

# Supplier Training - Module 3

## Risk assessment



An Initiative of the EICC and GeSI



**RCS GLOBAL**  
Making Sure.

CFSI, the Conflict-Free Sourcing Initiative, is one of the most utilized and respected resources for companies from a range of industries addressing conflict minerals issues in their supply chains.

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RCS Global is a world-leading audit and advisory firm specializing in responsible supply chains. RCS Global is working with CFSI to develop innovative and practical responses to the responsible sourcing of raw materials.

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## More information

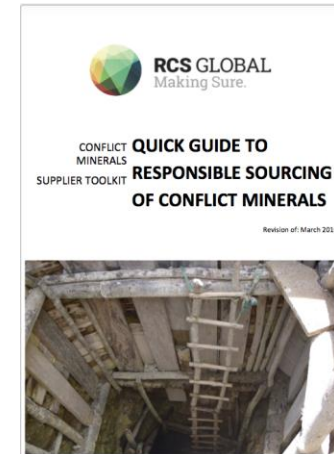
To purchase the training toolkit accompanying this presentation or to request an in-person training for your suppliers and / or conflict minerals team, please visit:

[www.rcsglobal.com](http://www.rcsglobal.com)



or contact RCS Global at:

[info@rcsglobal.com](mailto:info@rcsglobal.com)



**Let CFSI or RCS Global know if you are interested in working with other companies to offer joint in-person trainings to suppliers.**

## In this module you will learn how to

- Conduct a risk assessment
- Identify available resources for risk assessments and conflict minerals due-diligence generally

## Risk assessment

### Customers want to understand risks related to sourcing practices of smelters:

- Have smelter sourcing practices been audited?  
Eg. CFSI, LBMA, RJC
- If not, where do smelters source from? How do we know this?
- Do smelters source from mines that are linked to armed conflict or human rights abuse?



The more information you have, the better – even if it means you uncover risks.

## Validation schemes resources

### Reported smelters should be compared to these lists for purpose of due diligence:

- **CFSI Masterlist\*** = CFSP-compliant and active 3TG smelters / refiners, LBMA and RJC validated gold refiners:
  - <http://www.conflictreesourcing.org/conflict-free-smelter-refiner-lists/>
- **LBMA Accredited Good Delivery Refiners** = LBMA active and validated gold refiners :
  - <http://www.lbma.org.uk/Default.aspx?CCID=21993&FID=141296&ExcludeBoolFalse=True&ID=/refiners-gold-current>
- **Responsible Jewellery Council** = RJC active and validated gold refiners :
  - <http://www.responsiblejewellery.com/>
- **TI-CMC\*\*** = General information on Tungsten smelters only:
  - <http://www.ti-cmc.org/>

\*The CFSI cross-recognizes gold refiners who have passed their LBMA Responsible Gold audit or RJC Chain of Custody Audit and have agreed to be cross listed. Likewise, LBMA and RJC cross-recognize CFSP-accredited refiners.

\*\*The CFSI recognizes TI-CMC members who have agreed to undergo a CFSP audit within 2 years of joining TI-CMC as “progressing towards CFSP validation.”



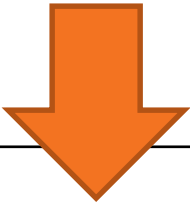
## Other resources on smelter sourcing practices

- **Public domain:** Websites of the smelter, Google / Baidu search, news articles.
- **Your suppliers and sub-contractors:** In particular where these source directly from the smelter.
- **The smelter itself:** Explain to the smelter requirements on conflict minerals and responsible sourcing, explain the CFSI (or other) audit mechanism, try to get information on sourcing practices.



Not every investigation will uncover risks: some smelters source from domestic mines or only use recycled material.

## Information suggests the non-validated smelter sources from the DRC or adjoining country – what next?

<p><b>Find out if minerals are sourced from an in-region certification scheme.</b></p> 	<ul style="list-style-type: none"> <li>• Better Sourcing Program</li> <li>• ICGLR</li> <li>• iTSCi</li> <li>• Kemet</li> <li>• Solutions for Hope</li> <li>• Others</li> </ul>
<p><b>If not, investigate if sources are associated with armed conflict.</b></p>	<ul style="list-style-type: none"> <li>• NGO reports (focus on: Global Witness and Enough)</li> <li>• News articles</li> <li>• UN group of experts reports on the DRC</li> <li>• Publications of in-region sourcing mechanisms (iTSCi, Fairmined, Bettergold Initiative, Better Sourcing Program, Solutions for Hope, Public Private Alliance)</li> </ul>





**THANK YOU!**

