



re-sourcing

# RE-SOURCING CLOSING CONFERENCE

Conference Report

Luis Nacken, WU Vienna

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# 1 Introduction

After four years of research on responsible sourcing in a multi-stakeholder platform, the RE-SOURCING project held its final conference on 21-22 September at the Vienna University of Economics and Business to present its key findings and use them to set a future work agenda on responsible sourcing in mineral value chains.

The conference adopted a systemic perspective: In interactive sessions, participants worked together to develop a shared understanding of the root causes and hotspots that inhibit needed systemic change, as well as a way forward. On day one, participants learned more about responsible sourcing through two interactive panel discussions, four parallel workshops focusing on the mobility, electronics and renewable energy sectors, as well as global advocacy and the launch of the OECD Handbook on Environmental Due Diligence in Mineral Supply Chains.

On the second day of the conference, participants could choose between two of four workshops on responsible sourcing with contributions from EIT Raw Materials, WWF, WU Vienna in cooperation with the Austrian Federal Ministry of Labour and Economy and the EU-funded Horizon project MaDiTraCe.

# 2 Welcoming



**Professor Rupert Sausgruber**, incoming Rector of WU Vienna and Head of the Department of Economics welcomed the participants to the final conference of the RE-SOURCING project and thanked the consortium and the other facilitators for hosting the event. He introduced the topic of responsible sourcing and highlighted its increasing importance for a successful green and digital transition.



**Professor André Martinuzzi**, head of the Institute for Managing Sustainability at the WU Vienna then described the current landscape of global supply chains, which have proven fragile and intertwined at least since the Covid 19 pandemic and the war in Ukraine. He highlighted the challenges for today's supply chain managers who have to operate in an unequal environment where low-cost production and neglect of environmental and social standards are often preferred to engagement in supply chains to make them more sustainable and sourcing more responsible.



Against this background, he presented an overview of the work done by RE-SOURCING project over the past 4 years: more than 50 reports and documents, 60 webinars, interviews and videos, . three roadmaps and 11 good practice cases for responsible sourcing in the focus areas of mobility, renewable energy and electronics and electrical equipment.



### Roadmaps 2050

- Targets and milestones to achieve responsible sourcing until 2050
- One for each sector
- Recommendations for policy, industry and civil societ/academia

### Good Practice Guidelines

- In total 11 good practice case studies how to implement responsible sourcing
- Divided into policy, industry and civil society
- Cross-sectoral synthesis extracting major aspects of all good practice guidelines

### Common vision of Responsible Sourcing

- Condensing our work on Roadmaps and Good Practice
- Adding non-EU perspectives from three Global Advocacy Forums in Chile, South Africa and China
- Attempting to combine the global and local perspectives

**50 reports, policy briefs & documents**  
**60 videos, webinars, interviews**

[www.RE-SOURCING.eu](http://www.RE-SOURCING.eu)

## 3 Input Presentation by the European Commission

The formal welcome was concluded by Maria Nyberg of the European Commission, who set the scene for the panel discussions and workshops that followed by outlining the EU's past and future policy ambitions on due diligence, responsible sourcing and ESG.



**Maria Nyberg** of the European Commission's DG Grow, from the Department for Energy Intensive Industries, Raw Materials and Hydrogen, which is also responsible for coming forward with the Critical Raw Materials Act (CRMA) in March 2023, introduced the history of the European Commission's policy work to improve mineral supply chains, as well as a future outlook on the adaptation of policies such as the CRMA and the CSDDD.

### EU raw materials policy

- Raw materials initiative 2008
- First CRM list 2011
- EIP Raw Materials 2012
- Strategic Implementation Plan 2013
- CRM Action Plan 2020
- European Raw Materials Alliance (ERMA) 2020

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Since the raw materials dialogue in 2008, the EU policy work has been focused on three key points:

- Increasing sustainable mining,
- advancing responsible sourcing from resource rich third countries,
- and boosting circularity for all materials including base metals.

## Sustainability framework raw materials

- Strengthen circularity, responsible sourcing from third countries, increase sustainable mining
- EU sustainability acquis- environment, social, economic/governance
- [Sector-specific guidance extraction in Natura 2000](#)
- [EU principles for sustainable raw materials](#)
- EIA, Water Framework Directive, EWD, Conflict Minerals Regulation, Batteries Regulation, CSDDD, CSRD. Sust criteria for mining Taxonomy.

