



re-sourcing

RE-SOURCING OPENING CONFERENCE

Conference Report

Constanze Fetting,

**Institute for Managing Sustainability,
Vienna University of Economics and
Business**

February 2021



Disclaimer:

This publication is part of a project that has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 869276.

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Imprint:

Date: February 2021 | Constanze Fetting (Vienna University of Economics and Business)

Work package 2: RE-SOURCING Platform | Final Version 1.0 | Dissemination level (public)

<http://re-sourcing.eu>

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1 Introduction

The EU Green Deal and its ambitions with regard to the Renewable Energy, Mobility and Electronics and Electronic Equipment sectors will inevitably lead to a substantial increase in demand for certain raw materials and minerals. This requires sustainable value chains and responsible sourcing (RS) practices.

Currently, the RS Agenda is driven by sustainable development factors, i.e. environmental, social, and economic considerations, as well as political dynamics. In recent years, much has been achieved regarding identifying relevant actors, establishing a common language and setting up many different initiatives and alliances. However, many issues and practices are still being discussed in isolation from each other, even though their operationalisation is highly interlinked. The RE-SOURCING Project's goal is to promote knowledge sharing and peer learning around the operationalisation of RS processes.

Against this background, the conference has been structured along the following areas:

- [Session 1: Understanding the Drivers and Needs of Responsible Sourcing](#)
- [Session 2: Awareness Building and Advocacy](#)
- [Session 3: Industry Frontrunners and Business Alliances](#)
- [Session 4: Regulations and Standards](#)
- [Session 5: Investment and Stock and Commodity Markets](#)
- [Session 6: Change is in the air. What is it and are we on the right track?](#)

The narrative behind the conference begins with a simple premise: there are actors and processes that are currently guiding the global RS Agenda, with mitigating factors focusing on accountability, which, in turn, influence the efficacy of these actors and processes. Given the time limitations of a conference, we concentrate our discussions on select actors and processes, acknowledging that those we could not address remain important.¹

¹ Farooki, Masuma, 2021: Drivers of Responsible Sourcing, Conference Briefing Document

2 Session 1 – Understanding the Drivers and Needs for Responsible Sourcing

Session 1 provided an introduction and an overview about the topic of Responsible Sourcing, as well as the RE-SOURCING project. The European Green Deal with its emphasis on the transformation towards a low carbon and circular economy, as well as the twin digital transformation will substantially increase demand for minerals and metals. Therefore, it is crucial to turn global mineral supply chains towards more responsible and sustainable practices. Session 1 outlined the need for a more responsible system of global mineral supply chains, the drivers and actors that can implement a transformation and introduced the RE-SOURCING Project.



André Martinuzzi, Founding Director of the Institute of Managing Sustainability and overall project coordinator of the RE-SOURCING project welcomed participants. He highlighted the advantages of a digital conference, which allows stakeholders all over the world to connect, but without the negative climate impact of long-distance travel.

It is important that we talk about responsible sourcing at this moment in time, because we need a change in current sustainability practices. Covid-19 is only a little crisis in the context of the world facing a climate crisis and an overall unsustainability crisis. **Natural resources are part of the biophysical layer of our society and economy.** When we talk about supply chains and businesses, we need not forget that there are biophysical realities surrounding the issue.

André Martinuzzi outlined the crucial steps for transforming towards more responsible sourcing. Firstly, it is important to **involve all stakeholders from all along the value chains.** Together, they have to find common ground, as individual stakeholders will have different approaches and needs towards a responsible supply chain. In addition, it needs to be clarified what we mean by responsibility, who is responsible towards whom and for what. The question will also be how different stakeholders can coordinate their actions without impeding each other. This way we can hopefully create change and create a level playing field for everyone.



Maija Laurila Head of Unit for Company Law at the European Commission's Directorate General for Justice and Consumers, outlined why due diligence is relevant for the EU and its legislative programme. **The Covid-19 crisis has reinforced the call for a true paradigm shift as it has exposed the weaknesses of short-term oriented business models.** Due diligence supports the aim of a sustainable and responsible recovery.

The Unit for Company Law is working on embedding sustainability in corporate governance. Sustainable corporate governance encourages businesses to make decisions according to their impact not only on the short-term gains, but also environmental, human and ecological impacts. The Commission has undertaken two external studies. The first one focused on due diligence requirements in supply chains and the second one on directors' duties in corporate sustainable governance. Both studies showed evidence for **the failure of voluntary commitments and reporting in incentivising companies to change their behaviour.**

The Commission's Work Programme for 2021 includes a legislative proposal on corporate sustainable governance. According to Maija Laurila it is a milestone that this issue is officially included in the Work Programme as this makes it a priority for the European Commission. The objective is to **improve the**

EU regulatory framework to enable companies and directors to focus on long-term value creation instead of short-term benefits and to better align the interests of companies with those of shareholders, stakeholders and society. This represents a holistic approach where due diligence is underpinned by directors’ duties. There will be a requirement to integrate ESG risks into a company’s strategy as part of the duty of care.



