

# THE ROAD TO RUIN?

## Electric vehicles and workers' rights abuses at DR Congo's industrial cobalt mines

### **ANNEX 2: SUMMARY OF RESPONSES FROM SELECTED REFINERS AND MANUFACTURERS**

The table below sets out key elements highlighted by the companies in written correspondence to RAID and CAJJ. Statements are taken from the company's response to RAID/CAJJ, unless otherwise indicated. Additional information may be available in other publicly available documents or on these companies' websites. The full response of the companies can be found on RAID's website.

RAID and CAJJ were not in a position to verify the claims made by companies.

Company	Supply chain mapping	Supply chain due diligence			Labour rights risks mitigation	Key statement(s)
		Key Policies and programs	Industry standards	Reported Practice		
<b>Apple</b>	<p>“In 2014, Apple was the first company to start mapping our cobalt supply chain to the mine level”</p> <p>Apple Identified 24 cobalt smelters in their supply chain – <a href="#">Smelter and Refiner List</a></p>	<ul style="list-style-type: none"> <li>- Responsible sourcing program</li> <li>- <a href="#">Apple Supplier Code of Conduct</a></li> <li>- <a href="#">Apple Supplier Responsibility Standards</a></li> <li>- <a href="#">Human Rights Policy</a></li> </ul>	<p>Apple serves on the <a href="#">Responsible Mining Initiative</a> (RMI) steering committee</p>	<ul style="list-style-type: none"> <li>- Code of Conduct assessments</li> <li>- Specialized assessments</li> <li>- Investigations</li> <li>- Capacity-building</li> <li>- Ongoing training (<a href="#">Apple Progress report 2021</a>)</li> </ul>	<p>Code and Standards include labour issues</p> <p>“We require [cobalt] smelters and refiners in our supply chain to comply with independent, third-party audits annually. If a smelter or refiner is unable or unwilling to comply with our auditing requirement or meet our standards, they will be removed from our supply chain. Since 2009, we have removed [...] 7 cobalt refiners from our supply chain”</p>	<p>“In 2017, we announced the goal to one day use only recycled and renewable materials in our products. As part of our strategy to achieve this ambitious goal, we are investing heavily in recycling innovation [...] Cobalt is one [...] prioritized materials. We are already using cobalt from recycled batteries, and in fiscal year 2020, we doubled the amount of recycled cobalt being used in our products”</p>
<b>BYD Company Limited</b>	<p>BYD conducted a conflict mineral survey on suppliers of tantalum, tin, tungsten and gold. The result was that 3TG "came from a conflict-free mineral</p>	<p>BYD says it upholds a world class corporate social responsibility standard for itself and its suppliers.</p> <p>BYD says it encompasses or addresses key</p>	<p>BYD refers to the OECD Due Diligence Guidance for Responsible Business Conduct</p> <p>It does not refer to an industry scheme per se</p>	<p>BYD enforces CSR standards with affiliates and suppliers by ensuring these are implemented prior to contracting</p> <p>BYD conducts regular follow-up audits to</p>	<ul style="list-style-type: none"> <li>- CSR encompasses ILO Standards on Forced Labour</li> <li>- Suppliers required to meet SA8000 (BYD CSR Report 2020)</li> </ul>	<p>“BYD’s core technology is a state-of-the-art rechargeable battery technology based on the lithium iron phosphate chemistry. This battery chemistry does not</p>

