



Mica CRAFT 1.0

Code Volume 2

Requirements for ASM Mica Producers

DRAFT version 0.4, April 2024

For Public Consultation

The Code maintainer is the Responsible Mica Initiative (RMI)

Contact: ...

The Mica CRAFT 1.0 is being developed by the Responsible Mica Initiative (RMI) as a branched version of the Core Version CRAFT 2.1, counting on technical support from the Alliance for Responsible Mining (ARM).



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Editor Note: This draft version of the Mica CRAFT is based on the final draft version of CRAFT 2.1, already approved by the CRAFT Standard Committee. CRAFT 2.1 is scheduled to be released after passing an independent third-party assessment of alignment with the OECD Minerals Guidance and subsequent ratification by the ARM Board.

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INTRODUCTION

The CRAFT Code consists of three indivisible code volumes. Volume 1 contains the description of the intent, characteristics, scope, structure and instruments of CRAFT. Volume 2 contains the requirements for ASM Producers. Volume 3 contains guiding principles for CRAFT Scheme.

The **Mica CRAFT** maintains this structure.

Volume 2 assumes that users are familiar on how to apply the Mica CRAFT in alignment with Volume 1.

This Volume 2 contains all requirements for ASM Mica Producers (AMPs).

Short description of the modules

- **MODULE 1:** Adopting a Management System
- **MODULE 2:** Legitimacy of the AMP
- **MODULE 3:** “Annex II Risks” Requiring Immediate Disengagement. (MODULE 3 has pass/fail criteria)
- **MODULE 4:** “Annex II Risks” Requiring Disengagement after Unsuccessful Mitigation. (MODULE 4 has pass/fail and progress criteria)
- **MODULE 5:** “Non-Annex II” High Risks Requiring Improvement. (MODULE 5 is aspirational and has therefore only pass or progress criteria, of risks being controlled or mitigation in progress)

Background information, further comments, explanatory notes and suggested tools will be contained in **Volume 4** (Guidance Book). Until this Guidance book is developed and published by the Code Maintainer, Volume 4 of the CRAFT Code may be used.

MODULE 1: ADOPTING A MANAGEMENT SYSTEM

Preface

Given the characteristics of significantly lower development of ASM mica mining in many countries compared to ASM on the commodities covered by the Core Version of the CRAFT Code, as described in Volume 1 (Rationale for developing the Mica CRAFT), Criteria of the **Mica CRAFT** include an additional element of progressivity (see Vol.1 chapter 1 and 3.2).

They start out from a lowest acceptable level of conformance (Mica CRAFT Minimum Criteria), but aim at reaching – after a **transition period** (see Vol.1 chapter 1 and 3.2) granted according to the parameters established and published by the Code Maintainer (RMI) – conformance at the same level as the internationally recognized Core Version of the CRAFT Code.

“Mica CRAFT Minimum Criteria” only apply during the transition period. After the transition period, or if no transition period is granted, the full set of criteria applies. These criteria are inherited from the Core Version of the CRAFT Code version 2.1 which is scheduled to be periodically subjected to an independent third-party alignment assessment with the OECD Minerals Guidance.

Requirements

Requirements of this MODULE are applicable to the organizational scope of the AMP, i.e. to **issues that are directly controllable by the AMP**.

Background information on each requirement, explanatory notes, examples and suggested tools will be contained in **Volume 4** (Guidance Book) which will be published at a later moment, compiling practical experience and lessons learnt from pilot implementations of the Mica CRAFT.

M.1/5.2.3/R.1

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.3 Sub-Issue: Management System

The organizational structure and the geographic location of the AMP and the minerals produced by the AMP are aligned with the organizational-, geographic- and commodity scope of the Mica CRAFT.¹

Criteria:

- a) The AMP has a de-facto or formally constituted decision-making leadership structure.
- b) The AMP provides (in the CRAFT Report) all necessary information about its organizational structure, its Members, the location of its operations and transport routes and about the products mined and processed.
- c) The AMP also indicates if - in its opinion - the operations are located in a *Conflict-Affected and High-Risk Area* (CAHRA) or not.
- d) The description of the AMP contains a list of its Members, i.e. its internal entities (de-facto groups and legal persons), as well as name, gender, age, work site, and ID number of all natural persons linked to these entities or working individually, and the respective production and processing characteristics, capacities of the entities and traceability measures implemented.