Bruno Oberle, Director General of the International Union for Conservation of Nature, and President of the World Resources Forum (a project partner of the RE-SOURCING project) emphasized that the transition requires the joint effort of all stakeholders.

The world needs resources and the consumption of natural resources has grown substantially over the past decades. If we continue growing as we do right now, in 40-50 years we will consume 2.5 times the resources that we need right now. Resource extraction has an impact on all Sustainable Development Goals (SDGs), in both a positive and a negative way. On the one hand, **natural resources are the basis for almost all of our activities in an industrialised society.** On the other hand, resource extraction accounts for 80-90% of biodiversity loss and 50% of all impacts on the climate. In addition, there are negative impacts on human rights, health and the environment.

Investors increasingly no longer want to be associated with these negative impacts. Herein lies the potential for responsible sourcing. The transformation to a more sustainable system can happen on many levels, for example technological solutions, circular economy and recycling, but also international agreements and standards to create a level playing field.

Right now is the right moment to act, because **all systems are pushing towards the transformation.** Some parts of the world are already working on new regulation, for example China, Chile and the US. The European Green Deal and the Covid-19 recovery programme *Next Generation EU* will also play a big role in the transformation.



Masuma Farooki, Consulting Director at MineHutte and project partner of the RE-SOURCING Project outlined the key aspects of the responsible sourcing complex.

Actors such as companies and businesses, governments, and investors work with and within standards, regulations and policies. Additional actors in this complex are business- and other alliances, the media, civil society and auditing processes. All of these need to be aligned to implement responsible sourcing. **A level playing field needs to be achieved. However there are many (power) dynamics** that play a role in trying to achieve this level playing field and to create change. Those include question of jurisdiction and accountability, *not in my backyard* mentality, greenwashing, Euro-centrism, inefficiency, or bureaucracy issues.

The steps to achieve a more responsible sourcing system are to **find common ground and prompt collective action to eventually create lasting and inclusive change.**



Andreas Endl, Researcher at the Vienna University for Economics and Business and Project Coordinator, provided an overview of the RE-SOURCING project. As a Horizon 2020 project it aims bringing together companies, civil society and policy stakeholders that are willing to contribute to the responsible sourcing agenda. The ultimate objective will be to **build a global stakeholder platform.** The project will be running through 2023 and has four main goals:

- Establish a common Responsible Sourcing (RS) Vision for EU industry
- Increase uptake of RS practices by business and public policy

- **Foster global advocacy for a common definition of RS**
- **Build a well-connected and diverse global RS community**

Major actions for engaging with different stakeholders and finding and broadly disseminating solutions includes workshops and webinars, good practice manuals, and roadmaps for three EU industry downstream sectors. To foster global advocacy for a common definition of RS, there will be **three Global Advocacy Fora**, one in Asia, one in Africa and one in South America. The project will support international RS agenda setting (e.g. at the OECD or UN). To support building a well-connected and diverse global RS Community there will be an **online knowledge repository, conferences and webinars, and innovative storytelling and webcasts.**

3 Session 2- Awareness Building & Advocacy

“Our global pledge to leave no one behind - How to make frontline communities heard and respected in the process towards RS?”

The world is facing a significant boom in mineral demand. This development poses serious human rights and environmental risks. The most affected often do not find the power or means to make themselves heard in the process of addressing these risks. Therefore, **advocacy & awareness on the implications of sourcing practices by all actors are essential** to inform decisions and change perceptions, and ultimately, lead to a change of practices.

3.1 Keynote: Mark Dummett, Amnesty International



Mark Dummett, Director of the Global Issues Programme at Amnesty International highlighted the different challenges suppliers face when engaging in responsible sourcing practices.

His presentation started with the example of the 2013 Rana Plaza disaster in Bangladesh. Since the disaster, **supply chain transparency has increased substantially**, but it is likely that this is only **due to international pressure after the incident**.

He pointed to the case example of Artisanal and Small-scale Mining (ASM), a barely regulated and dangerous source of minerals that is often associated with child labour and exploitation. Individual miners sell their product to a buyer who then puts it onto the international market. It is therefore **very difficult for international buyers to know where their products come from**. However, pulling out completely from the Democratic Republic of the Congo, where lot of the ASM is happening would also be irresponsible. This could make conditions worse for communities and undermine projects happening on the ground. When companies put money into aid programmes through foreign NGOs, this often also has little effect as they have no knowledge about the situation on the ground. Both are often strategies to avoid negative media coverage. Mark Dummett also pointed out that when Amnesty reached out to big companies, asking about their due diligence processes, many emphasised how important human rights are to them. However, **most could not provide specific details about investigations they had undertaken**.

