

The Road to Ruin?

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

CORRESPONDENCE BETWEEN RAID/CAJJ AND MANUFACTURERS

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10 September 2021

Sabih Khan

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Vice President of Environment, Policy and Social Initiatives
Apple Inc.
One Apple Park Way
Cupertino, CA 95014
USA

Via email

Dear Mr Khan and Ms Jackson,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

RAID is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The Centre d'Aide Juridico-Judiciaire (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicomin (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a significant portion of labour to sub-contracting companies to reduce costs and to minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.
2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The *OECD Due Diligence Guidance for Responsible Business Conduct* further elaborates practical guidance on how downstream companies may meet these objectives.¹

We have reviewed your publicly available material relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above. We have also taken note of your 2017 correspondence with Amnesty International.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery suppliers.

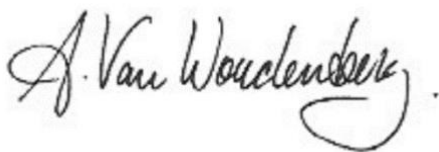
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kashal
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to Apple Inc.

To: Apple Inc.
Date: 10 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

At Apple, we believe that business can and should be a force for good and we are committed to respecting the human rights of everyone whose lives we touch. We uphold the strictest standards in the industry across our worldwide supply chain to ensure that people are treated with dignity and respect, and the planet is protected.

Around the world, we take a comprehensive approach to protecting workers' health and safety at every level of our supply chain. As part of our commitment to people and the planet, we are deeply focused on the responsible sourcing of materials that go into our products. Our Responsible Sourcing program leads the industry and established the strictest standards for the smelters and refiners that our suppliers purchase materials from. We review our standards annually and continuously raise the bar that our suppliers must meet. Our comprehensive strategy is illustrated in the Responsible Sourcing Toolkit included at the end of this letter.

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, including at our Material Recovery Lab, where we work with academic partners to develop better, more efficient recycling technologies, and in Daisy and Dave, our disassembly robots that help us to recover materials from Apple products that have been returned for recycling.

The ability to reclaim and recycle many of the materials in our products requires significant investment and innovation, and we have prioritized those materials that would provide the greatest benefit if the majority of global production moved to a recycled and renewable supply base. Cobalt is one of those 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. You can learn more about material prioritization in our [Material Impact Profiles](#).

As we pursue our recycled and renewable materials goal, we continue to seek innovative ways to source primary minerals responsibly, and we openly share our tools and best practices to scale our efforts far beyond our industry. We look at the deepest levels of our supply chain, where our suppliers source the raw materials that may be used in our products, to understand human rights and environmental risks in order to better address them. In 2014, Apple was the first company to start mapping our cobalt supply chain to the mine level, and since 2016, we have published a full list of our cobalt refiners every year (see link below).

We require all 3TG, cobalt, and (as of 2020) lithium 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 146 3TG smelters and refiners, and 7 cobalt refiners from our supply chain.

Apple works with governments, civil society organizations, and industry partners to promote the responsible sourcing of materials, and to share our tools. One such tool is

the Risk Readiness Assessment, which helps suppliers to map and understand their minerals supply chain risk. Apple serves on the Responsible Minerals Initiative (RMI) steering committee, and through this partnership, 327 industry organizations have leveraged the Risk Readiness Assessment. Beyond this specific tool, we also work with RMI and other member companies to support the development of frameworks for the responsible sourcing of cobalt.

We also provide support to local human rights and environmental defenders who share opportunities for improvement, and work with partners in the Democratic Republic of the Congo to provide health and safety training and vocational education programs designed to support local communities.

We have continued to expand our efforts with Pact, an international development organization that works with community leaders to raise awareness of risks associated with mining. In 2019, we also expanded our partnership with the Fund for Global Human Rights, which works with Congolese grassroots human rights and environmental defenders fighting discrimination, working toward equality for women, addressing child protection issues and advocating for safe mining practices.

We will continue to drive our standards deep within our supply chain and encourage you to read more about our work on Responsible Sourcing in our annual People and the Environment in Our Supply Chain progress report, Environmental Progress report, annual conflict minerals filing, and our annual Smelter and Refiner List, all of which can be found on the following two websites:

- <https://www.apple.com/supplier-responsibility>
- <https://www.apple.com/environment/>

- Apple Environment and Supply Chain Innovation

Apple Responsible Sourcing Toolbox



Innovate sourcing of primary materials



Map the supply chain and establish strict requirements



Understand risks by using supply chain tools like the Risk Readiness Assessment



Conduct third-party audits



Address risks that are found



Publish smelter and refiner list annually



Increase recycled content



Engage with civil society and support local human rights and environmental defenders



Strengthen industry traceability systems to increase transparency



Support local communities



Develop and drive common industry standards



Provide training to supply chain actors to strengthen due diligence



13 September 2021

Wang Chuanfu

Chairman and President
BYD Company Ltd
3009 BYD Road
Pingshan District,
Shenzhen 518118
China

Via email

Dear Mr Chuanfu,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

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significant portion of labour to sub-contracting companies to reduce costs and to minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.

2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
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prevent and mitigate human and labour rights abuses in their supply chains. The *OECD Due Diligence Guidance for Responsible Business Conduct* further elaborates practical guidance on how downstream companies may meet these objectives.¹

We are currently reviewing all publicly available information relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above. Among others, we have reviewed your 'Social Responsibility' webpage and associated links, your *2020 CSR Report*, as well as credible media sources.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery components suppliers.

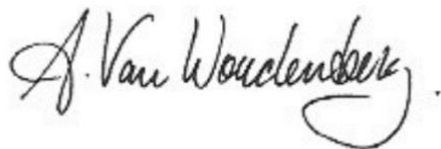
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 24 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kasha
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to BYD Company Ltd

To: BYD Company Ltd
Date: 13 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

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3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery components suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery components suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery components suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries you manufacture? Could you please provide information about agreements taken to consolidate this diversification?



2021 年 9 月 13 日

王传福

董事长兼总裁

比亚迪股份有限公司

中国深圳市坪山新区比亚迪路 3009 号（邮编 518118）

通过电邮

尊敬的王先生：

回复关于：刚果（金）钴矿区的工作条件

我们来自于两个民间社会组织，致函贵司是有关我们近期对刚果（金）(DRC) 几个大型工业铜钴矿恶劣的工作条件的研究。我们认为贵司的供应链中可能包含从这些矿区采购的用于制造电动车的钴。我们有一些关于贵司供应链的问题，希望能得到您的解答。

RAID 是一家位于英国的非政府组织。我们揭露公司滥用职权以及侵犯人权的行为，协助受害方向公司问责。我们与刚果（金）的民间社会参与者合作已逾 23 年。The Centre d'Aide Juridico-Judiciaire (CAJJ) 是一家位于科卢韦齐的刚果慈善机构，为人权受到侵犯的劳动者以及其他人员提供法律援助。

2020 年底，我们进行了详细的实地考察，采访了五个最大的工业钴矿的一百多名在职和离职员工。经营这些矿区的公司包括 Kamoto 铜业公司（嘉能可所有）、Tenke Fungurume 矿业（洛阳栾川钼业集团股份有限公司所有）、Metalkol（欧亚资源集团所有）、Sicomines（由 Gécamines、SIMCO 以及中方企业集团共同组成的合资企业）和 Somidez（Gécamines 与中国有色矿业集团有限公司的合资企业）。这五家公司生产了大批量的钴，而这些钴源自刚果（金）的钴矿。除了这些矿区的劳动者，我们还采访了民间团体成员、工会代表、律师、地方当局以及医务人员等。

我们的研究发现，矿区对劳动者权利的态度令人担忧。并且，劳动者在有工作条件下开采的钴可能正流入全球供应链。

我们对五个工业铜钴矿的研究结果表明：

1. 矿区大量使用劳务中介为其提供劳动者。接受我们采访的许多人认为，矿区选择将很大一部分劳动力外包给分包公司以此降低成本，并最大限度地减少刚果籍劳动者签订长期合同的可能性，而正是这些长期合同能确保劳动者获得更多的合法权益。
2. 数十名通过劳务中介在工业矿区工作的劳动者告诉我们，他们的工作条件具有剥削性和虐待性。他们说：
 - a. 他们大多通过签订临时合同受雇，因而没有工作上和经济上的保障，在组建或加入工会方面也面临重大障碍；
 - b. 他们工作时间极长，有时一天长达 14 小时，并且工资很低，不足以维持生活支出；
 - c. 他们的个人防护装备 (PPE) 不足；
 - d. 他们没有得到足够的免费医疗保障，而只有一份简单的补贴，不足以满足他们或他们家人的需要；并且
 - e. 尽管他们经常在炎热潮湿的环境下从事繁重的体力劳动，但他们在工作时却得不到足够的清洁饮用水。
3. 一些劳动者描述了他们曾受到的严重的暴力攻击、身体和言语虐待以及高度危险的工作条件，特别是在（但不限于）中国经营的矿区。
4. 刚果籍劳动者称他们在就业过程中遭受歧视（种族歧视性质的辱骂、低廉的薪水和低技能的职位、种族隔离的厨房和厕所设施等），与外国劳动者相比，他们获得的晋升机会很少甚至没有。
5. 一些矿区的医务人员以及劳动者报告说，矿区的工作条件有可能引发危及生命的慢性疾病，包括有可能发生的矽肺病和石棉肺病，而矿业公司却隐瞒和/或忽视这一情况。
6. 据我们采访的人士称，一些矿业公司聘请的似乎是先前经验有限甚至没有相关经验且与当地政治精英有关联的劳务中介/分包商。

虽然我们并非在每个矿区都发现了所有上述情况，但呈现出来的整体趋势令人极度不安。2020 年，全球约 58% 的钴供应来自我们的研究中所涉及的五個矿区。因此，刚果籍劳动者在具有虐待性的条件下开采的钴很有可能正流入全球钴供应链。我们已经给上面列出的所有矿区致信，提出了我们的担忧，并要求他们就劳动者的工作条件提供更多信息。

商业和人权方面的国际标准规定了使用钴的制造商有责任尊重人权。《联合国商业与人权指导原则》(UNGPs)、《经合组织对跨国公司的指导方针》、《经合组织关于来自受冲突影响和高风险区域的矿石的负责任供应链尽职调查指南》以及《中国负责任矿产供应链尽责管理指南》都建议公司建立适当的尽职调查系统，以识别、预防以及减轻其供应链中侵

犯人权和劳工权利的行为及其影响。《经合组织负责任商业行为尽职调查指南》进一步提供了有关下游公司如何实现这些目标的实用指南。¹

我们目前正在审阅与贵司供应链及采购行为相关的所有公开信息，贵司在其中一些文件中也有提及上述列出的一些国际标准。其中，我们阅览了贵司的“社会责任”网页及相关链接、贵司《2020 年企业社会责任报告》以及可靠的媒体资源。

我们希望与您就贵司的政策内容、人权尽职调查流程（尤其是与侵犯劳工权利风险相关的）以及贵司与钴和电池组件供应商的业务往来等方面澄清一些问题。您能在信件下方看到这些问题。