Mica CRAFT Minimum Criteria (Only valid during *transition period*; After the transition period only the criteria above apply):

Regarding d) In case of seasonal mining with fluctuating participation of miners, the list of natural persons may be limited to permanent Members.

M.1/5.2.3/R.2

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.3 Sub-Issue: Management System

The AMP declares that it is committed to responsible production of minerals and metals in alignment with the OECD Minerals Guidance and to further progress towards good and best ASM practice. For this purpose, the AMP adopts the Mica CRAFT as its Management System for risk identification and mitigation, implements a supply chain policy aligned with Annex II of the OECD Minerals Guidance by declaring that assessment and management of the Annex II risks, as well as the conformity with all CRAFT requirements is the core element of its supply chain policy and commits to progressively fulfil all requirements of the Mica CRAFT.

Criteria:

¹ See chapter 2 of Volume 1 on the scope of the Mica CRAFT

- a) The public CRAFT Report, accessible to BUYERS and the public, contains this declaration and commitment.²
- b) To implement CRAFT as adopted management system, the AMP repeats at least annually the ongoing, proactive and reactive steps of risk assessment (Step 2), risk mitigation (Step 3), verification (Step 4) and reporting (Step 5) as described in chapter 4 of Volume 1.
- c) All supporting evidence for the claims in the CRAFT Report (step 5) shall be kept for a period of five (5) years.
- d) The AMP implements its supply chain policy of assessing risks against the requirements of the OECD Minerals Guidance, by working towards full conformity with all CRAFT requirements, as well as against national laws and other relevant legal instruments, and documenting achievements of the past reporting period and goals of the next reporting period in its CRAFT Report.

Mica CRAFT Minimum Criteria (Only valid during *transition period*; After the transition period only the criteria above apply):

Regarding b) At least the initial cycle of step 2 to 5 has been completed (i.e. an initial CRAFT Report has been prepared)

Regarding d) The AMP participates in training to understand the concept of supply chain policies.

The supply chain policy of the AMP (related to Members as internal supply chain actors and BUYERS as external supply chain actors) adopted through the adoption of CRAFT as a management system may be extended by incorporating additional policy elements that are development priorities of the AMP or as appropriate to comply with specific expectations of BUYERS.

M.1/5.2.3/R.3

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.3 Sub-Issue: Management System

If the AMP seeks support for implementing the Mica CRAFT by joining a CRAFT Scheme, the AMP must follow the affiliation requirements of the CRAFT Scheme.

Criteria (only applies if a CRAFT Scheme exists, and if the AMP decides to join it):

- a) The AMP engages with a CRAFT Scheme.

M.1/5.2.3/R.4

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.3 Sub-Issue: Management System

The AMP ensures that the requirements of the Mica CRAFT, which the AMP has adopted as its supply chain policy and committed to fulfil, are communicated in a way that reaches all Members³.

Criteria:

² In addition to the public CRAFT Report, the AMP may publish this declaration and commitment through other communication channels, as seen fit for the purpose.

³ See definition of Members in Vol.1, chapter 2.2: “anyone involved in the supply chain of the AMP ...”, i.e. all operators at the AMP’s mine-, processing- and aggregation site(s) as illustrated in Vol.1, chapter 2.2.

- a) The AMP has put in place a formal or de-facto organizational structure in charge of communicating the Mica CRAFT requirements to all Members.

M.1/5.2.8/R.1

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.8 Sub-Issue: Grievance Mechanism

The AMP has designated a point of contact for complaints.

Criteria:

- a) The point of contact is sufficiently independent to act as conflict mediator in case of complaints.