3.2 Panel: How to create lasting win-win situations through critical, yet constructive engagement between communities, workers & companies



The slide features the re-sourcing logo at the top left. The main title is "Session 2 Panel Discussion" followed by the question "How to create lasting win-win situations through critical, yet constructive engagement between communities, workers & companies?". Below the title are five portrait photos of the panelists, each with their name and affiliation listed underneath.

				
Moderator: Mathias Schlupe <i>World Resources Forum Association</i>	Mark Dummett <i>Amnesty International</i>	Ramón M. Balcázar <i>Observatorio Plurinacional de Salares Andinos</i>	Aidan Davy <i>International Council of Mining and Metals</i>	Diego Marin <i>European Environmental Bureau</i>

The panel discussion revolved around three key topics:

The importance of dialogue

- Engaging with communities does not automatically mean it is dialogue, often negotiation would be a more appropriate term
- Dialogue requires not only listening to communities' opinion, but also making them part of the decision-making process

The right to free, prior and informed consent

- Most people are not in favour of extraction in their community
- This is particularly important for indigenous land
- However, when it is not indigenous land, the government should also have the right to make decisions for the benefit of the wider citizenry.

The importance of access to information

- This is key to give free prior and informed consent and lack of information is often a big problem for affected communities
- Often it is not clear where or to whom communities can address their grievances
- Taking companies to court only works when enough information is available



Emmanuel Umpula presented the first practice example of the conference. His NGO is based in the DRC and mainly active in the mining and petrol sectors in the DRC and across Africa. The main objectives of the NGO are strongly related to the topics discussed in the panel:

- Increasing citizen participation through the availability of information
- Holding state and non-state actors accountable for their actions
- Suggesting alternatives to current practices

Afrewatch is addressing several challenges, such as **forced eviction of local communities, poverty in extractive areas, environmental pollution and conflicts between artisanal miners and large companies.**



Figure 1: Key statements by panellists of Session 2, Mural

4 Session 3- Industry Frontrunners and Business Alliances

“Exploring the case for building Alliances: Challenges & opportunities in strengthening business competitiveness and bench-marking responsible sourcing”

Session 3 revolved around the question of how business alliances and frontrunners can most effectively bring about positive change and create a level playing field. Growing political & consumer pressures, supply risk mitigation and ethical reasons are driving forces. They encourage more and more companies to develop innovative RS practices and participate in alliances that provide guidance and encourage a level-playing field. However, **companies equally face obstacles and have red lines** they cannot cross, based on business interests, regulations and dependencies.

4.1 Keynote: Alexander Nick, BMW



Alexander Nick started his keynote speech with explaining that sustainability is **central to the strategic direction** of the BMW Group. Measures implemented by the Group are intended to have a **positive impact beyond the company**. Due diligence activities started in 2008 and since 2014 the processes have been applied to all products. Since 2018 BMW’s due diligence processes are **based on the OECD Guidance for Responsible Business Conduct**.

Key points of the BMW Group’s programme include:

- **Anticipation of future (regulatory) requirements and stakeholder expectations**, ensuring a smoother transition to these impacts
- **Comprehensive risk management approach and outlook**, establishing a more resilient supply chain
- **Supply chain mapping and transparency based on ESG aspects to generate synergy effects** and improve overall environmental and social compliance and performance
- **Leading ground projects and participation in standardization initiatives** to claim leadership and to generate economies of scale
- **Supporting EU-wide regulations on due diligence to support the creation of a level playing field**

The environmental and social standards in the supply chain include delivering tangible impact at the raw material level, driving sustainability standards across critical supply chains, n-tier risk supplier management and first tier supplier management.

Alexander Nick explained the **success factors for responsible sourcing alliances**. They include an **open and transparent platform for interested** stakeholders from upstream, downstream and civil society, a democratic governance structure, and ensuring lawful and responsible conduct.

For **certification systems** success factors include the **application of existing certification schemes**, **approval by ISEAL**, a **Chain-of-Custody mechanism** to enable traceability, a **balance of interests** within the governance of the standard and realisation of or input to existing ground projects to gain experience of actual impacts.

4.2 Practice Example: Badrinath Veluri, Global Rare Earths Industry Association



Badrinath Veluri presented the Global Rare Earths Industry Association (REIA). Rare Earths are a part of many common products, such as phones, wind turbines or hybrid cars.

The main challenge is that the **Rare Earth value chain is characterised by monopoly and a lack of transparency**, leading to volatility in prices. There are no standards, no legislation, and no sustainability requirements, which also hinder innovation.