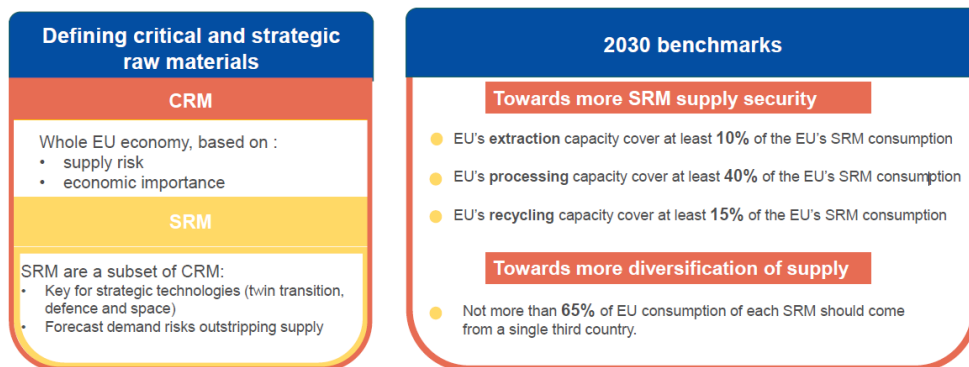
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After presenting the Legislation already in place or soon to be taken up, she gave an outlook on the concrete future ambitions of the EU in relation to the responsible sourcing of minerals.

She presented concrete benchmarks that the EU wants to achieve by 2030 with legislation such as the CSDDD and the CRMA, which include increasing the EU's recycling, processing and extraction capacity and diversifying the countries from which the EU sources its raw materials.

### CRM, SRM, Benchmarks



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In the context of the ever-increasing demand for primary raw materials, she emphasized the need to complement international raw materials supply and increase sourcing within the EU. This is supported by the know-how, the technology and the ethical, environmental and social standards in the EU that are backed up by robust legislation such as the Environmental Impact Assessment Directive, the Extractive Waste Directive and the Water Framework Directive.

To achieve the diversification benchmark, a fair, comprehensive and sustainable international strategy should be pursued, and bilateral, international strategic commodity partnerships should be further

negotiated with reliable partners around the world, as well as sustainable trade and investment agreements and new diplomatic initiatives.

She concludes her presentation by stressing that it is not about resource grabbing, but about building a mutually respectful partnership.

## 4 Panel 1: Understanding Systemic Challenges and Change



**Masuma Farooki,**  
RE-SOURCING



**Bryony Clear Hill,**  
ICMM



**Anna Leitner,**  
Global 2000



**Mary Nyberg,**  
DG Grow

The first panel of the conference was dedicated to uncovering the systemic issues of responsible sourcing which cannot be overcome by one actor alone. Identifying the relevant single actors, coalitions and how they actually and potentially influence responsible sourcing through their actions. For this panel Masuma Farooki from the RE-SOURCING team was joined by Maria Nyberg from the European Commission, Bryony Clear Hill representing ICMM, and Anna Leitner from Global 2000 to discuss the topics:

- What needs does Responsible Sourcing address and why has success been limited?
- What are the systemic factors inhibiting progress (e.g. institutional, societal, geopolitical, etc.)?
- How to reconcile harmonisation and a global agenda on the one hand, but diversity and local prioritization on the other?

### 4.1 Key Takeaways

- Too many standards for responsible sourcing and ESG standards are inefficient, while a single standard cannot be the solution as there needs to be competition. Benchmarking across standards would be a viable solution.
- Primary raw materials must be extensively sourced to power a future green energy system and cannot be replaced by alternative business models, at least not in the renewable energy sector.
- A growth based economic system favouring short term profit over long term stability needs strong governance and regulation to adopt responsible sourcing at a large scale.
- In order to use policy appropriately, there needs to be a greater awareness of what behaviour needs to change and whether change is actually taking place. Only then can social audits succeed in answering the question of whether responsible sourcing is actually taking place.



## 4.2 Speaker Statements

**Masuma Farooki** is a member of the RE-SOURCING project, representing MineHutte, whose work includes the analysis of global value chains and the policies of industrial trading companies in Europe and Africa opened the session.

Although there are many systemic factors that inhibit change towards responsible sourcing at scale, she sees drastic improvements in the area of responsible sourcing over the last 20 years. That there are still systemic barriers to responsible sourcing can be seen in a number of symptoms found during the research for the RE-SOURCING project, such as blood diamonds and red cobalt. These symptoms can be grouped into three main themes:

- Governance: how do you set the rules for value chains?
- Fair value: how to give workers a fair value and how to determine compensation for the loss of natural resources?
- Human rights: how to defend human rights along global mineral supply chains?

