

RESPONSIBLE SOURCING OF METALS AND MINERALS

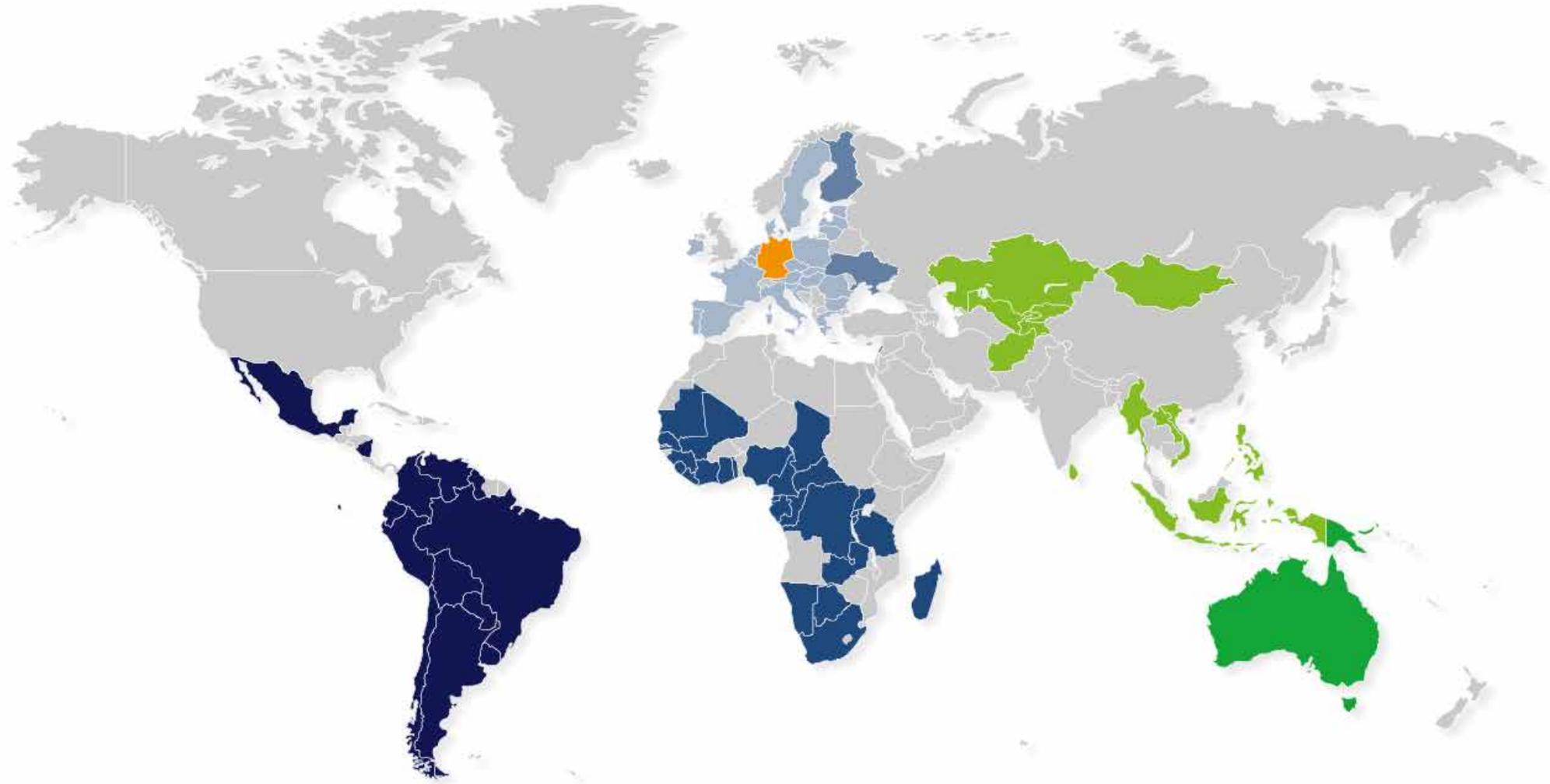
Projekt  Consult

MEMBER OF GFA GROUP

Projekt-Consult specializes in consulting for **responsible mining and sourcing of minerals**. We have in-depth **knowledge of the upstream extractives supply chain**, focusing on **people and countries involved** in mining.

