxation by state agents	Mrs. Agent Name, a State Agency agent has been collecting an illegal tax of 5000XYZ per month from women who work at the Mine Site Name site sorting ore and filling up bags of mineral product. The women earn 1500XYZ per bag of mineral product. Several women on the Mine Site Name site confirmed that Mrs. Agent Name began collecting this tax at the beginning of May.
26-May-2020	Legality	Illegal taxation	Illegal taxation by state agents	Mr. Agent Name, an agent of the Anti-Corruption State Agency was requesting payment of a sum of \$ 33 from Mr. Miner Name, a pit chief of the Mine Site Name site. The payment would reportedly serve Mr. Miner Name to avoid the payment to the state agencies to obtain artisanal miner IDs for his worker team members.
30-May-2020	Transparency	Documentation	Missing supply chain document(s)	No recent Annual Report on Due Diligence activities has been published.
04-Jun-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	A 15 year old boy was washing mineral product waste in the water basin of Mr. Miner Name located at the Mine Site Name mine. The boy said that once he finds the ore he sells it to the water basins chief, who is also his uncle.
05-Jun-2020	Legality	Illegal taxation	Illegal taxation by state agents	Illegal tax of \$ 5.5 required by the agents of the State Agency to put the tags on 13 bags of approximately 650kg of mineral product.
18-Jun-2020	Human Rights	Public or private security forces	Arbitrary detention	Mr. Soldier Name a soldier and escort of the XYZ military office arrived at the Mine Site Name site, Sub-Site Name sub-site and arrested without any apparent reason Mr. Miner Name and transferred him to Mining Village Name on Thursday June 18, 2020.

2. INCIDENT & RISK ANALYSIS DATA					
Incident Score	Incident Score Category	Risk Category	Risk	Risk Level	Risk ID
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
16	High	Legality/ Legitimacy	Corruption/ Bribery	High	Risk 3
9	Moderate	Legality/ Legitimacy	Corruption/ Bribery	Moderate	Risk 3
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
25	Critical Breach	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
16	High	Legality/ Legitimacy	Corruption/ Bribery	High	Risk 3
16	High	Legality/ Legitimacy	Corruption/ Bribery	High	Risk 3
15	High	Legality/ Legitimacy	Transparency/ Reporting	High	Risk 1
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
16	High	Legality/ Legitimacy	Corruption/ Bribery	High	Risk 3
20	Very High	Human Rights	Torture, Cruel & Inhumane Treatment	High	Risk 2

1. INCIDENT DESCRIPTION				
Date	Risk Category	Risk Indicator	Incident Detailed Indicator	Anonymized Incident Description
30-Jun-2020	Human Rights	Public or private security forces	Security lacking Voluntary Principles training	Security personnel is not trained on Voluntary Principles on Security and Human Rights.
30-Jun-2020	Human Rights	Public or private security forces	Security lacking Voluntary Principles training	Security personnel is not trained on Voluntary Principles on Security and Human Rights.
30-Jun-2020	Transparency	Documentation	Missing supply chain document(s)	No recent Annual Report on Due Diligence activities has been published.
30-Jun-2020	Transparency	Documentation	Missing supply chain document(s)	No recent Annual Report on Due Diligence activities has been published.
30-Jun-2020	Transparency	Documentation	Missing supply chain document(s)	No recent Annual Report on Due Diligence activities has been published.
30-Jun-2020	Transparency	Documentation	Missing supply chain document(s)	No recent Annual Report on Due Diligence activities has been published.
21-Jul-2020	Conflict	Military forces	Illegal army presence at mine site	Presence of two XYZ military agency at the Sub-Site Name site of the Mine Site Name mine. On Tuesday 21 July 2020, the 2 soldiers from the Territory Name were identified in the mine area while the development of an armed confrontation was unfolding on the sub-site and nearby mining town. The two officers were arrested following the incident.
21-Aug-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	On Friday 21 August, at the Sub-Site Name sub-site at the Mine Site Name site, two children were observed collecting stones which they then crushed in the hope of finding mineral product that they sold to women on the site. These women then mixed that material into their production.
25-Aug-2020	Legality	Illegal taxation	Irregular taxation or payments	In the site of Mine Site Name several street vendors confirm that every Friday they are obliged to pay an amount of 500XYZ each to the agent from Cooperative Name responsible of the area. The vendors say they do not receive any proof of payment or receipt in return.
27-Aug-2020	Human Rights	Child labor	Children (U18) engaged in worst forms of Child labor (underground/ underwater work)	On 27 August 2020 at around 9:00 am, Child Name, 14-years old, was trapped by falling stones when he was illegally mining with his father (Father Name). The boy died immediately while his father suffered serious head injuries.
28-Aug-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	On 28 August 2020, a young boy estimated to be around 10 years old who did not want to tell us his name was collecting and washing tailings in hopes of obtaining some residual mineral product in Mr. Miner Name's washing station located at the Sub-Site Name site of the Mine Site Name mine.
02-Sep-2020	Human Rights	Child labor	Children (U18) engaged in worst forms of Child labor (underground/ underwater work)	Presence of a child whose age is between 12 and 14 years old picking up mineral product at the Sub-Site Name site of the Mine Site Name mine.