	smelter" ( <a href="#">BYD CSR Report 2020</a> )	standards and best practices in international human rights and labour accountability  BYD Suppliers are to abide by CSR Clauses in "Supplier Access Agreement" and "General Purchasing Rules" (BYD CSR Report 2020)		ensure continued compliance  A BYD Supplier Review Sheet is used to investigate new suppliers/review existing (BYD CSR Report 2020)		utilize any amount of cobalt whatsoever."
<b>GEM Co</b>	<p>"Transparency is a fundamental business philosophy of our company. You can obtain the supply chain information of our company through public information from us"</p> <p>GEM does not make reference to a list of suppliers</p>	<ul style="list-style-type: none"> <li>- <a href="#">GEM Due Diligence Policy for a Responsible Global Supply Chain</a></li> <li>- <a href="#">Supplier Code of Conduct</a></li> <li>- <a href="#">Suppliers Standards for Responsible Procurement</a></li> </ul>	According to GEM Co "we [GEM Co and its supplier] all have passed RMI'S RMAP audit."	<p>"Both we and our supplier have established a Due Diligence management system in accordance with the OECD Guidelines."</p> <p>"We are communicating these issues [raised by RAID and CAJJ] with our suppliers. We are urging the supplier to clarify these issues. If necessary, we will encourage suppliers to improve these issues gradually"</p>	<p>GEM Co has <a href="#">Occupational Health and Safety Standards</a> and a <a href="#">Labor Policy</a> that are applicable to its suppliers.</p> <p>"In view of the Due Diligence management of the global cobalt supply chain, the human rights issues of Artisanal and Small-scale Mining (ASM) are far worse than those of Large-scale Mining (LSM), and we suggest that NGOs should pay more attention to the Human Rights situation of ASM."</p>	<p>"We and our customers are committed to the development of low-cobalt and cobalt-free battery materials to minimize the usage of the amount of cobalt."</p> <p>"We are a traditional resource recycling enterprise. With the large-scale decommissioning of ternary lithium batteries from the market, our company will further increase the usage of recycled cobalt."</p>

<p><b>General Motors</b></p>	<p>“Mapping of the Cobalt supply chain is an ongoing effort. This year we expanded our Responsible Materials program from a 3TG focus to now include Cobalt”</p> <p>“GM has identified alleged cobalt refiners and provided this list to the Responsible Minerals Initiative (RMI) [...] We recognize the value of tracing material to the mine level. We have been pursuing a more active role at the mine level with on the ground initiatives and membership in additional organizations that promote improvements at the mining level.”</p> <p>“GM maps its cobalt supply chain to the refiner as it is the pinch point in the supply chain.”</p>	<ul style="list-style-type: none"> <li>- <a href="#">Code of Conduct</a></li> <li>- <a href="#">Supplier Code of Conduct</a></li> <li>- <a href="#">Conflict Minerals Policy</a></li> <li>- Winning with Integrity</li> <li>- <a href="#">Human Rights policy</a></li> </ul>	<ul style="list-style-type: none"> <li>- RMI</li> <li>- <a href="#">Automotive Industry Action Group</a></li> </ul>	<p>“As an active member of the RMI, the Responsible Materials Assurance Process (RMAP) and Cobalt Refiner Due Diligence Standard are utilized to assess our smelters and refiners”</p> <p>“Human rights due diligence is a component of our internal reporting for sourceability report identifying high risk suppliers. A high-risk rating for this component will result in evaluating the sourcing relationship.”</p> <p>“As an active member of RMI and AIAG, we are aware of potential human rights abuses in the DRC, and as a result, established due diligence procedures to mitigate these risks in our supply chain.”</p>	<p>“GM’s smelters, refiners and battery suppliers have not communicated serious labor rights violations in their supply chains”</p> <p>“GM and its subsidiaries have a zero-tolerance policy, reinforced by a contractual obligation and compliance certification, against the use of child labor, slave, prisoner or any other form of forced or involuntary labor or engage in abusive treatment of employees and corrupt business practices”</p> <p>“Our contracts lay out expectations for lawful compliance with data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety, and motor vehicle safety. By choosing to do business with GM, our suppliers accept our terms and conditions which include our Supplier Code of Conduct, and for</p>	<p>“GM is developing groundbreaking battery technologies to maximize efficiency and performance with the most sustainable footprint. The Ultium cell uses a nickel-cobalt-manganese-aluminium cathode material chemistry that requires 70 percent less cobalt than the cells used in the current Bolt EV.”</p>
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					our largest suppliers we also expect that they annually certify compliance with these provisions of our contract. We follow up with those suppliers who do not confirm compliance.”	
<b>Renault Group</b>	<p>“In 2019, [a] specialist audit firm conducted 17 independent audits in the whole Cobalt supply chain (down to artisanal mines in DRC) with Renault Group’s main battery supplier LG Chem – <a href="#">Cobalt refiners list</a></p> <p>“Following the audits in 2019 of LG Chem’s Cobalt supply chain, 22 mines were identified, including 86% (19/22) located in [Congo].”</p>	- <a href="#">Renault-Nissan Guidelines for Supplier CSR</a>	RMI	<p>The risk assessment process is organised in three levels:</p> <ul style="list-style-type: none"> <li>- Distribution of Supplier CSR Guidelines to battery makers</li> <li>- Use of <a href="#">Ecovadis</a> “to assess suppliers’ and subcontractors’ CSR policies and actions, and to incorporate the CSR performance of suppliers into purchasing decisions”</li> <li>- Specific level of risk assessment for EV batteries</li> </ul>	<p>“Labour rights and human rights concerns are included in Renault Group due diligence requirements for suppliers”</p> <p>“No critical cases of non-compliance on human and labour rights were identified by our third party auditors within our whole Cobalt supply chain”</p>	<p>“Renault Group signed in March 2021 a Joint-Venture with Veolia and Solvay, to launch R&amp;D on processes and develop short loops on Batteries' raw materials”</p>

