

# Roundtable on the Responsible Recycling of Metals (RRRM)

## Non-Ferrous Working Group (NFWG) Meeting 3:

### Due Diligence – traceability and risk

#### Meeting agenda and objectives:

Oct 10<sup>th</sup>, 2023

1. Introduction and review of outcomes from last meeting/matters arising
2. Reminder of where we are in the process
3. Session objectives and instructions
4. Example due diligence process
5. Facilitated breakout groups
6. Feedback and Discussion
7. Next steps

#### Outcomes, Decisions and Discussions

- With a focus on less controlled and understood post-consumer streams, session objective was to assess different due diligence approaches for better understanding and tracing upstream metal value chains and origins, enabling better ESG information flow through the value chain, and conduct risk assessments accordingly.
- Brief examples from pre-reading material on EU Corporate Sustainability Due Diligence Directive, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DD Guidance), and recent critique from Shift were presented to achieve a better understanding of due diligence processes, strengths and weaknesses.
- Yosuke Isoda from Mitsubishi Materials presented Mitsubishi's due diligence process and how they use the OECD DD Guidance" to structure it. It was stated that if a red flag was raised, an investigation involving an on-site visit is required.
- It was highlighted that for recycled metals, the due diligence process requires different location related risks from the more specifically defined OECD defined Conflict Affected and High-Risk Areas (CAHRA's).
- Carrie Claytor from Freeport-McMoRan presented their recycling streams, and how Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc was utilized in their processes. It was stated that recycled material is excluded from further due diligence. Freeport collects information on the type of supplier (recycling facility or trader), the material origin, and the pre- vs post-consumer breakdown of the material in addition to issuing a compliance-focused online survey to suppliers. All this information is used to determine if an enhanced due diligence needs to be conducted.
- The reluctance of suppliers and traders to share information due to competitiveness concerns was noted in discussion as a barrier to transparency, improved traceability and ESG risk assessment. Traders are more likely to disclose country of origin.
- Two breakout groups explored due diligence using a less formal and a more formal post-consumer scenario.
- It was agreed that the legal status of scrap has a large impact on its traceability. As such, regional as well as generic recommendations should be developed.
- In terms of imports and exports, evidence suggests materials are falsely labeled or categorized and the scale of trade limits customs checks, which causes additional challenges for accurate traceability.
- Safety of subsistence and small-scale collectors was noted. This was considered in terms of exposure to hazardous waste, dangerous working conditions and in terms of potential retaliation if they share information about working conditions and origin of material etc. The limitations of the working environment, systems, training and skills for collectors and processors, leads to a lack of record-keeping and information transfer. Multiple reporting frameworks create difficulty in streamlining common information.
- Metal refiners are also pinch-points for the recycling of metals (as well as in primary production), so a key point for collecting ESG risk information.

Action agreed	Owner	Deadline
Pre-reading materials to be shared with the NFWG members ahead of the fourth NFWG meeting on Risk response, mitigation and remedy	RRRM Secretariat	25/10/23

### Attendees

1. Louise Assem, Global Material Stewardship Director, International Copper Association (ICA), (NFWG Co-lead)
2. Bethany Perkins, Sustainable Development Analyst, International Copper Association (ICA)
3. Kristi Disney Bruckner, Law & Policy Director, Initiative for Responsible Mining Assurance (IRMA)
4. Marcel Christians, Director of Innovation & Sustainability, Weiland
5. Carrie Claytor, Manager Value Chain Sustainability, Freeport-McMoRan
6. Adam Estelle, Vice President, Copper Development Association (CDA)
7. Alex Graf, Senior Consultant, Kumi
8. Nicole Hanson, Head of Responsible Business, London Metal Exchange (LME)
9. Yosuke Isoda, Assistant General Manager Sustainability Dept, Mitsubishi Materials Corporation
10. Sei Nakai, Assistant General Manager, Sustainability Dept, Mitsubishi Materials
11. Milan Pazicky, External Affairs, Aurubis
12. Sebastien Perron, Vice President Recycling Procurement, Weiland
13. Manfred Stadler, Director, Metals Management, Wieland-Werke AG
14. Andrea Wehrli, Empa, Swiss Research Institution
15. Dave Knight, RRRM Facilitator, One Planet (NFWG Co-lead)
16. Umut Cantoru, RRRM Secretariat
17. Mark Prins, RRRM Secretariat