- We advise companies, governments and donor organizations on the **strategic and technical implementation of responsible mineral supply chains**.
- We manage and facilitate different **stakeholders to develop, finance and implement projects** in the extractives sector.





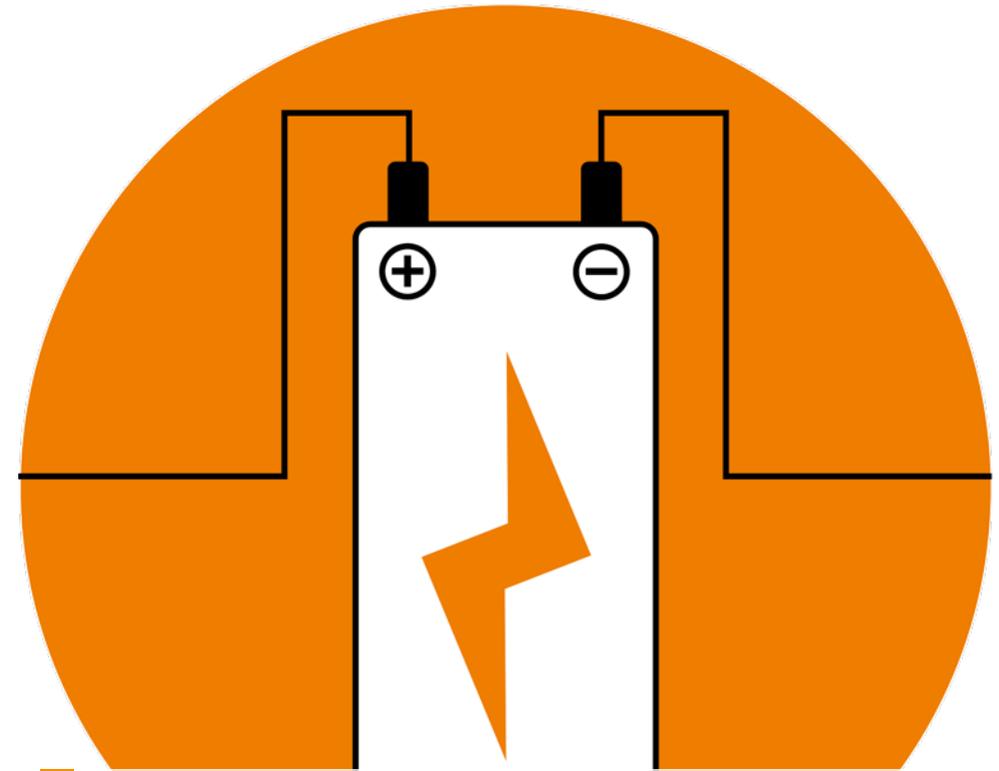
Founded 1979, since 2014 member of GFA Group

Scope on **environmental, social and governance (ESG)** aspects

Projects in **70+ countries**

Decision makers in general management, purchasing and sustainability need to

- **anticipate trends** in minerals supply and adapt management systems to build resilient supply chains
- effectively **manage the mix of regulations** for mandatory corporate environmental and human rights due diligence
- comply with investor expectations to have **access to financial resources**
- stay in business and be a recognized partner to **customers**
- attract **future talents** by being a preferred employer



The production of minerals, such as **graphite, lithium and cobalt**, may increase by nearly

