OECD Practical Tool on Environmental Due Diligence in Mineral Supply Chains

The minerals and metals industries, including the mining sector, have been associated with incidents related to human rights violations and serious environmental impacts. How to address human rights violations and conflict related risks has been taken up broadly in due diligence guidance and company practice in mineral supply chains. Sector specific practical guidance on environmental issues is missing so far. In order to support on-going activities of companies to address these challenges and incentivize broader uptake, a Practical Tool on Environmental Due Diligence in Mineral Supply Chains shall be developed.

This Practical Tool shall describe how the 5-step generic due diligence framework recommended by the OECD can be applied to environmental risks and impacts in global mineral supply chains with a focus on extraction, processing and refining of mineral raw materials. The Tool is intended to support implementation of the cross-sectoral OECD Due Diligence Guidance for Responsible Business Conduct and also be supportive for companies that are conducting due diligence according to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA).

The envisaged Practical Tool shall support on-going environmental risk assessment and environmental management and also look at how environment related risks intersect with other areas of RBC risks and adverse impacts with a focus on human rights. By providing approaches and best practice examples, it shall help companies engage with stakeholders and develop effective measures to cease, prevent, mitigate, and in some cases remediate environmental impacts across mineral supply chains.
In line with the OECD Due Diligence Guidance for Responsible Business Conduct it shall provide practical actions that companies can take having regard to key environmental challenges across the sector, including but not limited to issues related to circular economy objectives, climate change and biodiversity.

The Tool shall be developed in a participative multi-stakeholder process at the OECD over 2021 - 2022. An Expert Working Group will be established by the coordinating OECD, UBA and BGR team, which will provide advice and guidance throughout the development of the Practical Tool.

**Background**

Under the new Federal Government’s 2020 Raw Materials Strategy, the German Federal Ministry for Environment, Nature Conservation and Nuclear Safety has committed to initiate an international process to develop an international practical tool on environmental due diligence in mineral supply chains. The German Environment Agency (UBA) and the Federal Institute for Geosciences and Natural Resources (BGR) are supporting the Ministry of Environment in advancing this initiative.

A dialogue with the OECD Centre for RBC was initiated to define the process and outcomes of the envisaged Practical Tool on Environmental Due Diligence in Mineral Supply Chains.