Transparency and sustainability in Rare Earths are not clearly defined throughout the value chain. There is no data to start building information on traceability or impacts, since **there is no framework and no system definition for the collection of data**. In addition, collaboration and consensus within the industry is insufficient.

The Global Rare Earth Industry Association was founded in June 2019 in Brussels and in August 2020 it had 35 members from all segments of the value chain. Its creation was funded and supported by the EIT Raw Materials to promote a more competitive and sustainable industry.

Its aims are to:

- **Develop a strong and balanced global stakeholder network**
- **Support the development of sustainable value chains**
- **Create transparency and certification of products and processes within the REE industry**

There are many tools that REIA will use to transform the Rare Earths value chain to a more responsible system:

- **Developing a glossary**
- **Standards and guidelines**
- **Data security and protocol**
- **Transparency & due diligence mechanisms**
- **Sustainability qualification**
- **Block chain technology**

4.3 Panel: Exploring the case for building Alliances: Challenges & opportunities in strengthening business competitiveness and bench-marking responsible sourcing



The slide features the re-sourcing logo in the top left corner. The title reads "Session 3 Panel Discussion" followed by "Exploring the case for building Alliances: Challenges & opportunities in strengthening business competitiveness and bench-marking responsible sourcing". Below the title are six portraits of the panelists, each with their name and affiliation listed underneath.

Portrait	Name	Organization
	Moderator: Tobias Kind-Rieper	WWF
	Julian Lageard	Intel
	Massimo Gasparon	EIT Raw Materials
	Guy Ethier	Global Battery Alliance
	Badrinath Veluri	Rare Earths Industry Association
	Alexander Nick	BMW

These were the key points from the panellists:

We need alliances

- **An alliance should include every player along the value chain, including civil society actors and academia.**
- **A common approach is key to tackling common issues such as human trafficking and child labour**
- **It is crucial, but also challenging to find a common language and ways to understand each other. This is key for building trust.**

We need true leadership

- **Alliances and frontrunners are key to initiating and driving change**
- **The business alliance that Intel co-founded, for example, is now a multi-sector business alliance that tackles issues like human trafficking and child labour in a unified way**
- **It is also important that individual leaders take up the challenges within the company**

We need action

- Alliances' work is most useful in a pre-competitive stage, this is where a level playing field is created
- Action needs to be backed by policy makers. If there is a good idea, there needs to be capacity and willingness to implement it
- Policy should not hinder the ability of frontrunners, but should support them in creating innovative ideas