In order to use policy appropriately, there needs to be greater awareness of what behaviour needs to change and whether change is actually taking place. Only then can social audits be used. She illustrates this with the case of [electronics watch](#) from the good practice guidelines document, a nonprofit organisation which empowers workers by putting them at the centre of a worker-driven monitoring programme. She then refers to the [sectoral roadmaps](#) that support this process by making specific recommendations to key stakeholders, industry, civil society and policy.

When asked how to get companies to adopt responsible sourcing and ESG standards at scale, she stresses the importance of leadership within a company, even before policies. To drive implementation, it is also important to prioritise stakeholder needs and understand stakeholder priorities and objectives, which are always different depending on where one is sourcing. She uses the best practices from the [good practice guidelines documents](#) to show examples of different strategies to achieve responsible sourcing by forward thinking leadership in companies across sectors. She presents the [case of BMW](#), where the German car manufacturer wanted to improve its ESG standards and partnered with IRMA to align with a strong and comprehensive responsible sourcing standard. She also refers to the [case of Fairphone](#), a smartphone company which has demonstrated a commercially viable case for reducing resource consumption by extending the life of a smartphone, and the [case of KYBURZ](#), a company that is giving its batteries a second life through a circular economy approach. She added that sometimes greenwashing occurs not because a company is trying to manoeuvre around standards, but because companies do not know how to implement ESG standards properly, stressing the importance of collaboration.

She concluded by stressing the importance of recognising that there is a trade-off between actively supporting all aspects of ESG issues, and that there is no trade-off between pursuing either environmental, social or governance issues in isolation. In order to drive the adoption of responsible sourcing practices on a global scale, there also needs to be a level playing field in terms of access to power on the one hand and access to decision-making on the other.

**Anna Leitner** represents Global 2000, an Austrian environmental organisation that is part of Friends of the Earth and is a campaigner on sustainable supply chains and resources and former ESG analyst. She reports from an NGO perspective.

Asked where civil society organisations see the main challenges in implementing responsible sourcing, she says that there is still a lot of resistance from industry to policies such as the CSDDD that would make a difference to people on the ground in mining countries.

She broadens the scope to acknowledge that the current growth-based economic system favours short-term profits over long-term stability, and requires strong regulation to reduce consumption while keeping the growth economy in check.

The solution, she argues, is a greater push for civil liability, strong governance at national and international levels, and access to justice for those affected, with sanctions for non-compliance.

She concludes that responsible sourcing cannot succeed at scale if newness and growth is prioritised over reuse and recycling.

**Maria Nyberg**, representing the European Commission, was asked after her [presentation on the EU's achievements and future policy plans](#) what plans the EU Commission has to reduce the sourcing of primary raw materials. She replied that through foresight analysis and refined research, many factors can be found where raw material consumption can be reduced. One such example, she said, was the alternative business model of car sharing, which can contribute to decarbonisation.

However, to achieve a completely green energy sector, the transition to renewable energy must be fully executed. It's important to recognize that this transition is the primary driver of raw material consumption, and cannot be counterbalanced by alternative business models.

She also emphasised that the EU will be setting requirements not only to improve ESG standards, but also to make companies' supply chains more robust. She concluded her remarks by saying that the EU needs strong buy-in from OEMs to participate in off-take agreements for strategic raw materials in the CRMA projects.

**Bryony Clear Hill**, ICMM representative, is working on standards for responsible mining and purposeful leadership through collaboration to improve the mining and metals industry's contribution to sustainable development, and is also working on circular economy and ESG reporting.

Asked how, from an industry perspective, she approaches the issue of harmonising standards while embracing diversity, she first introduced the field of work of her team at ICMM, which focuses on sustainable development and finding the spaces where collaboration between companies can move the mining and metals industry forward. They currently cover 1/3 of the global mining industry with a membership of 25 companies following 39 specific mining principles on ESG that are third party audited.

In this environment, she has seen first-hand that many companies often have to fill out forms covering the same standards from different auditing companies, making the auditing process itself inefficient and taking time away from companies to work on real improvements.

She also says that consumers often do not know the difference between the different ESG compliance standards. The ICMM is aware of this problem and is currently working to establish comparability benchmarks between different standards, so that ICMM members can accredit standards audited by other ESG standards to the ICMM standard. The ICMM is also in discussions with other stakeholders to consolidate standards. While having too many standards detracts from the productivity of real

change, she says a single standard is not the answer, as there needs to be some competition between standards.

In general, she feels there is a shift towards not just looking at one's own value chain, but working with different parts of the value chain in different ways, recognising what is needed from both ends of the value chain and moving away from looking at one's own part in isolation.