Mica CRAFT Minimum Criteria (Only valid during *transition period*; After the transition period only the criteria above apply):

The AMP participates in training to understand the topic of conflict mediation

M.1/5.2.11/R.1

5. Category: Company Governance
5.2 Issue: Management Practices
5.2.11 Sub-Issue: Responsible Person

The AMP has nominated a Responsible Person, who acts on behalf of the AMP's decision-making leadership structure and is accountable for the implementation of the Mica CRAFT.

Criteria:

- a) The Responsible Person is appointed by and reports to the decision-making leadership structure.
- b) The Responsible Person is a senior staff or representative of the decision-making leadership structure with the necessary knowledge/experience and competence/authority to oversee all aspects of CRAFT implementation, and is entitled to make claims on behalf of the AMP (i.e. issue the CRAFT Report).
- c) The Responsible Person reports the results of risk assessment to the decision-making leadership structure of the AMP, outlining the information gathered and the actual and potential risks identified, and proposes a risk management plan for risk mitigation.
- d) The Responsible Person implements the risk management plan approved by the decision-making leadership structure of the AMP, monitors risk mitigation and reports back on performance.

Mica CRAFT Minimum Criteria (Only valid during *transition period*; After the transition period only the criteria above apply):

Regarding b), c) and d): The Responsible Person receives training to acquire the knowledge, experience and competence necessary for leading Mica CRAFT implementation.

Monitoring and performance tracking of risk mitigation should be carried out in cooperation and/or consultation with local and central authorities, international or civil society organizations and affected third parties as appropriate. AMP may wish to establish or support the creation of community monitoring networks to monitor or track performance of risk mitigation.

The Member(s) of the AMP that interact(s) commercially with BUYERS is ultimately responsible for making all CRAFT-related verifiable claims. This responsibility may be delegated to or assumed by an ASM producer support scheme (e.g., a public, private, or civil society ASM program or project).

MODULE 2: LEGITIMACY OF THE AMP

MODULE 2 specifies the requirements and criteria used to assess the legitimacy of the AMP, in terms of legalization and formalization of its operation.

An AMP can apply to join a CRAFT Scheme if it is legitimate, in the understanding of the definition of “Legitimate ASM” given by the OECD Minerals Guidance.

M.2/5.2.1/R.1

5. Category: Company Governance
 5.2 Issue: Management Practices
 5.2.11 Sub-Issue: Legal Compliance

The AMP must be legitimate.

Fulfilled Requirement	Progress towards Fulfilment of the Requirement	Fail Criteria
The AMP is legitimate and formal/legal.	The AMP is legitimate and in the process of becoming formal/legal.	Under its current circumstances, the AMP cannot be considered legitimate.

For determining legitimacy, the CRAFT Code distinguishes four context cases that may exist in the country where the AMP operates. These are:

- Case 1: A legal framework for ASM exists, is actively implemented, and is enforced by the competent authorities.
- Case 2: A legal framework for ASM exists, but it is neither actively implemented nor enforced.
- Case 3: A specific legal framework for ASM does not exist.
- Case 4: State-approved commercialization channels for informally produced ASM commodities are in place.

For each context, the CRAFT Code establishes the criteria below for determining whether or not the requirement of legitimacy is fulfilled. The Mica CRAFT adopts these four context cases, contained in the below chapters 2.1 to 2.4).

Country-specific legitimacy definitions based on these four cases may be developed and published by the Code Maintainer.

2.1 Country Context Case 1:

A legal framework for ASM exists, is actively implemented, and is enforced by the competent authorities.

Fulfilled Requirement	The AMP’s operation is legal. The AMP holds the legally valid public or private documents that authorize its operation.
Progress towards Fulfillment of the Requirement	<ul style="list-style-type: none"> ○ The AMP can prove with documents that it made efforts towards the legalization of its operation (incipient progress) or The AMP can prove with legally valid documents that it is making progress towards the legalization of its operation (advanced progress) and ○ The AMP’s operation is based on good faith: No evidence exists that the competent authorities have taken action against the AMP since the AMP initiated the formalization process.
Fail Criteria	<ul style="list-style-type: none"> ○ The AMP cannot provide any evidence of efforts towards the legalization of its operation, e.g. the AMP doesn’t have any documents proving its application or initiation of the formalization procedure. or ○ The AMP’s operation is not based on good faith: Its operation continues despite actions taken by the competent authorities against the AMP.