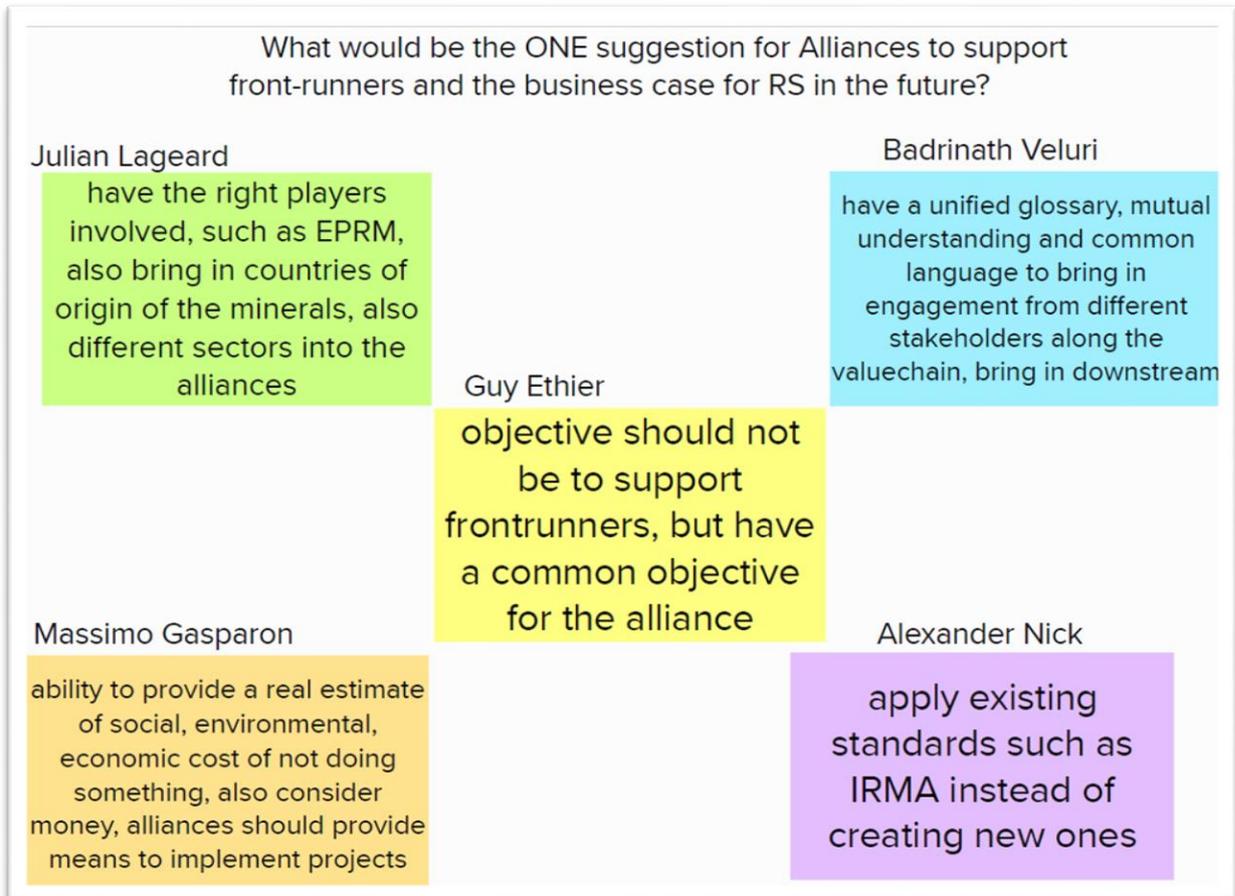


Figure 2: Key Statements from panellists of Session 3, Mural

5 Session 4- Regulations & Standards

“The Interplay between policies & standards: A mutually supportive or conflicting relationship?”

This session discussed the role of public policy and standards for creating a level playing field. The status quo with a patchwork of voluntary and mandatory measures risks creating unclear requirements and is threatening the efficacy of global efforts to implement responsible sourcing. The discussion revolved around the question whether Responsible Sourcing needs to have a common definition or set of principles for international, national, and private approaches.

5.1 Keynote: Tyler Gillard, OECD



Tyler Gillard has been involved in developing multiple standards at the OECD, for example the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the Due Diligence Guidance for Responsible Business Conduct.

He started his presentation by identifying **the drivers of responsible sourcing as consumers, investors, mid-/ and downstream markets**. There is differing awareness of the individual challenges of different actors along the value chain, depending on the consumer. Consumers often do not know how different initiatives work. A key to raising awareness and understanding this is **to find a common language and have a glossary**. This is a first step to push towards convergence. Since **there are many trade-offs and dilemmas**, businesses might have to prioritise at the cost of other stakeholders.

One example for a trade-off is the fact that **ASMs are more susceptible and vulnerable to risks, such as child labour, but on the other hand, there are major opportunities for impact investing**. However, it is impossible to be 100% sure. So all processes always bring risks and you can never ensure full sustainability.

A lot can be improved by **developing benchmarks together with communities, businesses and governments**. Tyler Gillard finished his talk by emphasizing that since 2010 a lot has improved in the field of global benchmarks, standards, and regulations.

5.2 Practice Example: Aluminium Stewardship Initiative



Fiona Solomon is the CEO of the **Aluminium Stewardship Initiative (ASI)**, a global non-profit standards setting and certification organisation with over 150 members and over 100 certifications. In her practice example presentation, she introduced ASI.

ASI’s vision is to maximise the contribution of aluminium to a sustainable society and to recognise and collaboratively foster responsible production, sourcing, and stewardship of aluminium.

Companies that are certified through ASI keep adding in new facilities and expand the scope of what they included and their chain of custody. They also report benefits of being certified through ASI.