<p><b>Samsung SDI</b></p>	<p>“We conduct an annual survey of all suppliers for supply chain mapping. In 2020, we have identified 24 smelters and refiners”</p>	<ul style="list-style-type: none"> <li>- Responsible mineral sourcing policy based on OECD Due Diligence Guidance</li> <li>- Reflected in <a href="#">Supplier Code of Conduct</a></li> </ul>	<ul style="list-style-type: none"> <li>- Require all smelters and refiners to complete RMI's third-party audit program or equivalent third-party screening</li> <li>- Supplier Code of Conduct based on the Responsible Business Alliance (RBA) <a href="#">Code of Conduct</a></li> <li>- S-Partner Certification, including an audit</li> </ul>	<ul style="list-style-type: none"> <li>- “Among the 24 [smelters and refiners identified], [22] are included in the RMI Conformant/Active Refiner list or have completed the equivalent third-party screening.”</li> <li>- 12 companies have been re-audited in the past 3 years</li> <li>- Regular annual training</li> <li>- "<a href="#">Cobalt For Development</a>" project to improve the working environment and community of Congo's mines</li> </ul>	<p>“No cases of serious labour and human rights violations have been found in the entire supply chain. Samsung SDI has a policy that strictly prohibits labour and human rights violations in the supply chain and conducts direct audits through S-Partner system to monitor and improve risk. Tier 1~2 suppliers are the main targets, but if is judged that there is a risk in terms of labour and human rights, we monitor and screen up to mining level if necessary. Due to various difficult conditions including Covid, we have not been able to conduct audits to the mining level in earnest yet. We are planning to expand the third-party audit gradually from smelters and refiners to the mine.”</p> <p>After S-Partner audits “no transactions have been suspended caused by serious labour and human rights violations.”</p>	<p>“Samsung SDI is also very concerned about the impacts of the battery supply chain on the social and environmental aspects. We also agree that efforts are necessary to address the environmental and social consequences, including labor environment and human rights.”</p>
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<p><b>Tesla</b></p>	<p>Tesla provides a list of their smelters/refiners in its <a href="#">2020 Impact Report</a></p> <p>Tesla is involved in the <a href="#">Re Source Blockchain Pilot Programme</a> founded by China Molybdenum, Eurasian Resources Group and Glencore</p>	<ul style="list-style-type: none"> <li>- <a href="#">Supplier Code of Conduct</a></li> <li>- <a href="#">Human Rights Policy</a></li> <li>- <a href="#">Responsible Materials Policy</a></li> </ul>	<p>Tesla classifies its cobalt smelters and refiners as “either RMI “conformant” within the last 12 months or are “active” meaning they are pursuing certification through one of the RMI-accredited auditing processes”</p>	<p>“Prior to introducing a new battery cell supplier or sub-supplier, we require them to disclose a full mapping of their cobalt supply chain and to provide a recent, verified, independent third-party audit conducted on the refineries within their supply chain over the prior 12-month period [...]</p> <p>Once a supplier is approved and integrated into our supply chain, Tesla requires these same suppliers to conduct ongoing annual third-party audits” (Tesla 2020 Impact Report)</p>	<p>“To date, we have not identified any instances of any human rights violations in our cobalt supply chain. If we were to find any violations of our due diligence requirements that we will work with the supplier to address respective areas.”</p> <p>“In the instance of [KCC] we have reviewed KCC’s [several policies] and are satisfied with the procedures Glencore currently has in place. Prior to executing our supply agreement with KCC, we undertook a thorough due diligence of their operations which included a third party audit that assessed KCC along [criteria including] labour and human rights; health and safety performance. We reviewed with KCC the corrective action plan outlined by the auditors and we were satisfied that items were closed out in a timely manner.”</p>	<p>“Tesla’s batteries that use nickel-based cathode materials contain less cobalt than other similar cathode chemistries used in the industry. We continue to work toward batteries that contain lower levels of cobalt, and for some applications it may be eliminated entirely in the future.”</p>