2. INCIDENT & RISK ANALYSIS DATA					
Incident Score	Incident Score Category	Risk Category	Risk	Risk Level	Risk ID
12	High	Human Rights	Torture, Cruel & Inhumane Treatment	High	Risk 2
12	High	Human Rights	Torture, Cruel & Inhumane Treatment	High	Risk 2
15	High	Legality/ Legitimacy	Transparency/ Reporting	High	Risk 4
15	High	Legality/ Legitimacy	Transparency/ Reporting	High	Risk 4
15	High	Legality/ Legitimacy	Transparency/ Reporting	High	Risk 4
15	High	Legality/ Legitimacy	Transparency/ Reporting	High	Risk 4
16	High	Security	Public or Private Security Forces	High	Risk 6
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
9	Moderate	Legality/ Legitimacy	Corruption/ Bribery	Moderate	Risk 3
25	Critical Breach	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
25	Critical Breach	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1

1. INCIDENT DESCRIPTION				
Date	Risk Category	Risk Indicator	Incident Detailed Indicator	Anonymized Incident Description
04-Sep-2020	Human Rights	Public or private security forces	Excessive force	Excessive use of force by the Police agent Mr. Agent Name, who whipped four (4) diggers at the Sub-Site Name site of the Mine Site Name mine at around 4.30 p.m., thirty minutes (30) before the mines closed. According to the monitor, the police and company security usually blow their whistles to warn the diggers that it is time to leave the mine but this time we witnessed the police agent whipping the diggers and demanding them to leave the mine because it was already time to leave. There were no serious injuries reported by the miners, who when interviewed seemed mostly in shock and scared of this violence by the Police agent.
28-Sep-2020	Human Rights	Child labor	Children (U18) engaged in worst forms of Child labor (underground/ underwater work)	On 28 September 2020 at around 8:50 am, an illegal miner called Miner Name, 16 years of age, was trapped by falling overburden soil and died immediately, He was illegally working in a trench near Tunnel Name tunnel at Mine Site Name mine site.
30-Sep-2020	Human Rights	Public or private security forces	Security lacking Voluntary Principles training	Security personnel is not trained on Voluntary Principles on security and human rights.
30-Sep-2020	Human Rights	Public or private security forces	Security lacking Voluntary Principles training	Security personnel is not trained on Voluntary Principles on security and human rights.
30-Sep-2020	Transparency	Documentation	Missing supply chain document(s)	No recent Annual Report on Due Diligence activities has been published.
07-Oct-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	Presence of an 11-year-old girl washing mineral product in Mr Miner Name's washing station located at the Sub-Site Name site of the Mine Site Name mine. This child was with her mother who carried another child on her back and was also washing mineral product.
14-Oct-2020	Human Rights	Child labor	Children (U18) engaged in worst forms of Child labor (carrying heavy loads)	A girl aged between 8 and 11 years old was carrying mineral product in a bag of about 25kg at the Sub-Site Name site of the Mine Site Name mine. She was leaving Mr. Miner Name's pit and heading towards his washing station. Taking advantage of the absence of Company Name security guards and the police, the little girl told the monitor that she was accompanying her mother who works in a restaurant on site and took the opportunity to carry out this work of transporting mineral product for a cost of 250XYZ per bag in order to obtain school supplies.
15-Oct-2020	Human Rights	Public or private security forces	No IHL background checks	No policies requiring background checks for employees regarding violations of international humanitarian law are established
15-Oct-2020	Legality	Money Laundering	Cash transactions without receipt	Payments to diggers are made in cash.
15-Oct-2020	Human Rights	Public or private security forces	Security lacking Voluntary Principles training	Security personnel is not trained on Voluntary Principles on security and human rights.
20-Oct-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	Three girls, between the ages of 7 and 14, washed mineral product at around 9 a.m. in an abandoned washing station at the Sub-Site Name site.
28-Oct-2020	Human Rights	Child labor	Children (U18) crushing /sieving /washing ores	Presence of two girls whose age was between 12 and 14 years old washing mineral product in an abandoned washing station located at the Sub-Site Name site of the Mine Site Name mine.

2. INCIDENT & RISK ANALYSIS DATA					
Incident Score	Incident Score Category	Risk Category	Risk	Risk Level	Risk ID
20	Very High	Human Rights	Torture, Cruel & Inhumane Treatment	High	Risk 2
25	Critical Breach	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
12	High	Human Rights	Torture, Cruel & Inhumane Treatment	High	Risk 2
12	High	Human Rights	Torture, Cruel & Inhumane Treatment	High	Risk 2
15	High	Legality/ Legitimacy	Transparency/ Reporting	High	Risk 4
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
25	Critical Breach	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
6	Low	Security	International Humanitarian Law	Moderate	Risk 7
6	Low	Legality/ Legitimacy	Money Laundering	Moderate	Risk 5
12	High	Human Rights	Torture, Cruel & Inhumane Treatment	High	Risk 2
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1
20	Very High	Human Rights	Worst Forms of Child labor (WFCL)	High	Risk 1



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