## 5 Parallel Workshop Sessions

During the workshop sessions, participants had the opportunity to work out solutions for the problems uncovered in the first part. Small parallel working groups aimed at further identifying, concretizing, and visualizing actual systemic inhibiting factors in the focus areas mobility, renewable energy, electronics and electrical equipment and global advocacy. The results of each individual group were shared to form the basis for the final panel of the conference day 1 (see below): possible solutions to approach issues that undermined or facilitated systemic change. Participants addressed the question of how to go from the current status to efficiently and effectively advance responsible sourcing together, including the major actors and their respective responsibilities. The results of all workshop sessions were summarized and discussed in the second [panel discussion](#) of the day.

## 6 Launch of the OECD Handbook on Environmental Due Diligence

In light of the critical role of minerals in the green and digital transition, the OECD Centre for Responsible Business Conduct developed a Handbook on Environmental Due Diligence in Mineral Supply Chains to meet the growing demand for practical support in implementing due diligence recommendations to address adverse environmental impacts in this sector. This session presented the final version of the Handbook and provided an opportunity for stakeholders to discuss how due diligence can help companies take effective measures to cease, prevent, mitigate and, in some cases, remediate environmental impacts in global mineral supply chains.

### 6.1 Video Welcome & Input Presentation



diligence.

**Dr Bettina Hoffmann**, Parliamentary State Secretary at the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV), opened the session with a video welcome. She explained how the OECD Handbook on Environmental Due Diligence in Mineral Supply Chains was developed over the last two years in collaboration with the German Federal Environment Agency (UBA), the German Federal Institute for Geosciences and Natural Resources (BGR) and the OECD Centre for Responsible Business Conduct, in response to a call for more guidance on environmental due



**Louis Maréchal**, Policy Advisor for Responsible Business Conduct at the OECD, then presented the handbook, outlining the overarching principles and key considerations.



## Key considerations and principles

- Due Diligence for environmental impacts should be risk based
- Scope: covers all minerals and metals, all geographies
- For use by all companies in mineral supply chains, from miner to refiner to manufacturer
- Looking only at risks of impacts in the upstream and mid-stream segment of the supply chain
- Specific emphasis on artisanal and small scale miners
  - The objective here is to encourage sustained responsible engagement with ASM, rather than de-risking through disengagement.

The handbook is based on the existing framework of OECD recommendations (OECD Guidelines for Multinational Enterprises, Due Diligence Guidance for Responsible Business Conduct (RBC), Due Diligence Guidance for Responsible Supply Chains of Minerals from conflict affected and high-risk Areas (CAHRAs) and acts as a support tool to help companies implement the existing guidelines with an additional focus on environmental aspects.

Although the Environmental Due Diligence Handbook focuses on raw materials it does not follow the 5-step framework of the sector-specific DD Guidelines for Minerals in CAHRAs but the OECD's 6-step RBC due diligence framework and how to apply it to environmental risks and impacts in global minerals and metals supply chains.

The handbook focuses on mitigating risk, rather than divesting from supply chains where there may be negative impacts, to ensure the right kind of investment is made in producing countries. Louis emphasises that the aim is to support responsible investment that adds value upstream in the supply chain.

The handbook addresses a wide range of environmental impacts and risks that can occur in mineral supply chains, from climate change, loss of biodiversity, damage to protected areas, degradation of land, marine and freshwater ecosystems, deforestation, mismanagement of waste, noise and vibration, air, water and soil pollution, water depletion and damage to aesthetics.



## Structure of the Handbook

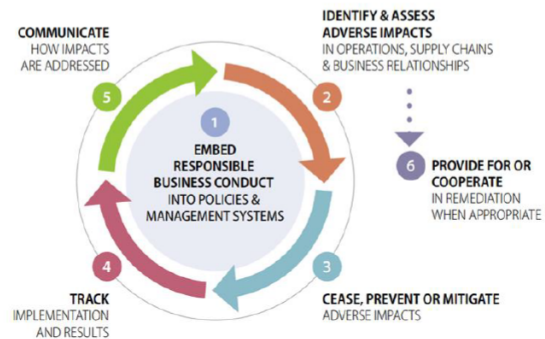
**Chapter 1:** Introduction

**Chapter 2:** Understanding environmental risks and impacts

**Chapter 3:** Step-by-step advice based on the 6-step framework of OECD RBC

**Chapter 4:** Other considerations when doing due diligence

**Annexes:** Glossary, helpful resources, relevant legislation, factors influencing impact severity, granting rights to nature, ASM ecological impacts



## 6.2 Panel Discussion on the OECD Handbook



**Jan Knacksterdt,**  
Mercedes



**Djaheezah Subratty,**  
UNEP



**Mark van der Wal,**  
IUCN-NL



**Lisa Zschunke,**  
Umicore

After Maria Nyberg welcomed the OECD Handbook on behalf of the European Commission and stated that it will be important for future EU policy decisions, the Handbook and due diligence issues in the minerals and metals sector were discussed in a panel with Louis Maréchal from the OECD, Mark van der Wal of IUCN-NL, Djaheezah Subratty of UNEP, Lisa Zschunke of Umicore and Jan Knacksterdt of Mercedes.

