

Recommendation of the Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas¹

THE COUNCIL,

Having regard to Article 5(b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

Having regard to the Guidelines for Multinational Enterprises which form part of the Declaration on International Investment and Multinational Enterprises;

Recalling that the common aim of governments recommending the observance of the Guidelines for Multinational Enterprises and the development community is to promote principles and standards for responsible business conduct;

Observing that responsible sourcing of minerals has developmental and business dimensions;

Having regard to the Policy Framework for Investment adopted in 2006 which aims to mobilise private investment in a way which supports steady economic growth and sustainable development;

Recalling the work of the Development Assistance Committee in the field of international engagement in fragile states, aimed at avoiding harm when engaging in fragile and conflict-affected environments, including the Principles

1. Adopted by Council at Ministerial Level on 25 May 2011. At the time of adoption, Brazil made the following statement: “In adhering to the present Recommendation Brazil understands that the Due Diligence Guidance has been developed on the basis of the experience in the Great Lakes Region in Africa. Brazil is of the view that companies should take due account of relevant decisions by the United Nations, including resolutions of the UN Security Council, in determining if other zones of operation can be considered to be conflict-affected or high-risk areas”.

for Good International Engagement in Fragile States and Situations endorsed at its High Level Meeting on 3-4 April 2007;

Recalling the efforts of the international community to cooperate in the fight against corruption, including through the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention Against Corruption;

Recognising that governments, international organisations and companies can each draw on their respective competences and roles to contribute to ensuring that trade and investment in natural resources is beneficial to society at large;

Considering the efforts of the international community, in particular the International Conference on the Great Lakes Region, to combat illegal exploitation of natural resources in conflict-affected and high-risk areas;

Recognising that there is significant exploitation of natural mineral resources in conflict-affected and high-risk areas and that companies sourcing from or directly operating in those areas may face higher risk of contributing to conflict;

Noting that due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas is an on-going, proactive and reactive process through which companies can ensure that they respect human rights and do not contribute to conflict;

Having regard to the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereafter “the Guidance”), developed in cooperation with the International Conference on the Great Lakes Region and approved by the Investment Committee and the Development Assistance Committee [C/MIN(2011)12/ADD1];

Having regard to the Supplement on Tin, Tantalum and Tungsten, which is an integral part of the Guidance, and noting that supplements on other minerals will be added to the Guidance in the future;

Noting that this Guidance sets out the steps companies should take to identify and address actual or potential risks in order to prevent or mitigate adverse impacts associated with their activities or relationships, while recognising that flexibility is needed in its application depending on individual circumstances and factors such as the size of the enterprise, the location of the activities, the situation in a particular country, the sector and nature of the products or services involved;

Recognising that the serious abuses associated with the extraction, transport or trade in minerals listed in Annex II², especially when perpetrated against women and children, should not be tolerated;

On the proposal of the Investment Committee in enlarged session (including the non-member adherents to the Declaration on International Investment and Multinational Enterprises) and the Development Assistance Committee;

RECOMMENDS that members and non-member adherents to the Declaration on International Investment and Multinational Enterprises actively promote the observance of the Guidance by companies operating in or from their territories and sourcing minerals from conflict-affected or high-risk areas with the aim of ensuring that they respect human rights, avoid contributing to conflict and successfully contribute to sustainable, equitable and effective development;

RECOMMENDS, in particular, that members and non-member adherents to the Declaration on International Investment and Multinational Enterprises take measures to actively support the integration into corporate management systems of the 5-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain having due regard to the Model Supply Chain Policy set out respectively in Annexes I and II³ to this Recommendation of which they form an integral part;

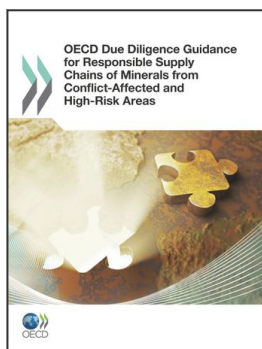
RECOMMENDS that members and non-member adherents to the Declaration on International Investment and Multinational Enterprises, with the support of the OECD including through its activities with the United Nations and international development organisations, ensure the widest possible dissemination of the Guidance and its active use by other stakeholders including professional associations, financial institutions, and civil society organisations;

INVITES other non-members to take due account of and adhere to the present Recommendation;

INSTRUCTS the Investment Committee and the Development Assistance Committee to monitor the implementation of the Recommendation and to report to Council no later than three years following its adoption and as appropriate thereafter.

2. The text of Annex II is reproduced on pages 20-24 of this publication.

3. The text of Annexes I and II is reproduced on pages 17-24 of this publication.



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