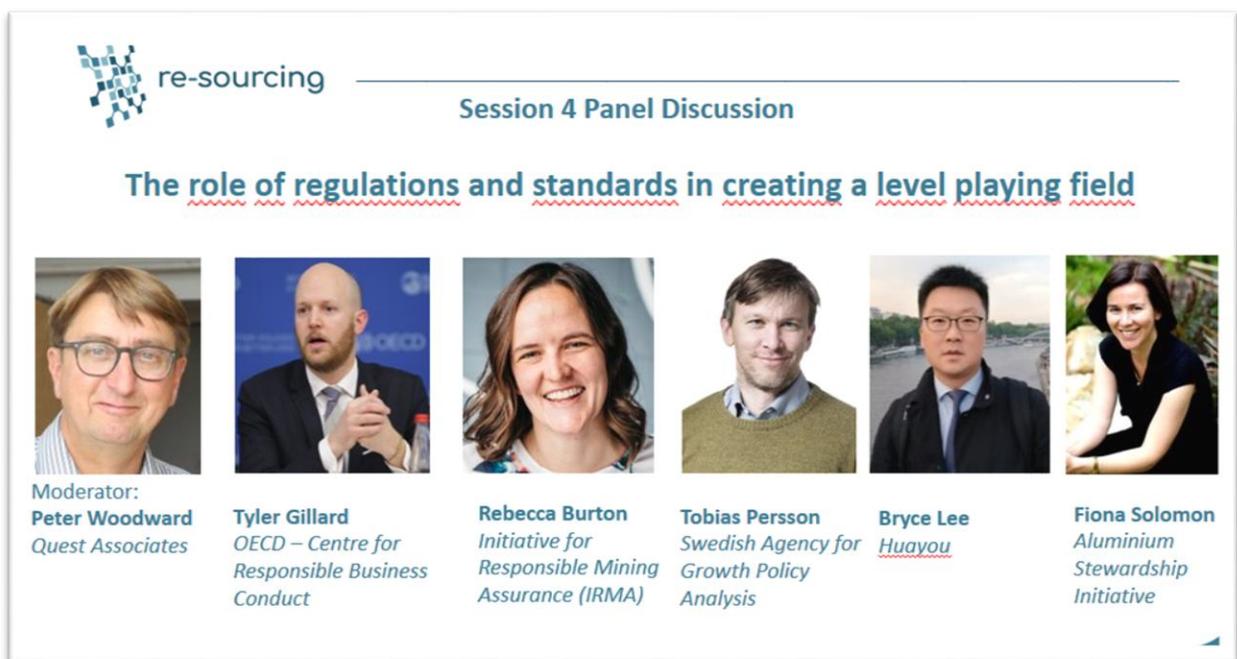
Fiona identified the following success factors for ASI:

- **Being proactive** in setting up the programme and not reactive to a crisis
- **Multi-stakeholder governance** from inception and a **whole of supply chain approach**
- Full member of **ISEAL alliance**
- **Focus on innovation** with a particular focus on online tools

Many dimensions of responsible sourcing, e.g. community, waste and recycling and consumer differentiation. Another concern are CO2 emissions, in aluminium this is particularly relevant for the energy intensive smelting stage.

ASI takes a comprehensive approach, where a breadth of issues is addressed, e.g. carbon intensity, community issues, and waste and recycling. ASI recognises that **sustainability topics are interrelated** which means that addressing one challenge in isolation can have unintended consequences and that cross-industry learning is valuable.

5.3 Panel: The role of regulations and standards in creating a level playing field.



The slide features the re-sourcing logo in the top left corner. The title 'Session 4 Panel Discussion' is centered at the top. Below it, the main topic 'The role of regulations and standards in creating a level playing field' is displayed in a blue font with red dashed underlines. The slide lists six participants, each with a portrait photo and their name and affiliation:

Portrait	Name	Organization
	Peter Woodward	Quest Associates
	Tyler Gillard	OECD – Centre for Responsible Business Conduct
	Rebecca Burton	Initiative for Responsible Mining Assurance (IRMA)
	Tobias Persson	Swedish Agency for Growth Policy Analysis
	Bryce Lee	Huayou
	Fiona Solomon	Aluminium Stewardship Initiative

Key points from the discussion

It is important to **establish a common understanding** of what responsible sourcing means

- Even when guidance documents advocate against shunning ASM, downstream companies might still request resources that were not mined in ASMs (also due to a fear of negative media coverage), therefore it is important that standards and reality match up
- All stakeholders need to be included in the standard-setting process
- Now that we have established a common language around RS the next step is to get into the nitty-gritty of implementing standards and to understand what that means on the ground

Due diligence is a useful tool

- It helps purchasers understand where the biggest challenges lie
- Companies often get certified to address reputational issues surrounding their operations

We need data and **objective analysis of markets**

- Objective transparent auditing of companies' sustainability, especially in supply chain (often they only look at the first supplier), financial support for research on this topic



Figure 3: Key statements from panellists of Session 4, Mural

6 Session 5 – Investment & Stock and Commodity Markets

“How can the financial sector push for more Responsible Sourcing – the role of ESG ratings, impact investment and what else?”

The financial sector appears to be a relatively new player in the field of RS, but **continues to gain momentum** through growing shareholder activism, international agendas such as the Paris Climate Agreement. It is without question that **investors wield substantial power to drive RS** through their decisions. This Session revolved around the question how the financial sector can best yield its impact and how to avoid greenwashing in the sector.

