Methodology for Assessing Companies’ Implementation of the OECD Guidance
Structure of the presentation

1. General principles
2. Assessment procedure
3. Matrix
4. Questionnaire & performance indicators
5. Assessment cycle and outputs
1. General principles

- Avoid complexity
- Uniformity
- Dynamic process
- Confidentiality
2. Assessment procedure

Adoption Guidance
Company A receives matrix & questionnaire

Announcement of visit according to schedule

Output 1: company A response
- requirements
- sources of verification/key informants

Submit output 1 ≥ 2 weeks before visit

Output 2: draft assessment report sent to company A

Output 3: Comments company A to output 2

Output 4: final assessment report

Assessment visit to company A
Step I: Establish Strong Company Management Systems

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Requirement</th>
<th>Performance indicators</th>
<th>Baseline (1st assessment)</th>
<th>2nd</th>
<th>3rd</th>
<th>Sources of verification</th>
<th>Recommendations by the assessors</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1</td>
<td>Adopt and commit to a supply chain policy for minerals originating from conflict-affected and high-risk areas</td>
<td>Performance scales</td>
<td></td>
<td></td>
<td></td>
<td>A/ Internal B/ External</td>
<td></td>
</tr>
</tbody>
</table>

A. Sample:
B. Column headings

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Requirement</th>
<th>Performance indicators</th>
<th>Baseline (1st assessment)</th>
<th>2nd</th>
<th>3rd</th>
<th>Sources of verification</th>
<th>Recommendations by the assessors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>A/ qualitative</td>
<td></td>
<td></td>
<td></td>
<td>A/ Internal</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>B/ quantitative</td>
<td></td>
<td></td>
<td></td>
<td>B/ External Key</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance scales</td>
<td></td>
<td></td>
<td></td>
<td>Informants A/ Internal</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>B/ External</td>
<td></td>
</tr>
</tbody>
</table>

- Ref.
- Requirement
- Performance indicators
- Baseline
- 2nd
- 3rd
- Sources of verification
- Recommendations by the assessors
4. Questionnaire and performance indicators

A. The questionnaire

• 2 general questions/ requirement:

1. Explain which actions you have undertaken to implement this requirement.
2. Which difficulties did you encounter?

• Several specific questions:

• Please list the human rights issues that have been raised at board or senior executive level during the reporting period.
• Please indicate the % of contracts in which the necessary disclosure requirements are incorporated and indicate which percentage of the total amount of the mineral sourced this represents. Provide examples of the contractual provisions.
B. Different types of performance indicators & scales

A. qualitative indicators
   i. Process indicators
      indicate at which point of a timeline the company stands.
   ii. Efforts indicators
      indicates the efforts undertaken by the company
   iii. Quality/Effectiveness indicators
      indicates the quality/effectiveness of the efforts/action/product of the company.

B. quantitative indicators
   any kind of indicators that are or can be expressed in quantitative form, such as numbers or percentages.
Example 1: Adopt and commit to a supply chain policy

<table>
<thead>
<tr>
<th>Step I: Establish Strong Company Management Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Adopt and commit to a supply chain policy for minerals originating from conflict-affected and high-risk areas. This policy should include:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>I.A.1 A policy commitment setting forth principles for common reference on mineral extraction, transport, handling, trading, processing, smelting, refining and alloying, and export, against which the company will assess itself and the activities and relationships of supplier. This policy should be consistent with the standards set forth in the model supply chain policy in Annex II.</td>
</tr>
</tbody>
</table>

1. Explain which actions you have undertaken to implement this requirement.
2. Which difficulties did you encounter?
3. How did your company start working on a policy commitment?
4. Please indicate where your policy can be found in the public domain (e.g. website).
5. How does the company view its responsibility to respect human rights and to not contribute to conflict?
6. Please indicate which human rights standards are likely to be affected by the activities in the mineral supply chain.
7. Which policy does the company have regarding direct or indirect support to non-state armed groups?
(Example 1: Adopt and commit to a supply chain policy)

Process Indicator & scale (1-5)

Indicator:

Company has adopted and committed to a supply chain policy. Company demonstrably applies the policy.