**Jan Knacksterdt** represents Mercedes and is project coordinator for sustainable supply chains, human rights and raw materials. For Mercedes, the handbook is a welcome guide as Mercedes is already aligned with the OECD guidelines and can now build on this and prepare for stakeholder expectations in environmental matters and upcoming environmental legislation such as the CSDDD, the Battery Regulation and the Deforestation Act.

When asked about the role of different actors along the supply chain, the Sustainable Supply Chain Project Coordinator talked about the increasing importance of getting involved in the upstream part of the supply chain. They are working with partners along their supply chain to make it more transparent. They have carried out 56 audits in their battery supply chain and have developed a corrective action plan with those where risks have been identified, using training and support to

mitigate the risks rather than withdrawing directly from the supply chain. These training and support mechanisms are already aligned with the OECD's five-step framework, which they will update in line with the new Handbook.

At Mercedes, they also comply with the German Due Diligence Act, where they use a grievance mechanism where any stakeholder along the supply chain can anonymously report risks and they act on it.

**Djaheezah Subratty** represents the United Nations Environment Programme (UNEP) as Senior Programme Management Officer and Global Coordinator for Economic and Financial transformation with a focus on climate change and sustainable energy.

Asked why environmental due diligence is of particular interest and how the handbook relates to the work of UNEP, she says that the handbook can help the whole spectrum of companies, from small to large, to apply the OECD environmental due diligence guidelines. She emphasises this in the context of the interconnectedness of markets, saying that value chains are networks rather than sequential chains. From her work at UNEP, she has learned that companies and governments want to strengthen the relationship between government and public policy on the one hand, and industry with its investments and operations on the other.

She concludes her remarks by saying that companies operate within a larger framework, that of governments, and adhere to public policies and regulatory frameworks. Therefore, companies do not operate in a vacuum, but have a shared responsibility to promote sustainable supply chains, and there is a need to work together for sustainable development and responsible sourcing along the minerals value chain.

**Mark van der Wal** is an Ecologist with the International Union for Conservation of Nature in the Netherlands (IUCN-NL).

He says the handbook will help companies struggling with environmental due diligence in two ways. The first is that prior to the publication of the guide, there was little guidance on environmental issues. The second is that because the handbook covers the entire supply chain, companies will be inclined to look beyond Tier 1 or Tier 2 suppliers, which they would normally shy away from. He also sees the guide as a tool to help stimulate a debate about going beyond due diligence compliance and aiming for a net social benefit from a company's intervention. He says it will also help civil society and academic institutions respond to questions or concerns that the public or other stakeholders may have about mining investors in certain areas.

On the issue of the link between environmental and social risks in supply chains, the Ecologist affirmed that these issues are indeed intertwined and that non-compliance is often linked to governance. He emphasised that addressing human rights issues also solves environmental problems, as both are closely linked to the quality of governance - good or bad.

**Lisa Zschunke** represents Umicore, a company that sources raw materials and then refines them to make batteries to sell to car manufacturers. Speaking from the middle of the supply chain, she echoes the other speakers in saying that the handbook would be helpful to her own ambitions at Umicore.

She points out that while the promise of covering blind spots is good, the reality of environmental due diligence is extremely complex. Today there is still much pressure on companies to conduct due

diligence and there are lengthy burdens in administration. She stresses that two things are crucial in order to move forward:

- firstly, more data needs to be collected on the ground about environmental impacts, and
- secondly, there needs to be a cultural shift towards awareness and responsibility rather than scrutiny.

The pressure on companies and the fear of being scrutinised is also what she identifies as a threshold for companies to disclose their data. She says transparency should be encouraged, because otherwise there is no data to work with and therefore no room to improve the conditions on the ground.

When asked about the involvement of other actors in the supply chain, Lisa Zschunke delved deeper. Drawing on her experience at Umicore, where they are close to the source of materials, she stressed the importance of striking a balance between constructive pressure and support. In her view, it's essential to foster a relationship of mutual trust with suppliers that avoids blame and shame. In conclusion, she emphasised that simply ticking boxes won't lead to lasting environmental change.