6.1 Keynote: Andreas Hoepner, University College Dublin



Andreas Hoepner started his presentation by arguing that it is important to differentiate between commodity markets, stock markets and bond markets. In commodity markets, there is no ability to engage, which you can do as a shareholder. However, Andreas identified **the biggest sphere of influence in bond markets**. Most companies that are engaged in sourcing are heavily leveraged because they have debt, which they have to repay every year. In order to do this, they have to raise new money every year. Andreas Hoepner identified this as the Achilles heel of companies in responsible sourcing. **The biggest power an investor has here is to refuse re-financing**. This power also extends to individual persons, who can, for example, talk to their pension funds and suggest engaging in debt denial. This makes debt more expensive for the companies. Stopping to refinance debt and bond markets are the biggest leverage.

Andreas Hoepner also talked about the new EU Taxonomy on sustainable finance. It is a dictionary of what is green, relating it to specific standards. For example, it puts a specific number of how many kg of CO₂ can be associated with a kWh of electricity for it to still be considered green. Bond markets and bank loans in particular are a good area of application for standards. **With the already existing ESG standards it is important to be diligent in order to avoid greenwashing**.

He also talked about the **importance of accessing the right data**. You can find reports in the global non-payable media, to see if something has been reported about the region. Another good source are UN stats on the SDGs, how countries are developing with regards to the SDGs.

6.2 Practice Example: John Howchin, Swedish Pension Fund



John Howchin from the Swedish Pension Fund explained that ESG has been incorporated in the Pension Fund for 20 years. It is governed by laws and the fact that the fund has to be sustainable was put into law in 1999. They invest mostly in index-

based tools. At first, the Swedish Pension Fund would divest a lot, however, by now **ownership has become the most used leverage tool**. The Fund is often not the biggest owner, but a very long-term owner **following the UN Principles of Responsible Investing (UNPRI)**, which gives it a lot of leverage with companies.

6.3 Panel: Maximising Impact: How should the investment sector drive RS?



The graphic features the 're-sourcing' logo at the top left. Below it, the text reads 'Session 5 Panel Discussion' and 'Maximising Impact: How should the investment sector drive RS?'. The title is underlined with a red dashed line. Below the title are six portrait photos of the panelists. Under each photo is the name and affiliation of the individual.

Moderator:	Elina Rolfe	Eric Rasmussen	Andreas Hoepner	John Howchin	Sara Blackwell
Masuma Farooki MineHutte	UN Principles for Responsible investment	European Bank for Reconstruction and Development	University College Dublin	Swedish Pension Fund	UN Working Group on Business and Human Rights

Discussion key points

There needs to be more emphasis on the financial system

- All actors need to take responsibility, no matter how big their sphere of influence
- There is a lack of data, guidance tools and best practices examples to implement responsible financing

The key benefit of reporting is that investors have to reflect on their own practices

- It is important to look at the real world outcomes
- Work **with investors to improve their practices** instead of shunning them

We need both mandatory and voluntary initiatives

- Voluntary initiatives will not prevent investments into harmful practices
- We need **capacity building** before standards become mandatory

