

## How responsible sourcing works

### UPSTREAM COMPANIES SUCH AS SMELTERS AND REFINERS

**Smelters and refiners** work with their suppliers to trace supply chains back to their origin, and look for risks along the way, including at mine sites, along transport routes, and in trading centres

### DOWNSTREAM COMPANIES SUCH AS THOSE MANUFACTURING PRODUCTS

**Companies** contact their suppliers and work together to trace their supply chains back to smelters/refiners



#### 1 GOOD MANAGEMENT SYSTEMS

##### PUT IN PLACE GOOD SYSTEMS, INCLUDING:

- A supply chain policy that sets out your commitments to managing risks (e.g. of support to armed groups, torture, forced labour and other gross human rights violations, bribery and money laundering). A model policy is available in the OECD Guidance
- Incorporate this policy into your supplier contracts
- Put in place a chain of custody or supply chain traceability system, and a mechanism for voicing concerns
- All this can be done with help from an industry scheme

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- Incorporate this policy into your supplier contracts and put in place a mechanism for voicing concerns
- All this can be done as part of an industry scheme

#### 2 RISKS IN YOUR SUPPLY CHAIN

- Review information gathered against your policy
- Do any of the risks in your policy apply?
- How are you dealing with them?
- Implement a strategy to respond to risks you find

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- Review information, such as audits, against your policy
- Take reasonable steps to identify **smelters/refiners** in your supply chain and assess their due diligence
- Is there a reasonable risk that a smelter/refiner is non-responsible?
- Implement a strategy to respond to the risks you find

#### 3 INDEPENDENT AUDITS

Smelters and refiners should carry out and publish **independent audits** on their due diligence

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- Use reasonable efforts to make sure your **smelters/refiners** carry out independent audits on their due diligence
- This can be done with help from industry schemes

#### 4 PUBLICLY REPORT

- By 31 March each year, submit documentation to competent authority, including policy and independent audit
- Make information on due diligence available to customers, and publicly report as widely as possible on actions you have taken under Steps 1, 2 and 3

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