**Louis Maréchal** added to the conversation that engagement with a supplier is not everything. If a supplier does not change for the better, a company has an obligation to change its supplier, otherwise there will be no lasting change. To be credible, he says, you have to consider disengagement.

## 7 Panel 2. Catalysing Systemic Change



**Masuma Farooki,**  
RE-SOURCING



**Bryony Clear Hill,**  
ICMM



**Luciana Rendace,**  
CSR Europe



**Louis Maréchal,**  
OECD

Panel 2 concluded the main program of the conference and built on the results of the parallel workshop sessions. This session was facilitated by a panel featuring Masuma Farooki from the RE-SOURCING team, Louis Maréchal representing the OECD, Bryony Clear Hill from ICMM, and Luciana Rendace of the Drive Sustainability initiative. Together, they discussed 4 common questions that arised across all parallel workshop sessions (global advocacy, renewable energy, mobility, electronics and electronical equipment):

- During the parallel workshop sessions, participants were given the opportunity to affix stickers to areas within Responsible Sourcing where they 1. recognised room for improvement and 2. believed they could contribute to a solution. The sessions revealed a discrepancy - when participants identified areas for improvement, they rarely felt able to actively contribute to a solution. How can this discrepancy be explained and what does it mean for responsible sourcing efforts?

- Which node in the supply chain has the greatest leverage to effect change?
- How much does responsible sourcing cost and who has to pay for it?
- Are we overly fixated on definitions to the point of hindering our ability to practice, and should we prioritise practical experience before creating a framework?

## 7.1 Topic 1: Discrepancy Between Need for Improvement and Capacity to Foster Change

- In the parallel workshop sessions, participants were able to put stickers on the issues where they (1) saw a need for action, and (2) could contribute to a solution. The sessions showed that where there is a need for action, it is rare for participants to be able to contribute. How can this discrepancy be explained and what does it mean for responsible sourcing efforts?

**Masuma Farooki**, representing the RE-SOURCING team, kicked off the session by introducing the panel to the first issue identified by the facilitators of the parallel workshops, namely the discrepancy between the areas where participants saw a need for improvement and the areas where participants could contribute.

**Luciana Rendace** works at CSR Europe on the Drive Sustainability Initiative, a partnership of 16 automotive companies working on supply chain sustainability.

Luciana said that in her workshop group a lot of expectations were placed on policymakers to drive change, and therefore pointed out that not all stakeholders are aware of the role they can play in enforcing regulations. In the context of industry, for example, she pointed out that once a policy is in place, industry has an important role to play that goes beyond mere compliance. This extends to engagement and dialogue throughout supply chains, and includes promoting transparency, particularly in relation to civil society and oversight.

**Louis Maréchal** of the OECD agrees, saying that sometimes the challenges faced by stakeholders are so overwhelming that they do not know how to contribute.

**Bryony Clear Hill from ICMM** shared her insights from the workshop, highlighting a recurring theme where many responsibilities were assigned to both policy makers and upstream industry. Drawing on her experience at ICMM, particularly her work on circular economy approaches, Bryony emphasised the need for collaborative efforts to drive meaningful change. She gave an example of the interdependence of policy and industry in the context of metals recycling. For recycling to be successful, a supportive policy environment is essential to enable the transport of scrap metals and the implementation of proper labelling for smelters. In this way, industry can only thrive if it aligns itself with established policies, and conversely, policies can only have a significant impact if they are embraced by industry with innovative business models.

## 7.2 Topic 2: Leverage Points in the Supply Chain

- Which node in the supply chain has the greatest leverage to effect change?



**Masuma** questioned the panel about the most effective point in the supply chain to promote sustainability, and whether we should automatically consider mining companies as the most influential players or if other actors could wield even more influence.

**Luciana** emphasises the important role of downstream actors in disseminating requirements, engaging with different nodes in the supply chain and providing capacity building support. She stresses the importance of collaborative efforts between different industries, particularly in the area of Responsible Sourcing, to effectively leverage their influence. Luciana advocates forging alliances with downstream segments of the supply chain, across industry boundaries, so that actors involved in battery manufacturing, renewable energy and other downstream sectors can have a greater impact. This collaboration is crucial not only to comply with new regulations, but also to have a tangible impact in the producing countries.

**Byrony Clear Hill** adds that while the mining industry has a lot of power to influence change, the mining industry itself is diverse and not just made up of large mining companies. Much of the conversation revolves around artisanal and small-scale mining (ASM), which ranges from hazardous operations to fully safe ones, with a wide range of practices in between ASM and large-scale mining. It's worth noting that not every company has the capacity to drive meaningful change in this context.