Performance scale:

1: Company has not started working on IA1.
2: Company is currently in the process of elaborating the policy but has no clear timeline.
3: Process started, completion within 4 months.
4: Process started, completion by 1st assessors’ visit
5: Company has adopted and committed to the supply chain policy. Company applies the policy.
(Example 1: Adopt and commit to a supply chain policy)

Quality/Effectiveness Indicator & scale (1-5)

Indicator:

Company’s policy is consistent with standards in Annex II:

• Company recognises its responsibility to respect human rights and to not contribute to conflict.

• Company does not tolerate serious abuses; (in)direct support to non-state armed groups; support to public or private security forces who illegally control mine sites; bribery; fraudulent misrepresentation of the origin of minerals; money-laundering; avoidance of payment of taxes, fees and royalties to government.
Performance scale:

1: Company does not have mineral supply chain policy.

2: The company has a mineral supply chain policy commitment but does not recognise its responsibility to respect human rights and to not contribute to conflict.

3: The company has a mineral supply chain policy commitment recognizing its responsibility to respect human rights and to not contribute to conflict but does not identify all values that are at risk as a consequence of its activities and relationships.

4: The company has a mineral supply chain policy commitment recognizing its responsibility to respect human rights and to not contribute to conflict and identifying all the specific values that are at risk, yet does not clearly identify an effective risk management strategy for each risk.

5: Company’s policy is consistent with standards in Annex II. Company applies an adequate risk management strategy.

(Example 1: Adopt and commit to a supply chain policy)
Example 2: Establish a system of controls and transparency; collect and disclose information

<table>
<thead>
<tr>
<th>C.</th>
<th>Establish a system of controls and transparency over the mineral supply chain.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.C.1</td>
<td>Collect and disclose the following information to immediate downstream purchasers, who will then pass them down the supply chain, and to any institutionalised mechanism, regional or global, once in place with the mandate to collect and process information on minerals from conflict-affected and high-risk areas.</td>
</tr>
</tbody>
</table>

the mine of mineral origin
Questions:

1. Explain which actions you have undertaken to collect and disclose the mine of mineral origin:

2. Which difficulties did you encounter regarding the disclosure of the mine of mineral origin:

3. Please indicate the data and figures (if possible expressed in volume sourced, broken down per mineral) you have collected in relation to the mine of mineral origin:

4. Please indicate the data and figures (if possible expressed in volume sourced, broken down per mineral) you have disclosed in relation to the mine of mineral origin:
(Example 2: Establish a system of controls and transparency; collect and disclose information)

Quantitative Indicator and scale (1-5)

Indicator:

% of mine of mineral origin **collected and disclosed**. Expressed in volume sourced, broken down per mineral. *Example: mine of origin collected for 80 % of cassiterite sourced.*

Performance scale:

1: 0-20%
2: 20-40%
3: 40-60%
4: 60-80%
5: 80-100%
(Example 2: Establish a system of controls and transparency; collect and disclose information)

Efforts Indicator and scale (1-5)

Indicator:

Efforts undertaken to collect and disclose the mine of mineral origin.

Performance scale:
1: No efforts were undertaken to collect and disclose the mine of mineral origin.
2: Some efforts were undertaken to the mine of mineral origin, however they are ineffective.
3: Good efforts were undertaken to collect the mine of mineral origin, however the findings were not effectively disclosed.
4: Good efforts were undertaken to collect and disclose the mine of mineral origin. Company has a plan to overcome identified challenges when collecting this data.
5: The efforts undertaken to collect and disclose the mine of mineral origin were effective.
5. Assessment cycle

1st assessment report
• company A (output 4A)
• company B (output 4B)
• company C (output 4C)
• ...

Output 5: Baseline report implementation Guidance (upstream)
• Part I: setting the scene
• Part II: review DD measures
• Part 3: recomm.

Output 6: Practical Guidelines

Output 11: Progress report implementation Guidance (upstream)
• Part I: general
• Part II: review DD measures
• Part 3: recomm.

3rd assessment report
• company A (output 10A)
• company B (output 10B)
• company C (output 10C)
• ...

Output 8: Progress report implementation Guidance (upstream)
• Part I: general
• Part II: review DD measures
• Part 3: recomm.

Output 9: Model risk management plan

2nd assessment report
• company A (output 7A)
• company B (output 7B)
• company C (output 7C)
• ...

Output 7: Model risk management plan

Month 4

Month 5

Month 12

Month 9

Month 8