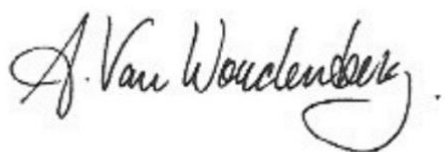
我们计划根据我们的研究结果发布一份公开报告，您的回答对于确保我们全面了解贵司处理钴供应链的方式并准确作出报告至关重要。基于公平及平衡报告原则，我们努力在我们的研究以及出版物中反映出所有相关信息。我们在出版文章时也会考虑到贵司所作出的回复。

请您通过 将信息发送给 RAID。如果您需要任何进一步的说明或有任何疑问，请随时与我们联系。我们期待能有机会与您就我们所提出的疑虑进行讨论。

如果能在 2021 年 9 月 24 日之前收到您的回复，我们将不胜感激。

感谢您，我们期待收到您的来信。

此致，



Anneke Van Woudenberg
Executive Director (执行主任)
Rights and Accountability in Development (RAID)
(发展中的权力与义务)



Josué Kasha
Monitoring and Evaluation Manager
(监测与评估主任)
Centre d'Aide Juridico-Judiciaire (CAJJ)
(法律及司法援助中心)

¹ 经济合作与发展组织, 经合组织负责任商业行为尽职调查指南 (2018), 76-78。

RAID 以及 CAJJ 向比亚迪股份有限公司提出的问题

收件人：比亚迪股份有限公司

日期：2021 年 9 月 13 日

标题：刚果（金）钴矿区的工作条件

供应链追溯

1. 贵司能否追溯到您供应链中涉及的所有冶炼厂/精炼厂及电池组件制造商？如果能，贵司可否提供这些公司的详细名单？
2. 贵司有否采取任何具体措施，以追溯您的供应链一直到刚果（金）或其他地方的钴矿？如果有，哪些矿业公司能视为贵司供应链的一部分？其中有多少公司在刚果（金）的铜/钴矿带开展业务？
3. 为了保证供应链的透明，贵司是否采取了相关措施来公开您的供应商信息？如果有，您能否说明在哪些文件中可以找到这些信息？

供应链尽职调查

4. 在招标和续约阶段，贵司采用哪些具体标准来对冶炼厂/精炼厂和电池组件供应商进行风险评估？贵司有哪些具体流程与标准用来审核供应商是否进行了充分的人权尽职调查？请您提供关于这些流程与标准的相关信息。
5. 贵司对供应商的尽职调查是否包括对劳工权利以及人权问题的调查（例如不提供法定福利、非法续签定期合同、歧视等问题）？您能否提供更多相关信息来详细说明贵司对供应商的尽职调查要求，包括涉及的书面流程？
6. 在过去 5 年中，有多少冶炼厂/精炼厂和电池组件供应商通过第三方审计来评估其尽职调查流程的有效性？请详细说明哪些公司参与了此类审计。
7. 这些审计的结果如何？如有可能，请按公司对其进行细分。
8. 贵司是否曾因钴冶炼厂/精炼厂或其他供应商无法或不愿达到您的尽职调查要求而采取纠正措施或终止/暂停与他们的业务关系？贵司采取这些行动的具体依据是什么？如有可能，请按公司对其进行细分。
9. 贵司目前用哪些项目来培养供应商的能力以促使其更好的达到贵司的尽职调查期望？

降低风险

10. 贵司的冶炼厂/精炼厂和电池组件供应商是否发现其供应链中存在严重侵犯劳工权利的行为？如果有，他们是否已告知贵司？请详细说明涉及的具体公司以及已明确的侵犯劳工权利及人权的行为类型。
11. 贵司是否曾通过其他渠道获悉在刚果（金）运营的钴矿中存在侵犯劳工权利及人权的情况？如果有，您能否提供详细信息包括相关文件，来说明贵司获悉此类信息的渠道？
12. 贵司在得知矿区发生劳工权以及人权的侵害后，采取了哪些具体步骤来减轻和/或补救这些侵害的影响？在这些过程中，贵司是否与您的供应商或其他制造商合作？请提供详细信息包括书面流程，来说明贵司所采取的具体措施与举措。

生产

13. 贵公司 2019 年以及 2020 年的钴消耗量大约是多少？预计 2021 年及 2022 年的钴消耗量是多少？
14. 贵司是否采取某些具体措施来多样化所制造的电池中的矿物成分？您能否提供相关信息，说明贵司为巩固这种多样化而采纳了哪些协议？



BYD COMPANY LIMITED

SENT VIA E-MAIL AND EXPRESS MAIL October 10, 2021

**Rights and Accountability in Development (“RAID”)
Centre d’Aide Juridico-Judiciaire (“CAJJ”)**

ATTN: Ms. Anneke Van Woudenberg, Executive Director, RAID

Mr. Josué Kashal, Monitoring and Evaluation Manager, CAJJ

RE: Response to September 13, 2021 RAID-CAJJ Letter (the “September 13th Letter”)

Ms. Van Woundenberg and Mr. Kashal:

This letter is submitted on behalf of BYD Company Limited (“BYD” or the “Company”) in response to your September 13th Letter to our organization regarding working conditions in DRC Cobalt Mines. 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 utilize any amount of cobalt whatsoever.

BYD’s highest priority is the socially responsible and sustainable growth of the renewable energy and clean transportation industries. To this end, BYD upholds a world class corporate social responsibility standard (“CSR”) for itself and its suppliers. BYD’s CSR encompasses or addresses key standards and best practices in international human rights and labor accountability, including the ILO Standards on Forced Labor, the OECE Due Diligence Guidance for Responsible Business Conduct, SA8000, ISO14001, and other applicable laws and regulations regarding the subject matter. We rigorously enforce our CSR with our affiliates and suppliers by ensuring that our CSR’s standards are implemented prior to contracting and by conducting regular follow-up audits to ensure continued compliance.

Thank you for your time and attention. Should you have any further questions regarding this matter please do not hesitate to contact me at frank.girardot@byd.com.

Very truly yours,

Frank C. Girardot
Senior Director of Communications

Re: BYD response

Anneke Van Woudenberg

Mon 11/10/2021 15:34

To: frank Girardot

Dear Frank,

Thank you for the brief BYD response. I would, however, like to come back to you on a few questions which I hope you can answer:

1. We note that BYD's core technology does not utilize cobalt. Does BYD use any cobalt? If yes, how much total cobalt did BYD use for its products in 2020?
2. We also note that BYD upholds a number of standards on human rights and labour rights, including the ones from the OECD, which you say are rigorously enforced. As part of this enforcement, has BYD ever been informed of labour rights abuses at industrial cobalt mines in DR Congo? If yes, what action was taken?
3. Has BYD ever taken corrective action or terminated or suspended a business relationship with cobalt smelters/refiners or other cobalt suppliers due to their failure to meet your due diligence requirements? If yes, how many and on what specific grounds were these actions decided?

Thank you so much for any answers you can provide.

I look forward to your reply.

All the best,
Anneke

Anneke Van Woudenberg

Executive Director





13 September 2021

Dennis Pan

Director of Sustainability
Contemporary Ampere Technology Co., Limited
No. 2 Xingang Road
Zhangwan Town, Jiaocheng District,
Ningde City, Fujian Province
China

Via email

Dear Mr Pan,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

RAID is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The Centre d'Aide Juridico-Judiciaire (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicomin (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a

significant portion of labour to sub-contracting companies to reduce costs and to minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.

2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises*, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains* recommend that companies have in place adequate due diligence systems to identify,

prevent and mitigate human and labour rights abuses in their supply chains. The *OECD Due Diligence Guidance for Responsible Business Conduct* further elaborates practical guidance on how downstream companies may meet these objectives.¹

We are currently reviewing all publicly available information relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above. Among others, we have reviewed your 'Social Responsibilities' webpage and associated links, your *Code of Conduct*, your *Sustainable Supply Chain Management Policy*, your *Due Diligence Management Policy for Responsible Mineral Resources Supply Chain*, your *2018-2019 Responsible Cobalt Supply Chain Progress Report*, your *2020 Corporate Social Responsibility Report*, as well as credible media sources.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt or battery components suppliers.

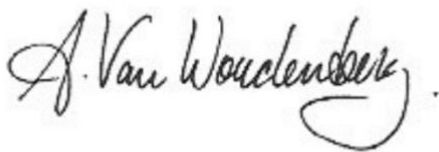
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 24 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kashal
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to CATL

To: CATL

Date: 13 September 2021

Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery components manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery components suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery components suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery components suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries you manufacture? Could you please provide information about agreements taken to consolidate this diversification?



2021 年 9 月 13 日

丹尼斯潘

可持续发展总监

宁德时代新能源科技股份有限公司

中国福建省宁德市蕉城区漳湾镇新港路 2 号

通过电邮

尊敬的潘先生：

回复关于：刚果（金）钴矿区的工作条件

我们来自于两个民间社会组织，致函贵司是有关我们近期对刚果（金）(DRC) 几个大型工业铜钴矿恶劣的工作条件的研究。我们认为贵司的供应链中可能包含从这些矿区采购的用于制造电动车的钴。我们有一些关于贵司供应链的问题，希望能得到您的解答。

RAID 是一家位于英国的非政府组织。我们揭露公司滥用职权以及侵犯人权的行为，协助受害方向公司问责。我们与刚果（金）的民间社会参与者合作已逾 23 年。The Centre d'Aide Juridico-Judiciaire (CAJJ)是一家位于科卢韦齐的刚果慈善机构，为人权受到侵犯的劳动者以及其他人员提供法律援助。

2020 年底，我们进行了详细的实地考察，采访了五个最大的工业钴矿的一百多名在职和离职员工。经营这些矿区的公司包括 Kamoto 铜业公司（嘉能可所有）、Tenke Fungurume 矿业（洛阳栾川钼业集团股份有限公司所有）、Metalkol（欧亚资源集团所有）、Sicomines（由 Gécamines、SIMCO 以及中方企业集团共同组成的合资企业）和 Somidez（Gécamines 与中国有色矿业集团有限公司的合资企业）。这五家公司生产了大批量的钴，而这些钴源自刚果（金）的钴矿。除了这些矿区的劳动者，我们还采访了民间团体成员、工会代表、律师、地方当局以及医务人员等。

我们的研究发现，矿区对劳动者权利的态度令人担忧。并且，劳动者在有问题的工作条件下开采的钴可能正流入全球供应链。

我们对五个工业铜钴矿的研究结果表明：

1. 矿区大量使用劳务中介为其提供劳动者。接受我们采访的许多人认为，矿区选择将很大一部分劳动力外包给分包公司以此降低成本，并最大限度地减少刚果籍劳动者签订长期合同的可能性，而正是这些长期合同能确保劳动者获得更多的合法权益。