**Louis Maréchal** concludes that in the development of the OECD handbook, it was always clear that promoting responsible sourcing was a joint effort along the supply chain. He also notes that the conversation is starting to move away from the responsibility of governments to build governance in producing countries, which he sees as a bad sign.

**Masuma** added that looking at the investor community is an area that needs to be explored further because they have a lot of power by bringing money to the table.

When asked if there is a seller's market and upstream companies can ignore compliance because there is a lot of demand, **Luciana** replies that discussion with upstream actors is also important to improve responsible sourcing. She emphasised the importance of not relying on regulatory arguments alone. She stressed that the approach should include not only a sustainability agenda but also an investment agenda, particularly from the downstream sector and the EU institutions. Expressing the need for investment, Luciana noted that it's not enough to expect companies operating in different countries to comply. Instead, a supportive, collaborative approach is essential to help them meet these expectations.

**Louis Maréchal** added that this issue is a broader question of achieving a level playing field. One step towards a level playing field would be to define common minimum requirements for responsible production and trade of mineral resources. Another would be cooperation between government and industry regulation, citing the example of the LME responsible sourcing initiative that is applying the OECD member states jurisdiction on its customer companies, kicking them out for non-compliance. Another strategy would involve gaining widespread social approval for mining by setting certain minimum standards. To ensure community acceptance of mining, it's crucial to demonstrate a commitment to mitigating its impact. If there's resistance at the mining level, it could hinder our ability to achieve the transition.

When asked if consumers have the most power, **Bryony** replied that this is true in certain industries, namely automotive and technology, where consumers put pressure on companies. In other industries, such as construction, there is not as much pressure yet.

**Luciana** adds that this is also true for specific products or materials, such as the increased focus on responsibly sourcing cobalt in the DRC.

**Masuma** shared insight from the RE-SOURCING project and the case of Fairphone, where the learnings are that while consumers often care about the sourcing of their products, they oftentimes don't care.

## 7.3 Topic 3: The Cost of Responsible Sourcing

- How much does responsible sourcing cost and who pays for it?

**Louis Maréchal** answers this question by saying that today no one asks who is going to pay for the miners' safety equipment because social standards have long been established.

**Luciana** says that Responsible Sourcing can be made cheaper, when industry's collaborate and do collective risk assessments and sustainability trainings.

## 7.4 Topic 4: Fostering Change

- Are we overly fixated on definitions to the point of hindering our ability to practice, and should we prioritise practical experience before creating a framework?

**Louis** answers the question by saying that while action is obviously needed, the question always comes back to giving a definition. We should not see building a framework as hindering our practice.

**Bryony** agrees and adds that practical and theoretical work needs to be an iterative process in order to work, which Luciana supports.

# 8 Closing remarks



As this was the final conference of the RE-SOURCING project, marking the end of this Communication and Support Action under the EU Horizon programme, the project coordinator, **Alexander Graf**, gave some closing remarks. He summarized the achievements of the project, shared some final thoughts and gave some insights into the future of responsible sourcing. He also thanked the 12 consortium partners for their dedicated work over the past four years.

In his closing remarks, Alexander Graf acknowledged the growing legislative support and awareness of responsible sourcing practices, as well as the positive reception and impact of the RE-SOURCING project. However, he stressed that further progress is needed to make responsible sourcing a widespread 'must have' practice and to achieve a level playing field globally. In order to achieve these goals, he highlighted two key points that have emerged as important lessons from the project:

- Responsibility for responsible sourcing and supply chain due diligence cannot be shifted away; each actor in the supply chain needs to develop a clear understanding of one's own role, impact and leverage to effect change within the supply chain.

- The improvement of supply chains cannot rely solely on a compliance-oriented approach; active engagement and collaborative efforts are essential to drive substantive change.

## 9 Day 2. Workshops

The second day of the conference was dedicated to workshops by external partners (MaDiTraCe) and consortium members (EIT Raw Materials, WU Vienna, WWF) from which participants could choose two.

### 9.1 Ensuring responsible sourcing through the application of the UN Framework Classification for Resources (UNFC) as a holistic classification scheme – EIT Raw Materials, UNECE

This seminar presented the UNFC project classification, in particular its relevance for assessing the environmental, social and governance (ESG) aspects of extractive projects. It combined theory and real case experience, including the application of the European Raw Materials Alliance (ERMA) investment case. Patrick Nadoll (EIT Raw Materials), Massimo Gasparon (ERMA), Ghadi Sabra (Politecnico di Torino) and Slavko Solar (UNECE) led participants through the following topics:

- Introduction to the UNFC framework and comparison with the CRIRSCO template.
- ESG in the UNFC framework.
- ERMA investment case classification using UNFC.
- Case studies were used and discussed in groups.