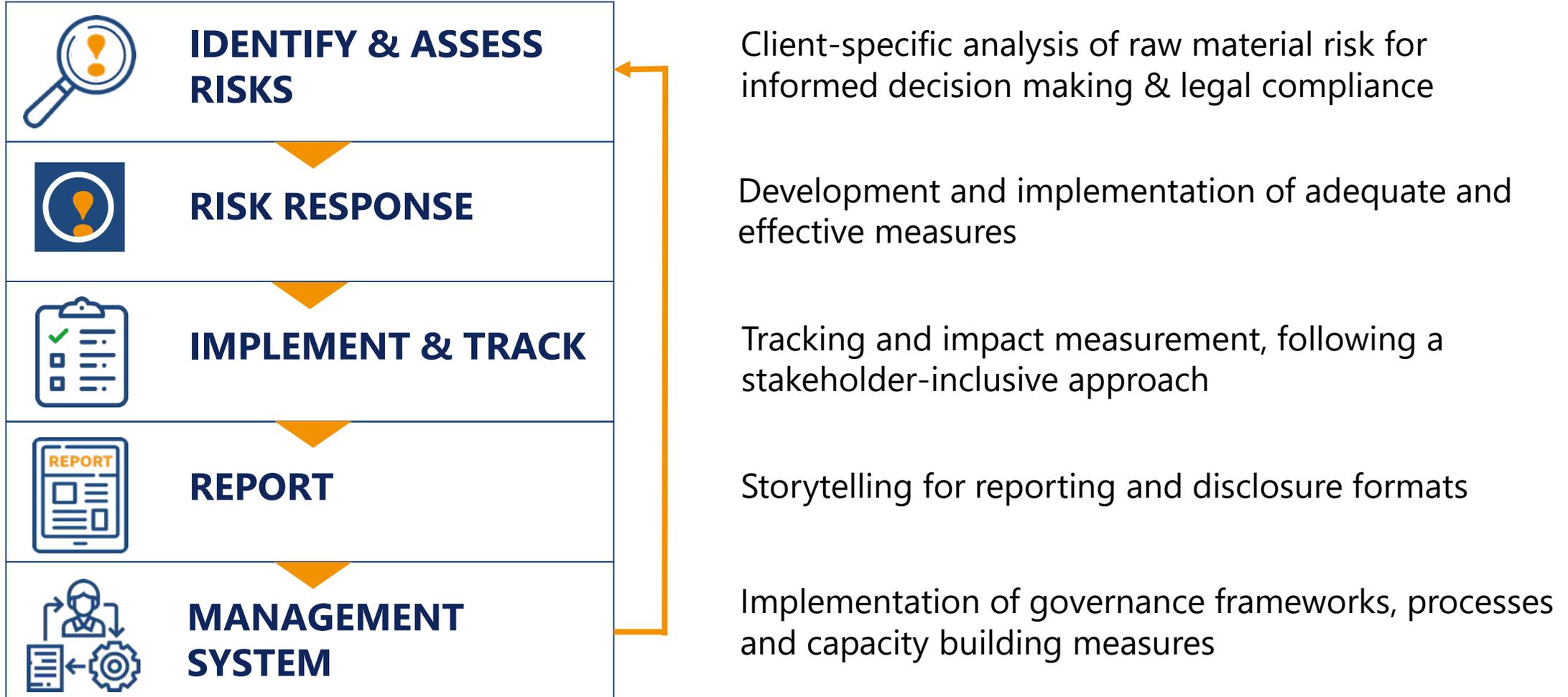
500% by 2050, to meet the demand for clean energy technologies

Together with our clients we develop **compliant, effective** and **meaningful** responsible sourcing approaches.

- Human rights **due diligence** processes
- Individual mineral supply chain **risk** analyses
- **Audits** and **trainings** on the mining level
- Active **stakeholder** involvement
- **Projects** to set up responsible supply chains for industry sectors
- Raw materials sourcing **legislation**
- Interaction with **public institutions** & governments



We combine and support existing initiatives, activities and sources for efficiency and impact.



Based on OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

OUR SERVICE

We provide a system for informed decision making on how to address ESG risks in mineral supply chains.

OUR APPROACH

- Frame the context to shed light on relevant minerals, based on customer needs and specifics, regulatory requirements, and commodity briefs
 - ➔ ESG Heat Maps, case studies
- Prioritize ESG risk based on a robust methodology
 - ➔ Risk filter
- Deep-dive risk analysis for prioritized minerals, considering the client's commodities and supply chains
 - ➔ Specific assessment to prepare risk response



OUR SERVICE

Together with our clients, we develop risk response strategies to implement effective measures and tools.

OUR APPROACH

- Risk response strategy aligned with the client's goals and positioning in the minerals supply chain
 - ➔ Activity roadmap
- Risk response toolbox to support the risk response strategy
 - ➔ Register of proper tools, industry initiatives, certifications
- Rollout of measures such as audits, training, stakeholder involvement, projects, joined initiatives, certifications
 - ➔ Implementation of activity roadmap



OUR SERVICE

We provide a cockpit for minerals risk response measurement, including stakeholder engagement strategies and KPIs.

OUR APPROACH

- Indicators how to measure minerals risk management
 - ➔ Set of client-specific KPIs
- Impact measurement based on indicators, with a strong focus on stakeholder involvement
 - ➔ Quantitative and qualitative track record



OUR SERVICE

We provide our clients with suitable and required reporting and disclosure formats.