2. 数十名通过劳务中介在工业矿区工作的劳动者告诉我们，他们的工作条件具有剥削性和虐待性。他们说：
 - a. 他们大多通过签订临时合同受雇，因而没有工作上和经济上的保障，在组建或加入工会方面也面临重大障碍；
 - b. 他们工作时间极长，有时一天长达 14 小时，并且工资很低，不足以维持生活支出；
 - c. 他们的个人防护装备 (PPE) 不足；
 - d. 他们没有得到足够的免费医疗保障，而只有一份简单的补贴，不足以满足他们或他们家人的需要；并且
 - e. 尽管他们经常在炎热潮湿的环境下从事繁重的体力劳动，但他们在工作时却得不到足够的清洁饮用水。
3. 一些劳动者描述了他们曾受到的严重的暴力攻击、身体和言语虐待以及高度危险的工作条件，特别是在（但不限于）中国经营的矿区。
4. 刚果籍劳动者称他们在就业过程中遭受歧视（种族歧视性质的辱骂、低廉的薪水和低技能的职位、种族隔离的厨房和厕所设施等），与外国劳动者相比，他们获得的晋升机会很少甚至没有。
5. 一些矿区的医务人员以及劳动者报告说，矿区的工作条件有可能引发危及生命的慢性疾病，包括有可能发生的矽肺病和石棉肺病，而矿业公司却隐瞒和/或忽视这一情况。
6. 据我们采访的人士称，一些矿业公司聘请的似乎是先前经验有限甚至没有相关经验且与当地政治精英有关联的劳务中介/分包商。

虽然我们并非在每个矿区都发现了所有上述情况，但呈现出来的整体趋势令人极度不安。2020 年，全球约 58% 的钴供应来自我们的研究中所涉及的五个矿区。因此，刚果籍劳动者在具有虐待性的条件下开采的钴很有可能正流入全球钴供应链。我们已经给上面列出的所有矿区致信，提出了我们的担忧，并要求他们就劳动者的工作条件提供更多信息。

商业和人权方面的国际标准规定了使用钴的制造商有责任尊重人权。《联合国商业与人权指导原则》(UNGPs)、《经合组织对跨国公司的指导方针》、《经合组织关于来自受冲突影响和高风险区域的矿石的负责任供应链尽职调查指南》以及《中国负责任矿产供应链尽责管理指南》都建议公司建立适当的尽职调查系统，以识别、预防以及减轻其供应链中侵犯人权和劳工权利的行为及其影响。《经合组织负责任商业行为尽职调查指南》进一步提供了有关下游公司如何实现这些目标的实用指南。¹

¹ 经济合作与发展组织，经合组织负责任商业行为尽职调查指南（2018），76-78。

我们目前正在审阅与贵司供应链及采购行为相关的所有公开信息，贵司在其中一些文件中也有提及上述列出的一些国际标准。其中，我们浏览了贵司的“社会责任”网页及相关链接、贵司的《行为准则》、《可持续供应链管理政策》、《负责任矿产资源供应链尽职调查管理政策》、《2018-2019 负责任钴供应链进展报告》、《2020 年企业社会责任报告》以及可靠的媒体资源。

我们希望与您就贵司的政策内容、人权尽职调查流程（尤其是与侵犯劳工权利风险相关的）以及贵司与钴和电池组件供应商的业务往来等方面澄清一些问题。您能在信件下方看到这些问题。

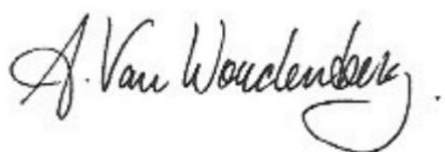
我们计划根据我们的研究结果发布一份公开报告，您的回答对于确保我们全面了解贵司处理钴供应链的方式并准确作出报告至关重要。基于公平及平衡报告原则，我们努力在我们的研究以及出版物中反映出所有相关信息。我们在出版文章时也会考虑到贵司所作出的回复。

请您通过 将信息发送给 RAID。如果您需要任何进一步的说明或有任何疑问，请随时与我们联系。我们期待能有机会与您就我们所提出的疑虑进行讨论。

如果能在 2021 年 9 月 24 日之前收到您的回复，我们将不胜感激。

感谢您，我们期待收到您的来信。

此致，



Anneke Van Woudenberg
Executive Director (执行主任)
Rights and Accountability in Development (RAID)
(发展中的权力与义务)



Josué Kasha
Monitoring and Evaluation Manager
(监测与评估主任)
Centre d'Aide Juridico-Judiciaire (CAJJ)
(法律及司法援助中心)

RAID 以及 CAJJ 向宁德时代提出的问题

收件人：宁德时代

日期：2021 年 9 月 13 日

标题：刚果（金）钴矿区的工作条件

供应链追溯

1. 贵司能否追溯到您供应链中涉及的所有冶炼厂/精炼厂及电池组件制造商？如果能，贵司可否提供这些公司的详细名单？
2. 贵司有否采取任何具体措施，以追溯您的供应链一直到刚果（金）或其他地方的钴矿？如果有，哪些矿业公司能视为贵司供应链的一部分？其中有多少公司在刚果（金）的铜/钴矿带开展业务？
3. 为了保证供应链的透明，贵司是否采取了相关措施来公开您的供应商信息？如果有，您能否说明在哪些文件中可以找到这些信息？

供应链尽职调查

4. 在招标和续约阶段，贵司采用哪些具体标准来对冶炼厂/精炼厂和电池组件供应商进行风险评估？贵司有哪些具体流程与标准用来审核供应商是否进行了充分的人权尽职调查？请您提供关于这些流程与标准的相关信息。
5. 贵司对供应商的尽职调查是否包括对劳工权利以及人权问题的调查（例如不提供法定福利、非法续签定期合同、歧视等问题）？您能否提供更多相关信息来详细说明贵司对供应商的尽职调查要求，包括涉及的书面流程？
6. 在过去 5 年中，有多少冶炼厂/精炼厂和电池组件供应商通过第三方审计来评估其尽职调查流程的有效性？请详细说明哪些公司参与了此类审计。
7. 这些审计的结果如何？如有可能，请按公司对其进行细分。
8. 贵司是否曾因钴冶炼厂/精炼厂或其他供应商无法或不愿达到您的尽职调查要求而采取纠正措施或终止/暂停与他们的业务关系？贵司采取这些行动的具体依据是什么？如有可能，请按公司对其进行细分。
9. 贵司目前用哪些项目来培养供应商的能力以促使其更好的达到贵司的尽职调查期望？

降低风险

10. 贵司的冶炼厂/精炼厂和电池组件供应商是否发现其供应链中存在严重侵犯劳工权利的行为？如果有，他们是否已告知贵司？请详细说明涉及的具体公司以及已明确的侵犯劳工权利及人权的行为类型。
11. 贵司是否曾通过其他渠道获悉在刚果（金）运营的钴矿中存在侵犯劳工权利及人权的情况？如果有，您能否提供详细信息包括相关文件，来说明贵司获悉此类信息的渠道？
12. 贵司在得知矿区发生劳工权以及人权的侵害后，采取了哪些具体步骤来减轻和/或补救这些侵害的影响？在这些过程中，贵司是否与您的供应商或其他制造商合作？请提供详细信息包括书面流程，来说明贵司所采取的具体措施与举措。

生产

13. 贵公司 2019 年以及 2020 年的钴消耗量大约是多少？预计 2021 年及 2022 年的钴消耗量是多少？
14. 贵司是否采取某些具体措施来多样化所制造的电池中的矿物成分？您能否提供相关信息，说明贵司为巩固这种多样化而采纳了哪些协议？



10 September 2021

Kristen Siemen

Vice President of Sustainable Workplaces and Chief Sustainability Officer
General Motors
100 Renaissance Center
Detroit, MI 48265-1000
USA

Geraldine Barnuevo

Senior Manager Sustainability
General Motors
100 Renaissance Center
Detroit, MI 48265-1000
USA

Via email

Dear Ms Siemen and Ms Barnuevo,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

RAID is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The Centre d'Aide Juridico-Judiciaire (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicomin (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a significant portion of labour to sub-contracting companies to reduce costs and to minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.
2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The *OECD Due Diligence Guidance for Responsible Business Conduct* further elaborates practical guidance on how downstream companies may meet these objectives.¹

We have reviewed your publicly available material relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above. We have also taken note of your 2017 correspondence with Amnesty International.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery suppliers.

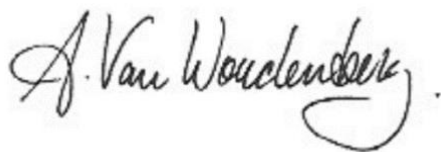
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kashal
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to General Motors

To: General Motors
Date: 10 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

Cobalt mines in DR Congo

Fred Gersdorff

Mon 18/10/2021 23:19

To: Anneke Van Woudenberg; Josue Kashal

1 attachments (146 KB)

Response to RAID Cobalt Questions.pdf;



Dear Ms. Van Woudenberg and Mr. Kashal,

We have received your letter dated September 10 and appreciate the opportunity to respond. The findings of your research are deeply concerning, and we thank you for bringing them to our attention. GM takes an uncompromising position in our commitment to respect all internationally recognized human rights, including labor rights, and we seek to do business only with those suppliers who share in our commitment.

As the auto industry transitions away from internal combustion engines and towards electric vehicles, it is imperative that any increased demand for metals such as cobalt not translate into the sort of adverse impacts to people and their rights as you outline in your letter. These issues are, unfortunately, systemic in nature, and not resolvable by any one actor (though we certainly wish it were otherwise). That is why we partner with groups such as the Responsible Minerals Initiative, as described in greater detail in the attached document, to contribute to impact at scale and to collaborate with actors across the value chain.

We recognize that even despite our best efforts, we may not realize the degree of positive impact that we desire. That is why research such as yours can be so valuable in helping us identify problematic actors or regions. We want to be part of the solution, and in the spirit of continual improvement, we also welcome feedback on how we can amplify our positive impact. We hope the additional details provided in the attached document help shed some light on our policies and practices. And, we would be happy to participate in further dialogue.

Best regards,

Fred Gersdorff

Socially Responsible and Sustainable Supply Chains Manager

Have you identified all the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?

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 and other materials. As part of this expansion, we have requested that all GM suppliers who have reported Cobalt in their products complete a Cobalt Reporting Template and to cascade the template into deeper levels of the supply chain back to the refiner/smelter level. Working upstream in the supply chain, GM has identified alleged cobalt refiners and provided this list to the Responsible Minerals Initiative (RMI) to increase the transparency in the cobalt supply chain. 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. We hope to make these partnerships public later this year.

Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?

GM maps its cobalt supply chain to the refiner as it is the pinch point in the supply chain. Refiners identified are then investigated to determine if they are conformant to RMI's Responsible Minerals Assurance Process (RMAP) which includes upstream supply chain supplier identification, risk identification and mitigation. Conformance requires an independent third-party audit. The assessment employs a risk-based approach to validate smelters' company-level management processes for responsible mineral procurement. As a member of RMI, we work collaboratively to contact the alleged cobalt refiners not yet assessed by the Cobalt Refiner Due Diligence Standard to emphasize the importance of becoming conformant and encourage them to engage in RMAP. As mentioned above, we understand the value of tracing material to the mine and are exploring how best to do that.

In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Tier 1 Relationships

GM has publicly announced our partnership with LG Chem to produce our Ultium battery platforms. This can be found via press release at the following link:
<https://media.gm.com/media/us/en/gm/home.detail.html/content/Pages/news/us/en/2019/dec/1205-igchem.html>

Smelters / Refiners

We share our list of smelters/refiners (SORs) with RMI to achieve our broader objective of having increasing levels of conformant SORs in the mineral supply chain. Our efforts this year include understanding our Cobalt supply chain through a broader request for supplier participation in RMI's

Cobalt Response Template. With increased responses we are building a more credible understanding of the supply chain which will position us for greater transparency in the future.

What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.