#### Take aways

- The knowledge on the viability of recycling and mining projects is of relevance for diversification of raw material supply.
- UNFC is applicable to recycling projects.
- The UNFC has been successfully applied to recycling projects. However, there is a short history on the classification of recycling projects (compared to mining projects). New UNFC case studies are under development.

### 9.2 How to conduct water and biodiversity risk assessments using the WWF Risk Filter Suite – WWF

Understanding your nature-related risks is the first step to taking meaningful action to reduce those risks and contribute to a more sustainable future. WWF's Risk Filter tools - the Water Risk Filter and the Biodiversity Risk Filter - enable companies and investors to assess and respond to nature-related

risks in order to build resilience. In the training session with Isabel Meza (WWF), participants learned how to conduct water and biodiversity risk assessments for their global value chains using the WWF Risk Filter Suite online platform.

### Take aways

- The WWF Risk Filter Suite is an easy-to-use, nature-based business risk tool that helps companies and financial institutions identify financially material issues.
- The tool helps companies to better prioritize where and on what to focus their corporate actions and to inform business strategy and investment decisions.
- The tool aligns with and/or builds upon several existing tools, such as the SBTN 5-step approach.

## 9.3 An approach to CRMS traceability and certification into a digital product passport – MaDiTraCe

Global commodity flows and the regulatory framework for critical raw materials (CRMs) are high on the European economic and political agenda. Companies will also face increased pressure to mine, process and source materials responsibly as initiatives such as the EU Battery Regulation and the EU Corporate Sustainability Due Diligence Directive come into force. This will require standardised certification schemes, transparent and secure traceability and decentralised confidential data handling. In this workshop, Horizon Europe's MaDiTraCe project aimed to provide tools and solutions in this specific area.

### Take aways

- Maditrace project is a Horizon Europe project (2023-2025) and aims to integrate responsible sourcing certification of critical raw materials into Digital Product Passport including material traceability options (digital/blockchain, geo-based and artificial tag).
- Responsible sourcing certifications such as CERA 4in1 will be developed and tested during the project.
- The first works in geochemical traceability of raw materials such as Lithium and Graphite were presented. They present first promising results, the provenance of minerals/salts can be mapped and assessed but some challenges appear for a global implementation such as laboratory analysis costs, industrial implementation and data structuration.

## 9.4 Success Stories of Supply Chain Responsibility – WU Vienna

The workshop, hosted by the Institute for Managing Sustainability of the Vienna University of Economics and Business, presented key results study on [Success Stories in Supply Chain Responsibility](#). The study provided an overview of twelve success stories in which companies have successfully implemented innovative measures in their supply chains, viewing supply chain responsibility as a strategic opportunity. This approach enabled them to develop innovative solutions and gain a competitive advantage. During the workshop, the success stories of these twelve companies and the business case for responsible supply chains were presented and discussed with representatives of the Austrian Federal Ministry of Labour and Economy and the companies featured in the study.

## 4. Success Factors



### Upstream


- Improved Communication, Information, and Trust
- Improved Bargaining Power
- Collaborative Improvements, Development, and Innovation

### Company

- Optimized Production and Corporate Processes
- Capability to Act and Autonomy
- Positive External Perception of the Company and the Industry

### Downstream


- Greater Resilience and Improved Risk Assessment
- Improved Supply Capability
- Better Products and Quality

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## 4. Successful companies ...



1. Prioritize **critical areas**, such as products, raw materials and strategic suppliers
2. Think in **partnerships** rather than transactions
3. Think in networks and systems by searching for **strategic partners**
4. Assess the **full risk** including supply disruptions, image risks, social conditions at supplier side,
5. Think beyond their industry or region and see themselves as part of a **larger system**
6. Engage with **current topics at supplier side**, this can lead to innovation and optimization
7. Take **new perspectives** on existing processes and partnerships
8. Join **sector initiatives** and learn from experiences of others
9. Consider not only suppliers but also **customers and competitors** into their supply chain responsibility
10. Act **proactively** and think **long-term**

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### Take aways

The study has shown that:

- working closely with strategic suppliers, understanding their competitive situation and technologies and collaborating with them reduces complexity, secures the supply of raw materials and intermediate products, simplifies communication and increases the speed of response.
- their in-depth understanding of not only their direct business partners but also their entire supply network enables them to manage its development and make it more resilient.
- working closely with these supply networks makes the companies surveyed more reliable, faster and more customer-focused, and thus more attractive to customers and industrial buyers.



re-sourcing

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