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<p><b>Toyota</b></p>	<p>Toyota refers to 23 cobalt smelters but also to “advancing activities to [...] identify smelters”, including “several smelters” (in respect of battery supply) (<a href="#">Toyota Sustainability Data Book</a>)</p>	<ul style="list-style-type: none"> <li>- <a href="#">Guiding Principles &amp; CSR Guidelines</a></li> <li>- <a href="#">Human Rights Policy</a></li> <li>- Policies and Approaches to Responsible Mineral Sourcing (Toyota Sustainability Data Book)</li> </ul>	<ul style="list-style-type: none"> <li>- Toyota led RMI’s Global Smelter Engagement Teams Working Group</li> <li>- Working Group sought participation by 92 smelters/refiners (including 23 cobalt smelters) in Responsible Minerals Assurance Process (RMAP) (Toyota Sustainability Data Book)</li> <li>- Participated in automotive industry’s Drive Sustainability</li> </ul> <p>“Consistent with our "Guiding Principles &amp; CSR Guidelines" we keep engaging suppliers throughout our worldwide operations to help ensure they are aware of and abide by our standards,</p>	<ul style="list-style-type: none"> <li>- 2020 supplier survey in line with OECD Due Diligence Guidance</li> <li>- Collected Conflict Minerals Reporting Template (CMRT) “from thousands of suppliers”</li> <li>- advancing activities “to clarify the supply chain and identify smelters” using the RMI’s Cobalt Reporting Template</li> </ul>	<ul style="list-style-type: none"> <li>- Supplier CSR Guidelines on Human Rights/Labour in relation to “local applicable laws and regulations”</li> <li>- Place the highest priority on safety and health programs and policies at work</li> <li>- Salient issues under Human Rights Policy: Migrant labour, forced labour; child labour; non-discrimination and anti-harassment</li> </ul>	<p>Response from Toyota (GB) PLC “aligned with TMC [Toyota Motor Company]”</p> <p>Cites TMC: “The automotive industry is supported by numerous people, including local communities, suppliers, business partners such as dealers, customers, etc. We will continue to protect and improve the human rights of our employees, customers, and all people involved in our business activities, in order to be beneficial towards society.”</p> <p>“the issue of mineral sourcing originating in the Democratic Republic of the Congo [...] is a significant social issue among supply chains. Toyota aims at responsible mineral procurement operations that do not use any minerals that originate in the Democratic Republic of</p>
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			as well as to assess potential issues.”			the Congo [...] which are related to illegal conduct including human rights infringements.”
<b>Umicore</b>	<p>“For commercial, competitive, and confidential agreement reasons, we do not publicly share supplier or customer information. However, we do disclose all suppliers during our yearly audit of our sustainability framework”</p> <p>Stated that in 2020, around 75% of cobalt entering its supply chain “originated from large-scale mining (LSM) activities in the DRC”.</p>	<ul style="list-style-type: none"> <li>- <a href="#">Sustainable Procurement Framework for Cobalt</a> aligned with OECD Due Diligence Guidance</li> </ul>	<ul style="list-style-type: none"> <li>- Actively involved in the Global Battery Alliance and its Battery Passport.</li> <li>- Follows the Cobalt Institute’s <a href="#">Cobalt Industry Responsible Assessment Framework</a> (CIRAF) level three for its cobalt supply chain (<a href="#">Umicore Due diligence Compliance Report Cobalt Procurement 2020</a>)</li> </ul>	<ul style="list-style-type: none"> <li>- Traceability system to track cobalt to the mine level</li> <li>- “on-site and off-site research” to screen suppliers, including consulting NGO &amp; media reports</li> <li>- Risk assessment, including “red” and “orange” flags</li> <li>- third-party audits and specific on-site visits.</li> <li>- Additionally, rolling out third-party audits for Environment, Health, Safety &amp; Social standards</li> <li>- Mitigation actions summarized in yearly Due Diligence Compliance Report Cobalt Procurement.</li> </ul>	<ul style="list-style-type: none"> <li>- “Orange flags” include “the absence of procedures ensuring a healthy and safe working environment”</li> <li>- Engage with local NGOs and labour organizations and potential suppliers</li> <li>- One flag &amp; mitigation action on Covid-related employee health &amp; safety and human rights (closed) and two child labour actions (awaiting legal ruling) recorded in latest Compliance Report</li> </ul> <p>“Our thorough and recurring due diligence processes and third-party assessment of suppliers makes us confident that there is no unethically sourced cobalt in Umicore’s supply chains.”</p>	<p>Welcomed further follow-up with RAID/CAJJ as “we continuously strive to further improve the responsible and ethical sourcing of our cobalt” and “aims to ensure that no unethically mined cobalt enters its process.”</p> <p>Stated being “the first company in the world to create a dedicated framework to prevent unethical practices in its supply chain specifically related to cobalt and the first to have its due diligence process validated, every year, by a third party.”</p>