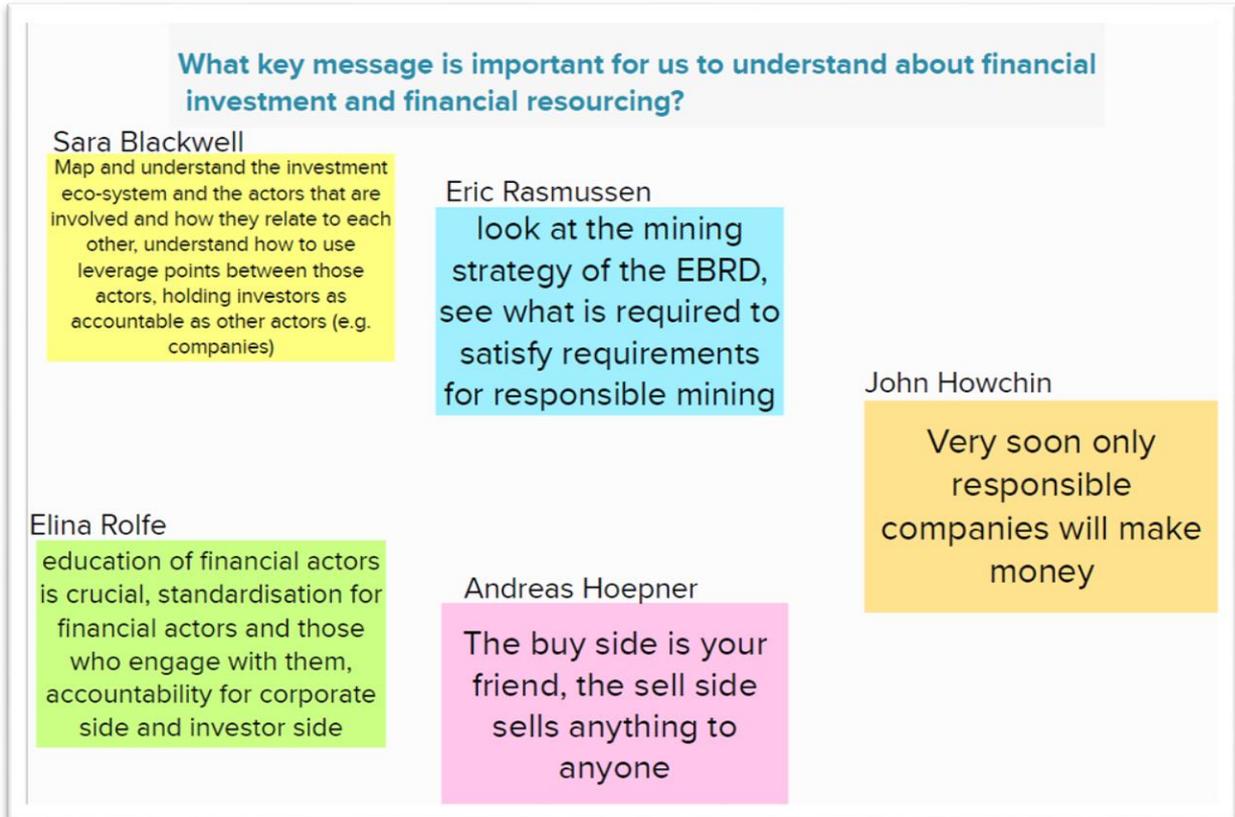


Figure 4: Key statements by panellists from Session 5

7 Session 6 – Change is in the air. What is it and are we on the right track?

In this last session of the conference, the goal was to connect all the insights from the four previous sessions. The session looked at the changes that have already happened and those that are yet to come.



Maria Nyberg is responsible for policy on sustainability and secondary raw materials in DG GROW at the European Commission. She emphasised **that responsible sourcing is key to the European raw materials value chain**. This is why the Commission and DG GROW in particular are very interested in the RE-SOURCING Project. **Responsible sourcing is about securing access to sustainable resources**, which are key to the European economy delivering on the Green Deal. In a proposal from September 2020, the Commission outlines its plans going forward, and this includes improving the resilience of value chains, reducing dependency on primary resources and critical raw materials and promoting responsible practices.

One of the biggest barriers to achieving a responsible sourcing system is when we stay in our bubbles and only talk to the people that are already convinced by the importance of responsible sourcing practices. **It is important to maintain a dialogue with all stakeholders**, no matter how far away certain communities seem.



According to **Rebecca Burton** from the Initiative for Responsible Mining Assurance, the strongest force pushing towards more responsible practices is the market. Responsible standards can be achieved by policy and regulation, but also when **demands for a certain standard or certain practices are put into the contract with a supplier**. In order to access contracts with desirable purchasers, mines and suppliers have to adapt. **The market can often move much faster than other actors can**, so it is a key tool. However, a barrier is to connect all the different levels of the supply chain.



For **Sara Blackwell**, Advisor to the United Nations Working Group on Business and Human Rights **the financial system is a key lever to evoke change in the sourcing system**. There needs to be a lot of capacity building to use this more effectively. **Mandatory standards have to be pushed** as much as voluntary standards to strengthen responsible measures.

Sara's optimism about change also stems from the next generation. Millennials do not only prefer to invest in responsible products, but they also want to work for employers that adhere to certain standards. This will incentivise companies to change.

One aspect that is barely talked about is remedy. **What happens when harm does occur, which it inevitably will**. We need to work out where the liability lies.



Tyler Gillard from the OECD identified money as one of the key lever for the transformation. The question is whether responsible sourcing is valued by the market. Also, we need to **develop an equitable model of how the costs of responsible sourcing can be split along the value chain.** **Access to finance** can be especially difficult for SMEs in the middle of supply chains in developing countries. However, they need capital to invest into sustainable practices.

Another key issue is that of **linking different actors along the supply chain**, across materials and different policy communities. Responsibility for RS is located everywhere, but if responsibility is diffused, it becomes no one's responsibility.



Masuma Farooki from MineHutte pointed out that while a lot was happening in every area that was addressed at the conference; the silos are not really interconnecting yet. Secondly, while we should not reinvent the wheel, we might have to change the wheel. **We need to come out of the silos and talk more at a meta-level to make sure that the all the knowledge that already exists can be connected.**

As the economy is changing, under the objective of the Green Deal but also in the aftermath of the Covid-19 crisis, we have to change the overall system of how we do responsible sourcing.



re-sourcing

Coordinated by:

Vienna University of Economics and
Business, Institute for Managing
Sustainability Welthandelsplatz 1A

1020 Vienna

phone: +43-1-31336-5452