Smelters/refiners

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. Focusing on a “pinch point” (a point with relatively few actors) in the global metals supply chain, the RMAP and Cobalt Refiner Due Diligence Standard uses an independent third-party assessment of smelter/refiner management systems and sourcing practices to validate conformance with RMAP standards. The assessment employs a risk-based approach to validate smelters' company-level management processes for responsible mineral procurement.

The RMAP standards are developed to meet the requirements of the OECD Due Diligence Guidance, the Regulation (EU) 2017/821 of the European Parliament and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

These assessments consist of risk identification and mitigation measures. Conformance to these standards is verified through a third-party audit.

Suppliers

GM expects to do business with suppliers that meet our standards and behave consistent with, and positively reflect, GM's values throughout the supply chain. GM chooses its suppliers carefully, and expects that they will satisfy contractual requirements, comply with laws, regulations, and act in a way consistent with the principles and values of our GM Code of Conduct, Winning with Integrity, our Supplier Code of Conduct and Conflict Minerals Policy. 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.

GM conducts annual surveys to confirm their compliance with laws/regulations, the understanding of our Supplier Code of Conduct, the implementation of this code or similar code within their facilities, and the roll-out of this code or similar code to their suppliers.

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 in the supply of goods and services to GM and its subsidiaries.

Additionally, this year we are actively enhancing our understanding of our supplier risk assessment process relating to supplier ethics, human rights, and environmental sustainability through the use of

the Ecovadis platform . We see value in integrating these scores into our due diligence processes as this program matures within GM.

Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?

We recently completed work on updating our Human Rights policy. The policy strives to make clear and transparent how we define, approach, govern and support universal human rights and the dignity of people throughout our operations, our communities in which we operate and our global supply chain. We are now in the process of updating our Supplier Code of Conduct to further our work in this area. Additionally, contract terms and conditions, which clearly state our prohibition against any use of child labor or any other form of forced or involuntary labor, abusive treatment of employees or corrupt business practices in the supplying of goods and services to us. Furthermore, 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 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. We also provide our suppliers with access to the same communication tools—the GM Aware Line, Speak Up for Safety, Global Response Incident Reporting, and others—that our own employees use to raise concerns. Further information about our Supply Chain compliance can be found at <https://www.gmsustainability.com/manage/supply.html>

How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.

Through our broader request to suppliers to complete RMI's Cobalt Reporting Template (CRT) this year, we will be able to better understand the number of smelters/refiners that are conformant to RMAP. Through the RMAP, utilizing the Cobalt Refiner Due Diligence Standard, an independent third-party assessment of smelter/refiner management systems is conducted. Additionally, due-diligence practices are used to validate conformance with RMAP standards. The RMAP employs a risk-based approach to validate smelters' company-level management processes for responsible mineral procurement .

What was the outcome of these audits? Please break this down by company, if it is appropriate.

We can speak generally about our due diligence process. Smelters and refiners participating in RMAP receive a conformant or non-conformant rating at the conclusion of the third-party audit. If the smelter or refiner is determined to be non-conformant, the company must create corrective action plans (CAPs) for the opportunity to become conformant. The CAP process includes the following:

- Senior management (General Manager, Managing Director, or Owner) support for participating in an ECAP, implementing the Corrective Action Plan (CAP), and following the below requirements in a written communication to RMI
- Publication of the following information on the company's website:
- Full Corrective Action Plan (CAP), including a description of changes being made to the company's due diligence system prior to the next RMAP assessment
- Measures to validate the origin of materials and due diligence from non-RMAP validated sources
- Consultation by an external resource (e.g. consulting or advisory firm) to review changes prior to the next RMAP assessment
- Submitting a timeline for the next RMAP assessment
- Undergoing a full RMAP assessment once the CAP has been implemented
- Regular communication with RMI
- All follow-up public communication or status reports shall be done by the company and not by RMI staff

Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

GM conducts supply chain mapping and due diligence utilizing RMI's CRT and CMRT to determine smelters and refiners within our supply chain. We analyze each reporting template received for accuracy and risk utilizing due diligence check and risk rating criteria. A risk rating is then assigned to all suppliers. Suppliers not complying with GM requirements for submitting reporting templates or providing inaccurate information such as the presence of minerals in their product, will receive a high-risk rating. Risk rating is included in purchasing decision. GM also employs a five-step escalation process for supplier non-responsiveness or non-conformance which includes business relationship evaluation. Following our escalation process, suppliers may be flagged as not sourceable for new or repeat business.

What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

GM hosts supplier webinars to clearly communicate due diligence expectations and best practices. We provide suppliers with work instructions to complete the supply chain reporting process and are available to help suppliers through the due diligence process. GM directly contacts non-conformant smelters and refiners within the supply chain to encourage them to become conformant to the RMI RMAP. We are also an active member of RMI and Automotive Industry Action Group (AIAG) smelter engagement teams engaging in outreach.

Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.

GM's smelters, refiners and battery suppliers have not communicated serious labor rights violations in their supply chains. We maintain procedures for reporting potential safety concerns, potential misconduct, concerns about potential ethical violations, and concerns regarding human rights. One of those methods is the "Awareline," which allows employees, suppliers, and others to report concerns about us, our management, supervisors, employees, or agents. Reports can be made to the Awareline in over a dozen different languages 24 hours per day, 7 days per week by phone, the internet, or email. Individuals filing reports on the Awareline may remain anonymous as permitted by law. Information about the Awareline is found at: <https://www.awareline.com>.

COMBINING THE NEXT TWO QUESTIONS FOR ONE ANSWER

Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you? In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

We take labor and human rights abuse allegations seriously within our supply chain. 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. As a normal course of action for Human Rights concerns identified in our supply chains, if an individual concern is brought to our attention, it is first reviewed internally. We then decide on a course of action which may include additional verification of the supply chain relationship, leveraging internal GM resources, and working through our suppliers to bring about resolution. When violations to our T&C's, Supplier Code of Conduct or other GM policies are found, GM relationship with the supplier is reassessed up to and including no longer doing business with the supplier.

Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?

We don't disclose this information.

Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

GM is developing groundbreaking battery technologies to maximize efficiency and performance with the most sustainable footprint. The Ultium cell uses a nickel-cobalt-manganese-aluminum cathode material chemistry that requires 70 percent less cobalt than the cells used in the current Bolt EV.



10 September 2021

Sustainability Strategy Team

LG Chem
LG Twin Towers 128 Yeoui-daero
Yeongdeungpo-gu
Seoul, 07336
South Korea

Via email

Dear Sir, Madam,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

RAID is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The Centre d'Aide Juridico-Judiciaire (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicominex (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a significant portion of labour to sub-contracting companies to reduce costs and to

minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.

2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The

OECD Due Diligence Guidance for Responsible Business Conduct further elaborates practical guidance on how downstream companies may meet these objectives.¹

We have reviewed your publicly available material relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above. We have also taken note of your 2017 correspondence with Amnesty International.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery components suppliers.

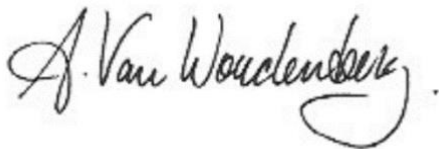
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kasha
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to LG Chem

To: LG Chem
Date: 10 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery components manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery components suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery components suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery components suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries you manufacture? Could you please provide information about agreements taken to consolidate this diversification?



10 September 2021

Kazuo Tadanobu

Vice-President, Industrial Relations
Panasonic
1006, Oaza Kadoma, Kadoma-shi
Osaka 571-8501
Japan

Masanori Nagata

Legal Advisor, Legal & Compliance
Panasonic
1006, Oaza Kadoma, Kadoma-shi
Osaka 571-8501
Japan

Via email

Dear Mr Tadanobu and Mr Nagata,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

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At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicomin (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

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Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

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2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
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5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The *OECD Due Diligence Guidance for Responsible Business Conduct* further elaborates practical guidance on how downstream companies may meet these objectives.¹

We have reviewed your publicly available material relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery components suppliers.

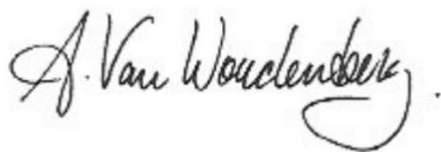
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kashal
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to Panasonic

To: Panasonic
Date: 10 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery components manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery components suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
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10. Have any of your smelters/refiners and battery components suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
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Production

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10 September 2021

Bruno Moustacchi

Responsible Sourcing and Sustainability Lead
Groupe Renault
13 /15 Quai Alphonse le Gallo
92100 Boulogne-Billancourt
France

Fabrice Marchadier

Sustainable Purchasing Senior Manager
Groupe Renault
13 /15 Quai Alphonse le Gallo
92100 Boulogne-Billancourt
France

Via email

Dear Mr Moustacchi and Mr Marchadier,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

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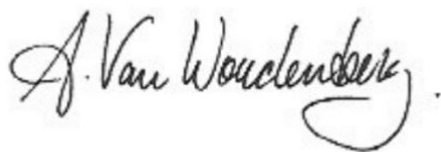
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Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
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Questions from RAID and CAJJ to Groupe Renault

To: Groupe Renault
Date: 10 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
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Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

Subject: Renault Group answers to Raid/CAJJ 2021 letter

Dear Madam,

Following your letter dated 10 September 2021, we revert to you with responses regarding the questions you have raised.

Supply chain mapping

Renault Group selected in 2018 a specialist audit firm to fully map its supply chain and perform on-site audits at different supply chain levels (more and more challenging towards artisanal mines).

In 2019, this 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. The full list of Cobalt refiners is publicly available on Renault Group website (https://www.renaultgroup.com/wp-content/uploads/2020/06/renault_cobalt_supply_chain_mapping_.pdf).

1. Have you identified all of the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?

Yes, please see answer above.

2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?

Yes, please see answer above. Concerning the second part of the question, following the audits in 2019 of LG Chem's Cobalt supply chain, 22 mines were identified, including 86% (19/22) located in the Democratic Republic of the Congo.

3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Yes, please see answer above.

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.

In 2019, eight nodes were identified in the Cobalt supply chain: OEM → battery maker (tier 1 supplier) → cathode maker → precursor → trader → refiner → smelter → mines.

The risk assessment process is organised in three levels. The first two concern tier 1 suppliers for all parts and materials. The last level concerns specifically EV batteries and goes beyond the tier 1.

First, the “[Renault-Nissan Guidelines for Supplier CSR](#)” are distributed to all Purchasing Department staff worldwide, and must be signed by Tiers 1 suppliers. They are also available online. They are a reminder of Renault Group’s social and environmental commitments, and a formal statement of the expectations the Group has for its suppliers. These CSR Guidelines cover Compliance criteria, Safety and Quality criteria, Human Rights and Labour criteria and Environment criteria. It is publicly available on RG’s website.

Then, to regularly evaluate its Tier 1 suppliers and subcontractors, Groupe Renault uses an Internet platform (Ecovadis) to assess suppliers’ and subcontractors’ CSR policies and actions, and to incorporate the CSR performance of suppliers into purchasing decisions. Questions cover four domains: environment, labor & human rights, ethics and sustainable procurement. As an example, please find Renault’s 2020 assessment attached.