OUR APPROACH

- Develop reporting formats that fit with the specific responsible sourcing strategy of the client and with regulatory requirements
 - ➔ Internal & external reporting, including grievance



OUR SERVICE

We analyze the status quo of management systems on responsible sourcing and help to align them with regulatory and best-practice requirements.

OUR APPROACH

- Gap analysis (guidelines, processes and systems) based on best practice and regulatory requirements
 - ➔ Benchmark positioning
- Governance framework and operating models for responsible sourcing internally and externally
 - ➔ Processes, policies, contracts, systems
- Capacity building inside and outside the organization
 - ➔ Structures, trainings, communication



- **Pioneers** in responsible minerals sourcing - driven by technical knowledge and expertise in the mining sector
- **Multidisciplinary** team at Projekt-Consult, with support of more than 300 in-house specialists within GFA Group
- **International** focus, resulting from experience in projects in +70 countries
- **Versatile** skills set for consulting, research and project management with experience in the public and private sector
- **Connected** with a broad range of stakeholders and partner institutions worldwide
- **Holistic** grasp of economic, social, environmental and governance aspects in responsible minerals sourcing





MORITZ LÖRCHER

Managing Director

P: +49 (0) 40 603 06 740

M: moritz.loercher@projekt-consult.de



DR. HEIKE SCHULZE

Senior Manager Responsible Sourcing

P: +49 (0) 40 60306 747

M: heike.schulze@projekt-consult.de



ISABEL URRUTIA

Consultant

P: +49 (0) 40 60306 745

M: isabel.urrutia@projekt-consult.de

Project examples



PROJECT EXAMPLE: CTC AUDITS AND EVALUATION

COUNTRIES: DRC, RWANDA

PROJECT DURATION: 2010-2021 (intermittently)