<b>Volkswagen</b>	<p>“The Volkswagen Group currently does not source or purchase cobalt directly. This material is purchased by our suppliers for their business processes and products in a supply chain that has up to 9 tiers.”</p> <p>“Although we do not disclose individual suppliers to our Group, we have disclosed [...] that [Congo] is one of the countries that cobalt in our batteries originates from.”</p>	<p>“The Volkswagen Group has implemented a <a href="#">Raw Materials Due Diligence Management System</a> covering 16 high risk raw materials, with cobalt being one of those 16”</p>	<p>“In order to improve the situation on the ground for miners and local communities in [Congo] we have joined the project <a href="#">Cobalt for Development</a> in September 2020”</p>	<p>“Only suppliers that accept our sustainability requirements and commit to fulfilling them may enter into a business relationship with the Volkswagen Group [...] Since 2019, we have been assessing the sustainability performance of our relevant business partners with a process called “<a href="#">S-Rating</a>” prior to the final sourcing decision.”</p>	<p>“Our work with our factories, sales companies and suppliers is based on our principles, such as respect for minorities, employee representation, social and labour standards. We expect the same of our Business Partners worldwide.”</p>	
<b>Volvo Cars</b>	<p>“Volvo Cars have two suppliers of batteries – LG Energy Solutions (former LG Chem) and CATL. In both supply chains we have established traceability of the cobalt used in the batteries down to mine through the usage of <a href="#">blockchain technology</a>”</p>	<ul style="list-style-type: none"> <li>- <a href="#">Volvo Car Group Code of Conduct for Business Partners</a></li> <li>- <a href="#">Position Statement Paper on Metal and Mineral Sourcing</a></li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Responsible Business Alliance</a></li> <li>- Validated Assurance Program</li> <li>- <a href="#">Better Mining</a></li> <li>- <a href="#">Fair Cobalt Alliance</a></li> <li>- <a href="#">Responsible Mining Initiative</a></li> </ul>	<p>“Since cobalt is one of the raw materials which we consider require enhanced due diligence [...], extra efforts have been put in place to secure responsible sourcing. These efforts include the establishment of traceability throughout the cobalt supply chain [...] and execution of audits, in accordance with the OECD Due</p>	<p>“Because our Business Partners directly or indirectly represent the Volvo brand, we expect them to: provide their employees with working conditions that are in line with international labour standards” (Volvo Car Group Code of Conduct for Business Partners)</p>	<p>“Since the introduction of our first Plug in Hybrid in 2011 we have reduced the cobalt content in our NMC batteries. We have gone from about equal amounts of nickel, manganese, and cobalt to currently about 15% cobalt, and we are reducing it further in future programs.”</p>

	“We can confirm that one of the mining companies in our supply chain is operating in the copper/cobalt belt in [Congo]”			Diligence Guidance, on the actors in the cobalt supply chain”  “We have conducted 19 (third party) audits according to the OECD Due Diligence guidance on smelters/refiners and mine sites since 2020”		“To date, we have not established any direct offtake agreements with mines. However, we are investigating ways take more control and responsibility of upstream material.”
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COMPANIES THAT DID NOT RESPOND						
CATL						
Huayou Cobalt						
Jinchuan Group						
LG Chem/LG Energy Solution						
Panasonic						