Finally, there is a specific level of risk assessment for EV batteries. Indeed, the knowledge of tier N suppliers (from cathode makers to mines) requires specific investigations. This process will be systematised. In 2021, ESG due diligence requirements (CO₂ footprint assessment and full minerals supply chain mapping) were integrated into a new E.V. batteries’ manufacturing award and part of the battery supplier selection. That same year, Renault Group completed a risk-mapping for Cobalt, Nickel and Lithium supply chains, in cooperation with its battery suppliers. Based on this analysis, we worked together with responsible cathode suppliers and mining companies (under confidentiality agreements) for co-sourcing of responsible E.U. minerals. We will disclose results in Renault Group’s Universal Registration Document 2021.

5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?

Yes, labour rights and human rights concerns are included in Renault Group due diligence requirements for suppliers. Please see above answer to question 4.

Renault Group

6. How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.

In the past 5 years, Renault Group's only EV battery supplier was LG Chem. LG Chem and LG Chem's suppliers (including smelters/refiners as well as mines, industrial and artisanal), underwent third party audits in 2019. Around 25 smelters were identified, the [list](#) is public. Of these 25 smelters, 6 have already underwent third party audits.

7. What was the outcome of these audits? Please break this down by company, if it is appropriate.

As publicly communicated in Renault Group' 2020 URD ([Universal Registration Document](#), P233), no critical cases of non-compliance on human and labour rights were identified by our third party auditors within our whole Cobalt supply chain (including during artisanal mine audits in the Democratic Republic of the Congo). Consequently, we did not suspend or cease trading operations with suppliers.

8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

Because no critical cases of non-compliance were identified (see above, answer to question #7), Renault Group did not suspend or cease trading operations with suppliers.

Yet, we regularly review with our battery manufacturer the Corrective Action Plans (CAPs) implementation of the remaining non-compliances by its suppliers and report progress during the quarterly Steering Committee.

Furthermore, direct supplier engagement (concern letter and audio meetings) with one key smelter and with one key large-scale mining company have been conducted.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

At this time, Renault Group does not support capacity building programs for suppliers.

Risk mitigation

10. Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.

No critical cases of non-compliance on human and labour rights were identified by our third-party auditors within our whole Cobalt supply chain.

Renault Group

11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?

In July 2021, Renault Group received a letter from Amnesty International regarding battery metals in the supply chain, although not specific to cobalt or to the Democratic Republic of the Congo.

In October 2018, Renault Group received a letter from Amnesty International regarding cobalt mining in the DRC.

Media sources have also been informing the public, including Renault Group employees, of labour and human rights abuses in cobalt mines operating in the DRC.

However, when it came to auditing Renault Groups' only battery supplier's supply chain, including artisanal mines, no critical cases of non-compliance on human and labour rights were identified by our third-party auditors.

12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Although, so far, our due diligence, including audits in artisanal mines in the DRC, has found no evidence of critical cases of non-compliance on human and labour rights, Renault Group has decided in 2020 to join the ILO's (International Labour Organization) CLP (Child Labour Platform) for:

- a) getting access to reliable data and expertise about child labour in countries like the DRC, India, Madagascar ...,
- b) collaborating with ILO experts,
- c) sharing its own supply chain mapping experience and, more importantly,
- d) **identifying relevant partners and projects for sustainable mitigation of child labour around the world (especially for Cobalt in the DRC and Mica in Madagascar).**

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?

Between 5 and 10 kilograms of Cobalt can be found in each of our electric vehicles (depending on the model).

Renault Group does not publicly disclose projected consumptions.

Renault Group

14. Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

Renault Group signed in March 2021 a Joint-Venture with Veolia and Solvay, to launch R&D on processes and develop short loops on Batteries' raw materials. This is also the best way to secure the traceability of the value chain. (<https://en.media.renaultgroup.com/news/groupe-renault-veolia-solvay-join-forces-to-recycle-end-of-life-ev-battery-metals-in-a-closed-loop-1564-989c5.html>)

The Company is also conducting discussions with several partners in order to benefit from European sourcing. In August 2021, Renault Group and Vulcan Energy announced a five-year strategic partnership within the Zera Carbon Lithium™ Project, securing between 6,000 and 17,000 metric tonnes per year of battery grade lithium chemicals ([Press Release](#)). The main objectives are to optimize the ESG criteria and to have a transparent value chain.



10 September 2021

Whang Li 이황

Quality Director for Li-Ion Battery
Samsung SDI
(17084) Samsung SDI
150-20, Gongse-ro Giheung-gu Yongin-si,
Gyeonggi Province
South Korea

Cc: Sustainable Business Team

Via email

Dear Mr Li,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

RAID is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The Centre d'Aide Juridico-Judiciaire (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicomin (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a significant portion of labour to sub-contracting companies to reduce costs and to minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.
2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and*

High-Risk Areas recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The *OECD Due Diligence Guidance for Responsible Business Conduct* further elaborates practical guidance on how downstream companies may meet these objectives.¹

We have reviewed your publicly available material relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above. We have also taken note of your 2017 correspondence with Amnesty International.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery components suppliers.

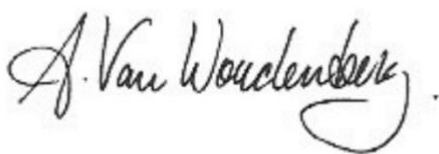
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kashal
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to Samsung SDI

To: Samsung SDI
Date: 10 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery components manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery components suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery components suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery components suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries you manufacture? Could you please provide information about agreements taken to consolidate this diversification?

FW: (4) Abusive working conditions at DRC industrial cobalt mines

From: 한광희

Date: Thursday, 23 September 2021 at 08:23

To: Anneke Van Woudenberg

Subject: FW:(4) Abusive working conditions at DRC industrial cobalt mines

Dear Mr. Anneke Van Woudenberg,

I am Kwanghee Han, being responsible for ESG group in corporate planning team from Samsung SDI.

First of all, I would like to thank RAID and CAJJ for your efforts to address the impacts of the battery supply chain on labor environment and human rights. 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.

Samsung SDI is focusing on various areas such as climate change and resource circulation as well as improving supply chain due diligence practices and preparing for the future. Related goals and preparations have been announced through the Sustainability Report 2020, published in June this year.

You can see the details of the report by accessing the link below.

https://www.samsungsdi.co.kr/upload/download/sustainable-management/2020_Samsung_SDI_Sustainability_Report_English.pdf

Although it is still difficult to show remarkable results in most areas, we will continue to endeavour to make more progress in the future for the sustainability of the battery industry.

Now let me answer your questions for each areas.

1. Supply chain mapping (Q 1, 2, 3)

A) - To ensure the traceability and transparency of the cobalt supply chain, we conduct an annual survey of all suppliers for supply chain mapping. In 2020, we have identified 24 smelters and refiners and we require all smelters and refiners to complete RMI's third-party audit program or equivalent third-party screening.

Among the 24, except one in Madagascar and one in New Caledonia, the remaining smelters and refiners are included in the RMI Conformant/Active Refiner list or have completed the equivalent third-party screening. You can see the details in the page 43 from the Sustainability Report 2020 linked above.

- However, please note that further information including the mines cannot be disclosed in accordance with NDA and information protection policies with suppliers.

2. Supply chain due diligence (Q 4, 5, 6, 7, 8, 9)

A) - Samsung SDI has established a responsible mineral sourcing policy based on the OECD Due Diligence Guidance in 2017 and reflected it in the Supplier Code of Conduct, and is asking suppliers to submit their compliance agreement.

Samsung SDI's Supplier Code of Conduct stipulate policies to prohibit discrimination based on race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political orientation, union status, and marriage.

We are also trying to inform our supply chain of our policies and improve awareness through regular training every year.

You can see the details of the Supplier Code of Conduct by accessing the link below.

http://www.samsungsdi.com/upload/download/sustainable-management/Supplier_Code_of_Conduct_v1.01.pdf

- Also, through the S-Partner Certification system, we are constantly identifying and evaluation the risks of supply chain and promoting the improvement of suppliers. You can see the details of the S-Partner Certification system in the page 40 from the Sustainability Report 2020 linked above.

- Based on the result of the S-Partner audit, if a violation is found regarding essential compliance items such as labour human rights and working environment, Samsung SDI requires improvement plan and conducts re-audit to confirm whether the improvement has been made within 3 months. Twelve (12) companies have been re-audited in the past three (3) years, but no transactions have been suspended caused by serious labour and human rights violations.

3. Risk mitigation (Q 10, 11, 12)

A) - 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 it 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.

- Since 2019, Samsung SDI has been working with several companies on the "Cobalt For Development" project to improve the working environment and community of DRC mines. Through this project, we are conducting various activities such as educating communities and distributing personal safety equipment.

You can see the details of the project in the page 42 from the Sustainability Report 2020 linked above.

4. Production (Q 13, 14)

A) - Consumption of cobalt : Year 2020 10,000ton → Year 2021 13,000ton → Year 2022 14,000ton

- To diversify the mineral composition of the batteries we manufacture, we have been trying to develop cobalt-free cathode material.

I hope Samsung SDI's answer should be able to help your balanced and fair publication.

I would like to thank you again for contacting us and for giving us an opportunity to share with you our views.

Please do not hesitate to contact me if you have any question or concern.

Yours Sincerely,

Kwanghee Han.



06 September 2021

Roshan Thomas

Vice President Supply Chains

Tesla

3500 Deer Creek Road

Palo Alto, CA 94304

United States

Via email

Dear Mr Thomas,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

[RAID](#) is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The *Centre d'Aide Juridico-Judiciaire* (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicominex (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a significant portion of labour to sub-contracting companies to reduce costs and to

minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.

2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The

OECD Due Diligence Guidance for Responsible Business Conduct further elaborates practical guidance on how downstream companies may meet these objectives.¹

We are currently reviewing all publicly available information relating to your supply chain and sourcing practices, including documents in which you refer to the international standards mentioned above. Among others, we have reviewed your *Code of Business Conduct and Ethics*, your *2020 Impact Report*, your *Human Rights* and *Responsible Materials* policies, your *Supplier Code of Conduct*, as well as credible media sources. We have also taken note of your 2017 correspondence with Amnesty International.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt or battery suppliers.

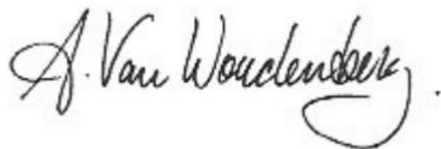
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 17 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kasha
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to TESLA

To: Tesla

Date: 6 September 2021

Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Is there any update or changes to the smelters/refiners and cobalt/battery manufacturers that are part of your supply chain as published in your 2020 impact report? If so, we would be grateful if you could provide updates.

Supply chain due diligence

2. What specific criteria do you use to conduct risk assessments of your smelters/refiners and cobalt/battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
3. How many of your smelters/refiners and cobalt/battery suppliers have participated, in the past 5 years, in your annual third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
4. How many of your cobalt refiners have been subjected to ad-hoc internal inspections, in the past 5 years, to ensure their compliance to international due diligence standards? Please detail which companies have been inspected.
5. What was the outcome of these audits and inspections? Please break this down by company, if it is appropriate.
6. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.
7. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

8. Have any of your smelters/refiners and cobalt/battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide

specific details including the companies implicated and the types of labour and human rights abuses identified.

9. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
10. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

11. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
12. Have you taken any specific action to further diversify the mineral composition of the batteries that are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

RE: Abusive working conditions at cobalt mines in DR Congo

Sarah Maryssael

Fri 01/10/2021 00:08

To: Anneke Van Woudenberg

Hi Anneke,

Thank you for your patience and please find our responses to your question below. We take the issues you have raised very seriously and we appreciate you giving the opportunity to comment.

Many of the questions you asked have been addressed in our 2020 Impact Report and we have referenced the relevant sections. In the three years since our first Impact Report in 2018, we continue to provide more information to our stakeholders and improve the transparency of our supply chain due diligence practices. We recognise there is more we still need to do but we hope you'll be encouraged by the progress we've made thus far. We have also provided additional commentary in our responses in relation to Kamoto Copper Company (KCC) that you listed in your letter.

We remain available should you wish to have a further discussion.

Regards,

Sarah Maryssael

Battery Supply Chain, Metals & Mining

Response to RAID-CAJJ Letter to Tesla - Addressed to Roshan Thomas on 09/06/21

Supply Chain Mapping

1. There is no update to the smelter/refiner list that was provided in our 2020 Impact Report. Any changes to the smelter/refiner list in 2021 will be reflected in next year's Impact Report.

Supply Chain Due Diligence

2. Please refer to page 47 of our 2020 Impact Report where we describe the process we undertake before and after introducing a cell supplier

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, along with evidence of implementation of any corrective action plan following such audit.

Once a supplier is approved and integrated into our supply chain, Tesla requires these same suppliers to conduct ongoing annual third-party audits in accordance with the latest edition of OECD Guidelines and the commitments adopted by the RMI in their Cobalt Refiner Supply Chain Due Diligence Standard. We also conduct ad-hoc Tesla internal inspections of our cobalt refiners to ensure ongoing compliance throughout the annual cycle. Following results from conducted audits,

we engage with our suppliers to implement audit recommendations as part of a process of continuous improvement of our supply chain. To date, we have not identified any instances of any human rights violations in our cobalt supply chain.

In addition, on page 52 we describe our involvement in the [Re|Source Blockchain Pilot Programme](#)

We have been collaborating with Re|Source consortium founded by the leading industrial cobalt producers in the DRC—China Molybdenum, Eurasian Resources Group and Glencore—to develop a blockchain platform by creating a transparent, open and global registry that aims to ensure that all cobalt used in end-products is sustainably sourced and users can account for and verify the provenance of each unit. Tesla selected to collaborate with Re|Source because it is industry-led, is designed to be readily accessible and inclusive to all parties across the supply chain and is scalable, which means it can include other critical battery materials in the future.

Upon completion, the system will allow users to fully track cobalt from the mine to the battery with assurance that the volume of traceable material is understood as well as the sustainability efforts of upstream suppliers. This solution will be piloted in real operating conditions, starting from the cobalt production sites in the DRC all the way through to electric vehicle production sites. Tesla is participating in this pilot program, scheduled to run until the end of 2021. The full roll-out of the platform is expected in 2022.

3, 4, 5. Please refer to page 48 of our 2020 Impact Report. In the table where we list of cobalt refiners and smelters, you'll note that the refiners and smelters processing DRC cobalt, they are classified 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. We focus our annual third party audits and ad-hoc internal inspections on smelters/refiners that source cobalt materials from the DRC that are "active" and therefore have not yet received a conformant certification from the RMI.

6. 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. In case of any unwillingness to improve, we will take appropriate actions to terminate the relationship.

7. Please refer to page 49 of our 2020 Impact Report where we describe our procurement strategy for battery metals and how we engage directly with our suppliers to address ESG risks.

Tesla continues to expand the scope of its battery metals procurement strategy by executing long-term agreements directly with upstream producers and mining companies to supply our Gigafactories. Tesla works directly with mineral producers and refiners that are aligned with our mission and are committed to supplying sustainably and responsibly sourced materials in accordance with our Code and other policies protecting human rights. This direct engagement with upstream producers allows us to better manage social and environmental concerns.

In the instance of Kamoto Copper Company, which you have identified in your letter, we have reviewed KCC's HSE Policies as well as Glencore's Code of Conduct, Health & Safety, Social Performance, Supplier Standards and Equality of Opportunity, Diversity & Inclusion 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 the following criteria: management, policy & continuous improvement; environmental performance; stakeholder engagement and relationships with local communities; 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.

In 2020, KCC successfully participated in the [Responsible Minerals Initiatives's pilot audit programme](#) and were certified as conformant earlier this year. KCC is the only mining operation in Africa to receive RMI certification in the 2020-21 period. The other smelter that we listed in our 2020 Impact Report has also been certified by the RMI as conformant.

Risk Mitigation

8, 9, 10. To date, we have not identified any instances of any human rights violations in our cobalt supply chain.

Production

11. Our forecasted demand for cobalt is commercially-sensitive information that we cannot disclose

12. Please refer to page 47 of our 2020 Impact Report.

Tesla's batteries contain a variety of different cathode chemistries, including nickel-cobalt-aluminum (NCA) and nickel-cobalt manganese (NCM) for higher energy applications and lithium-iron-phosphate (LFP) for lower energy applications. 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.



10 September 2021

Yumi Otsuka

Operating Officer and Chief Sustainability Officer
Toyota Motor Corporation
1 Toyota-cho, Toyota City
Aichi Prefecture
Japan

Via email

Dear Ms Otsuka,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

RAID is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The Centre d'Aide Juridico-Judiciaire (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicominex (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a significant portion of labour to sub-contracting companies to reduce costs and to

minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.

2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The

OECD Due Diligence Guidance for Responsible Business Conduct further elaborates practical guidance on how downstream companies may meet these objectives.¹

We have reviewed your publicly available material relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery suppliers.

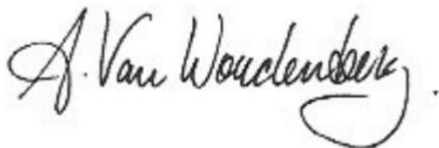
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kashal
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to Toyota Motor Corporation

To: Toyota Motor Corporation
Date: 10 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

RE: Abusive working conditions at cobalt mines in DR Congo

Scott Brownlee

Wed 22/09/2021 11:27

To: Anneke Van Woudenberg

Dear Anneke,

Response to RAID-UK ques ons on "Abusive working condi ons in DR Congo"

We recognize that the issue of mineral sourcing originating in the Democratic Republic of the Congo or an adjoining country 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 the Congo or an adjoining country which are related to illegal conduct including human rights infringements. We also recognize that human rights abuses, such as child labour in the procurement of cobalt and other materials, are significant social issues, and we aim to carry out our procurement activities such that they do not include minerals that are suspected of being derived from such abuses.

Consistent with our "Guiding Principles & CSR Guidelines" we keep engaging suppliers throughout our worldwide operations to help ensure they are aware of and abide by our standards, as well as to assess potential issues.

[https://eur01.safelinks.protecton.outlook.com/?](https://eur01.safelinks.protecton.outlook.com/?url=https%3A%2F%2Fglobal.toyota%2Fpages%2Fglobal_toyota%2Fsustainability%2Fesg%2Fsupplier_csr_en.pdf&data=04%7C01%7CPaul.Greaves%40toyota-europe.com%7C3a2d22ba938a4c2dc4fa08d97c03048e%7C52b742d13dc247acbf03609c83d9df9f%7C0%7C0%7C637677175823458258%7CUnknown%7CTWFpbGZsb3d8eyJWljiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Iik1haWwiLCJXVCi6Mn0%3D%7C3000&sd=kvCU%2B9tbu459ft9cLKOJTALn2VppYoj9N4NiiWOBA7g%3D&reserved=0)

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As part of these efforts, we may ask a supplier to make improvements, and we follow up on these improvement activities when necessary.

We make efforts to minimize the impact of our procurement activities on local communities, and we will ask our suppliers to take actions to avoid using certain materials if there is a concern about the source.

While we are unable to comment to your questions on individual suppliers and transactions, please see Toyota's Policy for Responsible Mineral Sourcing which includes our specific processes for activities related to Cobalt sourcing in the attached 2021 Sustainability Report (page29).

[https://eur01.safelinks.protecton.outlook.com/?](https://eur01.safelinks.protecton.outlook.com/?url=https%3A%2F%2Fglobal.toyota%2Fpages%2Fsustainability%2Freport%2Fsdb%2F&data=04%7C01%7CPaul.Greaves%40toyota-europe.com%7C3a2d22ba938a4c2dc4fa08d97c03048e%7C52b742d13dc247acbf03609c83d9df9f%7C0%7C0%7C637677175823458258%7CUnknown%7CTWFpbGZsb3d8eyJWljiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Iik1haWwiLCJXVCi6Mn0%3D%7C3000&sd=YMhbTc2w4pluK7ZDxVX22GrxzfYFaWIPpQPj%2B%2BUI%3D&reserved=0)

[url=https%3A%2F%2Fglobal.toyota%2Fpages%2Fsustainability%2Freport%2Fsdb%2F&data=04%7C01%7CPaul.Greaves%40toyota-europe.com%7C3a2d22ba938a4c2dc4fa08d97c03048e%7C52b742d13dc247acbf03609c83d9df9f%7C0%7C0%7C637677175823458258%7CUnknown%7CTWFpbGZsb3d8eyJWljiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Iik1haWwiLCJXVCi6Mn0%3D%7C3000&sd=YMhbTc2w4pluK7ZDxVX22GrxzfYFaWIPpQPj%2B%2BUI%3D&reserved=0](https://eur01.safelinks.protecton.outlook.com/?url=https%3A%2F%2Fglobal.toyota%2Fpages%2Fsustainability%2Freport%2Fsdb%2F&data=04%7C01%7CPaul.Greaves%40toyota-europe.com%7C3a2d22ba938a4c2dc4fa08d97c03048e%7C52b742d13dc247acbf03609c83d9df9f%7C0%7C0%7C637677175823458258%7CUnknown%7CTWFpbGZsb3d8eyJWljiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Iik1haWwiLCJXVCi6Mn0%3D%7C3000&sd=YMhbTc2w4pluK7ZDxVX22GrxzfYFaWIPpQPj%2B%2BUI%3D&reserved=0)

For your reference, Toyota has also taken part in the Drive Sustainability that aims to drive sustainability throughout the automotive supply chain by promoting a common approach within the industry and by integrating sustainability in the overall procurement process.

<https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.drivesustainability.org%2F&data=04%7C01%7CPaul.Greaves%40toyota-europe.com%7C3a2d22ba938a4c2dc4fa08d97c03048e%7C52b742d13dc247acbf03609c83d9df9f%7C0%7C0%7C637677175823458258%7CUnknown%7CTWFpbGZsb3d8eyJWljoIMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikp1haWwiLCJXVCi6Mn0%3D%7C3000&sdata=3E6IPUQydETHuF06cBBn2hfTW1LW18UpXntMxViB86s%3D&reserved=0>

This response is aligned with TMC.