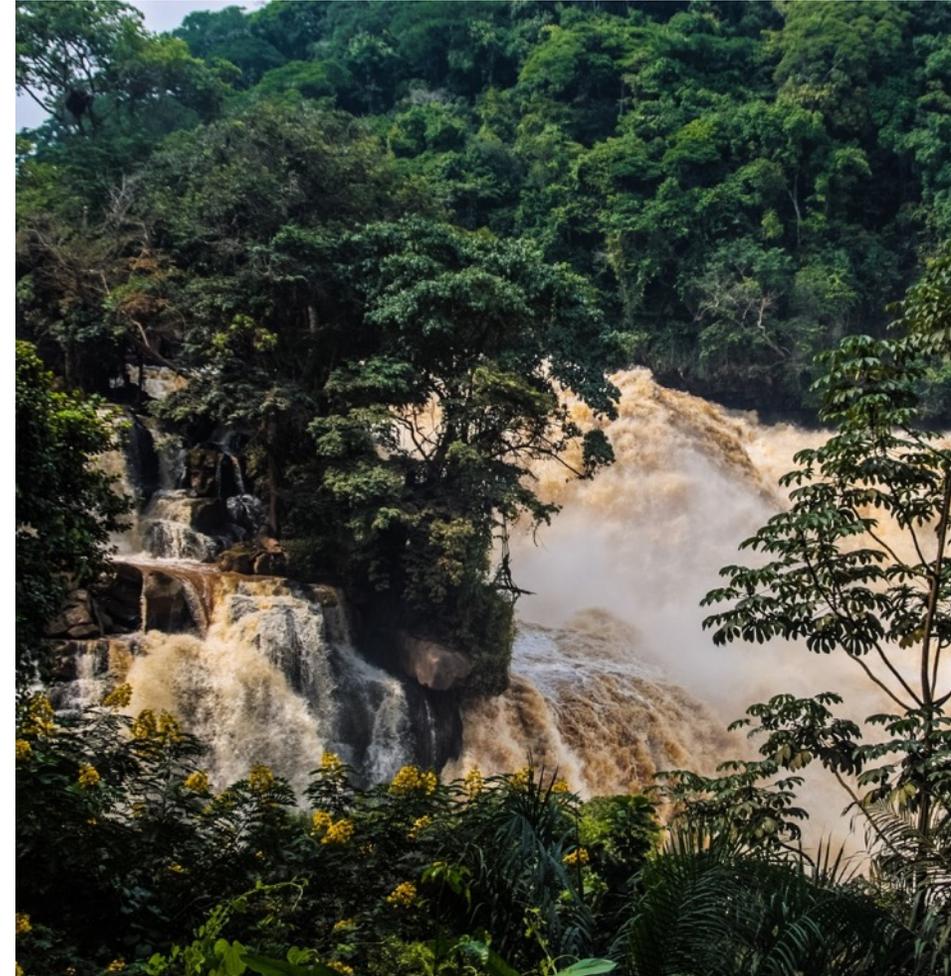
CONTRACT VALUE: > 0.4 Million €

From 2010 onwards, supply chain experts of Projekt-Consult supported the German Geological Survey (BGR) with the development of a new certification scheme for 3TG: the Certified Trading Chains (CTC). After piloting and improving the new standard in Rwanda and DRC, CTC became DRC's national certification for 3TG and now also includes copper, cobalt, lead and coloured gemstones.

Since then, Projekt-Consult conducted more than 30 independent third-party audits, focusing on key issues related to good governance, transparency, traceability, due diligence, legality, social and labour standards, occupational health and safety, community relations, and environmental management and closure planning.

During the audit process, key stakeholders were assessed, policies and strategies documented, contracts reviewed, and conclusions were validated through interviews at the mine site and with representatives of civil society, the community and local government. The process included the development of a set of recommendations for companies to comply with the standards and monitoring measures for the Government of Congo, the BGR support project and companies.

In order to achieve sustainability and greater ownership by the Congolese institutions, Projekt-Consult is currently training Congolese auditors and supports them both remotely and in the field.



PROJECT EXAMPLE: BETTER GOLD INITIATIVE

COUNTRIES: BOLIVIA, PERU, COLOMBIA AND SWITZERLAND

PROJECT DURATION: 2013 – 2021 (upcoming 3rd phase until 2025)

CONTRACT VALUE: > 10 Mio EUR

The Better Gold Initiative (BGI) is an integrated supply chain project that aims at supporting artisanal and small-scale miners (ASM) to meet standards that allow them to ensure the sale of their production at a fair price to buyers who honor the compliance of environmental, social and working standards. The BGI is promoted through a private-public partnership between the Swiss State Secretariat for Economic Affairs (SECO) and the Swiss Better Gold Association (SBGA), a non-profit organisation comprising the key players of the Swiss gold value chain.

Within the BGI, Projekt-Consult is responsible for the all three components in Switzerland and Latin America:

1. Production and certification: With the aim of expanding the production of gold extracted in a responsible manner (“Responsible Gold”), the initiative provides support to small-scale miners and mining cooperatives to improve their performance in technical, organisational, social, and environmental terms.
2. Policy Dialogue: Political dialogue and cooperation with governments allows for a common understanding of the core conditions for sustainable gold mining and supports the simplification of the formalisation processes.
3. Demand: In Switzerland, the cooperation with the SBGA channels the demand for Better Gold among industry stakeholders: refiners, brands (watchmakers, jewelry), and investors.



PROJECT EXAMPLE: AMPLIFYING THE GERMAN CRITICALITY SYSTEM FOR MINERAL RESOURCES (ÖKORESS 1-3)

COUNTRIES: GERMANY, WORLD-WIDE

PROJECT DURATION: 2013 – 2021

CONTRACT VALUE: > 1 Mio EUR

The project seeks to ensure that environmental aspects are given greater consideration in the supply of primary mineral raw materials. In its first phase experts of Projekt-Consult - together with a small group of German think tanks and public policy consultancies - developed a sound and practicable system enabling a reliable comparative assessment of different raw material extraction, processing, and refining activities.

In the second phase, the methodology for assessment of the ecological availability of raw materials was tested by applying it to 51 abiotic raw materials. The results allowed a first sound prioritisation of raw materials that are particularly critical in environmental terms. These findings have enriched the ongoing debate on criticality of raw materials in Germany, Europe, and internationally.

The ongoing third phase (led by Projekt-Consult) is making a substantial contribution to the debate on sustainability, transparency, and responsibility in the supply of raw materials. This shall be achieved by providing transparent, widely available, and consolidated information on the environmental hazard potentials of the most important mining locations for the mass metals aluminum, copper, and iron. An interactive map is being developed, on which each of the 100 largest mining sites of these mass metals is entered and the collected data and evaluation results are stored.



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THANK
YOU VERY
MUCH FOR
YOUR
ATTENTION