Best regards,

Scott

TOYOTA

TOYOTA (GB) PLC

Scott Brownlee
General Manager, Press Relations and
Social Media



TOYOTA



Re: Abusive working conditions at cobalt mines in DR Congo

Anneke Van Woudenberg

Wed 22/09/2021 15:42

To: Scott Brownlee

Dear Scott,

Thank you for the response from Toyota, which we have read carefully. There are, however, a number of matters which are not clear to us and we would be most grateful for further clarification. These are as follows:

1. What specific criteria does Toyota use to monitor the performance of suppliers and determine whether improvements are necessary? For example, what are the specific steps of the “background checks” and “investigations” conducted in relation to your refiners?
2. We would be grateful for additional details on your Cobalt Reporting Template? How regularly is your suppliers’ performance assessed against your cobalt reporting framework?
3. Toyota’s Sustainability Report mentions that in 2020, Toyota encouraged 92 smelters (23 of whom are cobalt smelters) to participate in the RMAP. What actions does Toyota take in relation to smelters that are non-compliant with your internal policies (including your Supplier CSR Guidelines) or international/industry standards? Has Toyota ever terminated or suspended relationships with suppliers in breach of these instruments?
4. You state that you do not use any minerals that originate in the DRC “which are related to illegal conduct including human rights infringements”. What specific sources and criteria do you use to establish whether the cobalt used by Toyota is related to illegal conduct? For example, what type of questions does the “global survey” mentioned in your Responsible Mineral Procurement Policy contain? Is this survey limited to conflict minerals?
5. Does Toyota have any previous knowledge of human rights violations in the cobalt mines mentioned in our letter which feature in our research?
6. Have any of Toyota’s suppliers taken significant actions to diversify the metals they use, including cobalt from the DRC? Could you please provide details about these actions?

Thank you so much for any further information you can provide.

With my best regards,
Anneke

Anneke Van Woudenberg

Executive Director



RE: Abusive working conditions at cobalt mines in DR Congo

Scott Brownlee

Fri 01/10/2021 09:50

To: Anneke Van Woudenberg

Dear Anneke,

As per pre-existing schedule, yesterday (30 September, 2021) TMC published:

- Its **Human Rights Policy** on the Sustainability page of the TMC website: [Social Initiatives | ESG \(Environment, Social, Governance\) Activities | Sustainability | Toyota Motor Corporation Official Global Website](#)
- A statement “**Toyota's action taken for Forced Labor of Migrant Workers (Statement on the Modern Slavery Acts)**” (see attached)

TMC asks us to respond to any enquiries with the following:

Within every country and every region in which we operate, Toyota aims to be the best company in town that is both loved and trusted by the people to pursue its mission “producing happiness for all”.

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.

I also the latest Human Rights Policy document.

Best regards,

Scott

TOYOTA

TOYOTA (GB) PLC

Scott Brownlee
General Manager, Press Relations and
Social Media



TOYOTA





10 September 2021

Ralf Pfitzner

Global Head of Sustainability

Volkswagen

Barbara Lamprecht

Coordinator Business and Human Rights

Volkswagen

Dieselstraße 28

38446 Wolfsburg

Germany

Cc: Jonas Brünig, Lead CO2-Compensation Strategy

Via email

Dear Mr Pfitzner and Ms Lamprecht,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

RAID is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The Centre d'Aide Juridico-Judiciaire (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicomin (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a significant portion of labour to sub-contracting companies to reduce costs and to minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.
2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The *OECD Due Diligence Guidance for Responsible Business Conduct* further elaborates practical guidance on how downstream companies may meet these objectives.¹

We have reviewed your publicly available material relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above. We have also taken note of your 2017 correspondence with Amnesty International.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery suppliers.

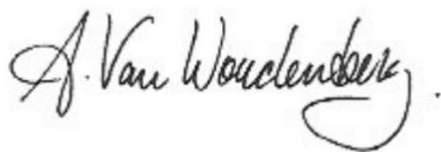
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kashal
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to Volkswagen

To: Volkswagen

Date: 10 September 2021

Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

VOLKSWAGEN

AKTIENGESELLSCHAFT

VOLKSWAGEN AKTIENGESELLSCHAFT 38436 WOLFSBURG GERMANY

Mrs. Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)

YOUR REFERENCE
YOUR LETTER
OUR REFERENCE
PHONE
FAX
E-MAIL
DATE

September 23, 2021

Re: Abusive working conditions at cobalt mines in DR Congo

Dear Mrs. Van Woudenberg,

Thank you for your inquiry. We appreciate your interest in our activities in regards to responsible cobalt supply chains. The Volkswagen Group takes its responsibility as a company in the field of human rights worldwide very seriously. 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.

Only suppliers that accept our sustainability requirements and commit to fulfilling them may enter into a business relationship with the Volkswagen Group. Our direct suppliers are expected to pass on these sustainability requirements to their business partners throughout the supply chain. Since 2019, we have been assessing the sustainability performance of our relevant business partners with a process called "S-Rating" prior the final sourcing decision.

The relationships with our business partners are, as a matter of principle, confidential. Regarding raw materials purchasing we want to emphasize the fact that 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.

We are working intensively to increase transparency in the complex upstream cobalt supply chain in order to trace the material and identify where it originates from. Although we do not disclose individual suppliers to our Group, we have disclosed in the above mentioned report that the Democratic Republic of the Congo is one the countries that cobalt in our batteries originates from.

We take the issues that you address very seriously. In fact, we have conducted a risk identification and assessment of the cobalt supply chain ourselves which is one of the reasons that the Volkswagen Group has implemented a *Raw Materials Due Diligence Management System* covering 16 high risk raw materials, with cobalt being one of those 16. This Management System was implemented in 2020 and in June 2021 we have published our actions on the individual raw materials, our progress as well as our future objectives in *The Volkswagen Group Responsible Raw Materials Report 2020*. Please find a web link to the report [here](#).

In the event of irregularities – e.g. violations of our human rights and sustainability standards – we take appropriate, quick and resolute action to ensure that our requirements are met.

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COMMERCIAL REGISTER:
HRB 100484

VOLKSWAGEN

AKTIENGESELLSCHAFT

Seite 2

In order to improve the situation on the ground for miners and local communities in the Democratic Republic of the Congo we have joined the project *Cobalt for Development* in September 2020. Together with industry partners we aim to improve working conditions (e.g. by implementing HSE trainings for miners) as well as living conditions of the local population. Please find further information [here](#).

We would like to extend an invitation for a call or an online meeting in order to provide a more detailed perspective and information on our supplier assessment and management processes, the S-Rating" and *Raw Materials Due Diligence Management System*, and to answer further questions.

Yours sincerely,



i. V. Frauke Eßer

Head of Global Supplier Risk And
Sustainability Management
Volkswagen Group Purchasing



i. V. Barbara Lamprecht

Coordinator Business and Human Rights
Volkswagen Group
Head of COC Group Business and Human Rights
Group Compliance



10 September 2021

Linn Fortgens

Head of Sustainability Procurement
Volvo Cars Corporation
405 31 Göteborg
Sweden

Anders Kärrberg

Head of Global Sustainability
Volvo Cars Corporation
405 31 Göteborg
Sweden

Cc: Gun Bengtsson, Partnerships and External collaborations - Global Procurement

Via email

Dear Ms Fortgens and Mr Kärrberg,

Re: Working Conditions in DRC Cobalt Mines

We are two civil society organizations writing in relation to our current research into abusive working conditions at several large industrial copper and cobalt mines in the Democratic Republic of Congo (DRC). We believe that the supply chain of your company may include cobalt sourced from these mines for use in the manufacturing of electric vehicles. We have a number of questions about your supply chain that we hope you might be able to answer.

RAID is a UK-based non-governmental organisation that exposes corporate abuses and human rights violations, standing with those harmed to hold companies to account. We have been partnering with civil society actors in Congo for more than 23 years. The Centre d'Aide Juridico-Judiciaire (CAJJ) is a Congolese charity based in Kolwezi, which provides legal assistance to workers and others whose human rights have been abused.

At the end of 2020, our organisations conducted a detailed field mission and interviewed more than one hundred current and former mine employees at five of the largest industrial cobalt mines. The companies operating these mines are Kamoto Copper Company (owned by Glencore), Tenke Fungurume Mining (owned by China Molybdenum Co.), Metalkol (owned by Eurasian Resources Group), Sicomin (a joint venture between Gécamines, SIMCO and a consortium of Chinese companies) and Somidez (a joint venture between Gécamines and China Nonferrous Metals Co). Together these five companies produce a substantial amount of cobalt originating from the DRC. Alongside workers at these mines, we also interviewed members of civil society, union representatives, lawyers, local authorities and medical staff, amongst others.

Our research raises important concerns about respect for workers' rights at these mines, and demonstrates that cobalt mined under problematic conditions is likely to be entering the global supply chain.

Our findings across the five industrial copper and cobalt mines where we conducted research indicate the following:

1. The extensive use of labour agencies to supply the mines with workers. Numerous people we interviewed said they believe the mines have chosen to outsource a significant portion of labour to sub-contracting companies to reduce costs and to minimize the employment of Congolese workers on permanent contracts that ensure stronger legal rights and benefits.
2. Scores of workers hired through labour agencies to perform work at the industrial mines told us their working conditions were exploitative and abusive. They said:
 - a. They are hired mostly on temporary contracts, resulting in job insecurity and financial instability, and face significant barriers in forming or accessing unions;
 - b. They work extremely long hours, sometimes up to 14 hours a day, and receive low salaries that do not provide them with a living wage;
 - c. They receive inadequate Personal Protective Equipment (PPE);
 - d. They are not provided with adequate, free healthcare, but only a bare subsidy, which does not cover their needs or those of their families; and
 - e. They are not provided with adequate clean drinking water while on the job, despite doing heavy manual work often in hot and humid temperatures.
3. Some workers described serious violent assaults, physical and verbal abuse against them, and highly dangerous working conditions, particularly in (though not limited to) Chinese-operated mines.
4. Congolese workers said they were discriminated against in the course of their employment (racial slurs, low pay and low-skilled positions, segregated kitchen and toilet facilities, etc.) and provided with minimal or no opportunities for promotion in contrast to foreign workers.
5. At some of the mines, medical staff and workers reported that mining companies conceal and/or ignore life-threatening and chronic illnesses caused by working conditions, including possible silicosis and asbestosis.
6. Some of the mining companies appear to have engaged labour agencies/sub-contractors that have limited or no relevant prior experience and are linked to local political elites, according to people we interviewed.

While not all of the above were found at each mine, the overall picture that appears to be emerging is deeply troubling. In 2020, about 58% of the global supply of cobalt was produced by the five mines featured in our research. As a result, there is a high likelihood that cobalt mined in conditions that are abusive to Congolese workers is entering the global cobalt supply chain. We have written to all of the mines listed above raising our concerns and requesting further information about the working conditions.

International standards on business and human rights establish a responsibility for manufacturers using cobalt to respect human rights. The *UN Guiding Principles on Business and Human Rights* (UNGPs), the *OECD Guidelines for Multinational Enterprises* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* recommend that companies have in place adequate due diligence systems to identify, prevent and mitigate human and labour rights abuses in their supply chains. The *OECD Due Diligence Guidance for Responsible Business Conduct* further elaborates practical guidance on how downstream companies may meet these objectives.¹

We have reviewed your publicly available material relating to your supply chain and sourcing practices, including documents in which you refer to some of the international standards mentioned above.

Below, you will find questions constituting areas where we seek clarification on the content of your policies, your human rights due diligence processes – in particular in relation to risks of labour rights abuses –, and your business practices with your cobalt and battery suppliers.

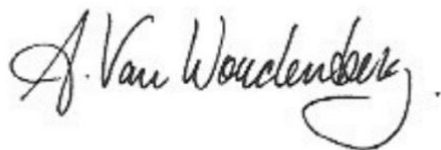
We plan to publish a public report on our research and your answers are important to ensure we have a thorough understanding of the way you approach your cobalt supply chain and report accurately on it. In the interest of balanced and fair reporting, we strive to reflect all relevant information in our research and publications. Your response will be taken into account in our forthcoming publication.

Please send any information to RAID. If you require any further clarifications or if you have questions, please do not hesitate to contact us. We would welcome an opportunity to discuss these concerns with you.

We would be grateful to receive your response by 23 September 2021.

Thank you and we look forward to hearing from you.

Yours sincerely,



Anneke Van Woudenberg
Executive Director
Rights and Accountability in Development (RAID)



Josué Kashal
Monitoring and Evaluation Manager
Centre d'Aide Juridico-Judiciaire (CAJJ)

¹ OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), 76-78.

Questions from RAID and CAJJ to Volvo Cars Corporation

To: Volvo Cars Corporation
Date: 10 September 2021
Subject: Working Conditions in DRC Cobalt Mines

Supply chain mapping

1. Have you identified all of the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?
2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?
3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Supply chain due diligence

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.
5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?
6. How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.
7. What was the outcome of these audits? Please break this down by company, if it is appropriate.
8. Have you ever taken corrective action or terminated/suspended a business relationship with cobalt smelters/refiners or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Risk mitigation

10. Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.
11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?
12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

Production

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?
14. Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

SUPPLY CHAIN MAPPING

1. Have you identified all of the smelters/refiners and battery manufacturers that are part of your supply chain? If so, could you please provide a detailed list of these companies?

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 [blockchain technology](#). Blockchain creates an immutable record of the chain of custody of materials. This enables us to track the raw material as it changes state through the supply chain – from the mine to the finalized car. Our provider of blockchain technology, Circular, tags and tracks the raw material itself, records the processes it undergoes and the chain of custody on its way to becoming a finished product, by creating a 'digital twin'. This provides far higher confidence rather than simply tracking related transactions.

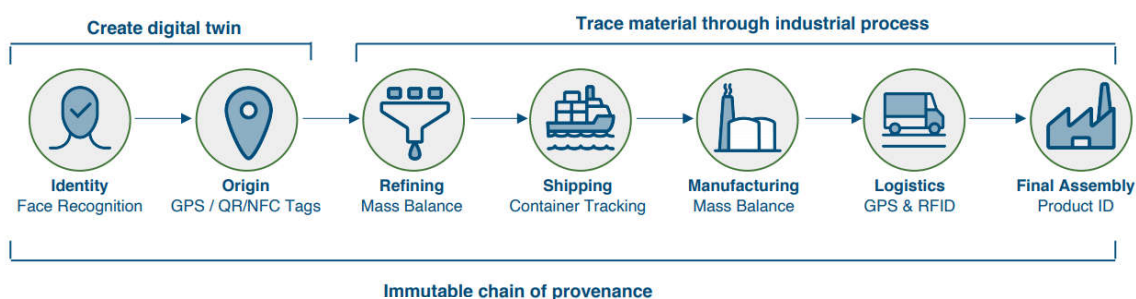


Figure 1. The blockchain process

2. Have you taken any specific measures to map your supply chain all the way back to cobalt mines in the DRC or elsewhere? If so, what mining companies have you identified as being part of your supply chain and how many of them operate in the copper/cobalt belt of the DRC?

As stated above we have implemented blockchain technology to trace the cobalt in our batteries back to the mine. We can confirm that one of the mining companies in our supply chain is operating in the copper/cobalt belt in the Democratic Republic of the Congo (DRC).

3. In order to ensure the transparency of your supply chain, have you taken any steps to make information about your suppliers publicly available? If so, could you please indicate in which documents this information can be found?

Information about our responsible sourcing efforts is disclosed on a yearly basis in our [Annual Report](#).

SUPPLY CHAIN DUE DILIGENCE

4. What specific criteria do you use to conduct risk assessments of your smelters/refiners and battery suppliers at both tendering and renewal stages? Please, also include information about specific procedures and criteria in place to identify whether your suppliers conduct adequate human rights due diligence.

Volvo Cars' requirements and guiding principles for our business partners (e.g. suppliers) are expressed in [Volvo Car Group Code of Conduct for Business Partners](#). In this it is also made clear that our suppliers are required to ensure that their subcontractors, through all tiers, are made aware of and comply with the principles set forth in this code, or similar principles, applicable laws or regulations. The stricter shall always apply. In addition to the Code of Conduct we have a [Position Statement Paper on Metal and Mineral Sourcing](#).

As conveyed in these documents Volvo Cars expects its suppliers to only use minerals and metals that have been extracted and traded in such a way that does not contribute to human rights abuses, unethical business conduct, environmental damage or conflict funding and that they comply with the OECD Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as well as the United Nations Guiding Principles on Business and Human Rights.

Volvo Cars has several tools in place (both for new and running business) to identify, indicate and verify social and environmental compliance with our requirements (see examples below). In addition, since cobalt is one of the raw materials which we consider require enhanced due diligence due to potential negative environmental, social and governance (ESG) impacts, extra efforts have been put in place to secure responsible sourcing. These efforts include the establishment of traceability throughout the cobalt supply chain (see above) and execution of audits, in accordance with the OECD Due Diligence Guidance, on the actors in the cobalt supply chain.

Example of other, fundamental, tools used to verify compliance with our sustainability requirements in sourcing and during running business are risk screening tools (e.g. from [Responsible Business Alliance](#)), on site audits (e.g. the [Validated Assurance Program](#)) and the [Self-Assessment Questionnaire](#).

5. Are labour rights and human rights concerns (e.g. mandatory benefits, illegal renewal of fixed-term contracts, non-discrimination, etc.) included in your due diligence requirements for your suppliers? Could you please provide further information, including written procedures, which detail your supplier due diligence requirements?

Volvo Cars' requirements and guiding principles for our business partners (e.g. suppliers) are expressed in [Volvo Car Group Code of Conduct for Business Partners](#). In this it is also made clear that our suppliers are required to ensure that their subcontractors, through all tiers, are made aware of and comply with the principles set forth in this code, or similar principles, applicable laws or regulations. The stricter shall always apply. In addition to the Code of Conduct we have a [Position Statement Paper on Metal and Mineral Sourcing](#).

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metals that have been extracted and traded in such a way that does not contribute to human rights abuses, unethical business conduct, environmental damage or conflict funding and that they comply with the OECD Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as well as the United Nations Guiding Principles on Business and Human Rights.

6. How many of your smelters/refiners and battery suppliers have participated, in the past 5 years, in third party audits in order to assess the effectiveness of their due diligence processes? Please detail which companies have participated in such audit.

We have conducted 19 (third party) audits according to the OECD Due Diligence guidance on smelters/refiners and mine sites since 2020.

7. What was the outcome of these audits? Please break this down by company, if it is appropriate.

Here examples of typical findings from the audits mentioned above:

- Systems of controls and transparency over the mineral supply chain, including chain of custody/traceability, are not established
- No grievance mechanism or associated procedure(s) in place
- No risk assessments conducted for the suppliers in the supply chain
- Poor risk management
- Due diligence management system not audited by third party

8. Have you ever taken corrective action or terminated/suspended a business relationship with or other suppliers due to their inability or unwillingness to meet your due diligence requirements? On what specific grounds were these actions decided? Please, break this down by company if it is appropriate.

When identifying areas which are not in line with our sustainability requirements, we initiate a dialogue with the concerned supplier to ensure that the needed measures are taken.

A sub-supplier in our battery supply chain was suspended after having refused to share information about its sub suppliers and conducting a third-party audit to verify their compliance with OECD Guidance.

9. What programs do you have currently in place to build the capacity of your suppliers and to improve their adherence to your due diligence expectations?

Sustainability is an integrated part of our business, which means that our sustainability expectations, including human rights, is part of our regular supplier dialogues and events. By way of example, our battery suppliers are annually invited to trainings on our Code of Conduct for Business Partners. They are also encouraged to take relevant sustainability trainings on the e-learning platform hosted by [Responsible Business Alliance](#).

RISK MITIGATION

10. Have any of your smelters/refiners and battery suppliers identified serious labour rights violations in their supply chain and, if so, have they informed you? Please provide specific details including the companies implicated and the types of labour and human rights abuses identified.

To date, such information has not been shared with us.

11. Have you ever been informed of labour and human rights abuses in cobalt mines operating in the DRC through other channels? If so, could you please provide details, including relevant documents, about channels through which this information was shared with you?

In 2018, prior to an upcoming battery sourcing, Volvo Cars staff visited both ASM and LSM sites as well as smelters in the cobalt and copper belt in the DRC together with one of our battery suppliers and a third-party audit firm to investigate risks for human rights abuses onsite. During the visit a third-party audit according to the OECD Due Diligence Guidance, was conducted on a few of the sites. A number of risks were identified, mainly on ASM sites, including high risk for child labour, poor working conditions and not sufficient environmental management. One of the proposed actions was to establish a monitoring mechanism to reduce the risks for human rights abuses. As a result of this audit our first-tier supplier engaged its suppliers to support establishing [Better Mining](#), an assurance and impact program that continuously monitors and supports the improvement of conditions on and around ASM sites in the DRC and Rwanda. Volvo Cars joined the Better Mining program one and a half year ago to also support the program. Based on the on-site visit it was also concluded that a system for traceability throughout the cobalt supply chain had to be implemented.

12. In instances where you were made aware of labour and human rights harms at mine level, what specific steps have you taken to mitigate and/or remediate these harms? In these processes, have you collaborated with your suppliers or other manufacturers? Please, provide additional details, including written procedures, about measures and initiatives taken.

As part of our engagement in Better Mining (currently covering 8 cobalt and copper sites, 17 3T sites and an estimated 35,500 ASM miners), we receive quarterly reports on the progress. The most common incidents (over time) for cobalt sites fall under the category *Working Conditions/Safety* (for example lack of personal protection equipment, work related injuries and poor pit infrastructure causing collapses). In addition to *Working Condition/Safety*, risks in the areas of *Environment* and *Legality* are top risk categories during 2021.

As an assurance program, Better Mining recommends corrective actions to local stakeholders for implementation and monitors and reports on implementation. By the second quarter of 2021, 77% of recommended corrective action points (CAPs) on the cobalt-copper sites have been successfully implemented or are in progress. We are happy to see the positive impact that the program delivers. In the report for the second quarter (March-June) 2021 the following was stated: *“At Mature sites (1+ year of CAPs) we see long-term improvements across most risks. And “Better Mining has a particularly strong*

track record on Human Rights risks. Less Human Rights and Legality Risks at Mature Sites”.

We are also a supporter of the [Fair Cobalt Alliance](#) to drive the development of responsibly mined cobalt in the DRC and a member of [Responsible Mineral Initiative](#) (as well as [Responsible Business Alliance](#)).

PRODUCTION

13. Could you please indicate your approximate consumption of cobalt for 2019 and 2020? What is your projected consumption for 2021 and 2022?

This is business sensitive information.

14. Have you taken any specific action to diversify the mineral composition of the batteries are used in your products? Could you please provide information about agreements taken to consolidate this diversification?

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. We are also continuously investigating alternatives to NMC batteries.

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.