2.2 Country Context Case 2:

A legal framework for ASM exists, but it is neither actively implemented nor enforced.

Fulfilled Requirement	<p>The AMP’s operation is legal. The AMP holds the legally valid public or private documents that authorize its operation(s).</p> <p><u>Alternative Fulfilled Requirement:</u></p> <ul style="list-style-type: none"> ○ The AMP can prove with documents its willingness to legalize its operation under national law. and ○ The AMP operates with authorizations under customary law or operates with implicit local consent. No complaints are sustained by potentially affected public or private stakeholders in the community. Conflicts are resolved as soon as they arise.
Progress towards Fulfillment of the Requirement	<ul style="list-style-type: none"> ○ The AMP declares its willingness to legalize its operation under national law. and ○ The AMP sustains a dialogue with traditional authorities, and with public, private, and community stakeholders as applicable, in order to reach consent

	and resolve conflicts. The AMP can demonstrate progress in the respective negotiations.
Fail Criteria	<ul style="list-style-type: none"> ○ The AMP cannot provide any evidence of efforts towards the legalization of its operation. or ○ The AMP continues to operate despite clearly expressed and sustained opposition of traditional authorities, or of public or private stakeholders in the community.

2.3 Country Context Case 3:

A specific legal framework for ASM does not exist.

Fulfilled Requirement	<p>The AMP’s operation is legal. The AMP holds the legally valid public or private documents that authorize its operation.</p> <p><u>Alternative Fulfilled Requirement:</u></p> <ul style="list-style-type: none"> ○ The AMP has analysed the applicable laws and can justify the impossibility of legalization under the existing legal framework for all extractive activities. and ○ The AMP operates with authorization under customary law or operates with implicit local consent (e.g. active participation of community members in the AMP). No complaints are sustained by potentially affected public or private stakeholders in the community. Conflicts are resolved as soon as they arise.
Progress towards Fulfillment of the Requirement	<ul style="list-style-type: none"> ○ The AMP declares its willingness to legalize its operation. and ○ The AMP sustains a dialogue with traditional authorities, and with public, private, and community stakeholders as applicable, in order to reach consensus and resolve conflicts. The AMP can demonstrate progress in the respective negotiations.
Fail Criteria	<ul style="list-style-type: none"> ○ The AMP continues to operate despite clearly expressed and sustained opposition of traditional authorities, or of public or private stakeholders in the community.

2.4 Country Context Case 4:

Case 4 may apply as stand-alone country context or in addition to cases 1 to 3.

State-approved commercialization channels for informally produced ASM commodities are in place.

Fulfilled Requirement	<p>The AMP’s operation is legal and the AMP is authorized to sell to the free market. The AMP holds the legally valid public or private documents that authorize its operation.</p> <p><u>Alternative Fulfilled Requirement:</u></p> <ul style="list-style-type: none"> ○ The AMP sells its production to or through a state-approved commercialization channel, <p>and</p> <ul style="list-style-type: none"> ○ The AMP operates with authorization under customary law or operates with implicit local consent (e.g. active participation of community members in the AMP). No complaints are sustained by potentially affected public or private stakeholders in the community. Conflicts are resolved as soon as they arise.
Progress towards Fulfillment of the Requirement	<ul style="list-style-type: none"> ○ The AMP has attempted to sell its production to or through a state-approved commercialization channel and can justify the impossibility of such commercial operations. <p>and</p> <ul style="list-style-type: none"> ○ The AMP sustains a dialogue with traditional authorities, and with public, private, and community stakeholders as applicable, in order to reach consent and resolve conflicts. The AMP can demonstrate progress in the respective negotiations.
Fail Criteria	<ul style="list-style-type: none"> ○ The AMP attempts to bypass state-approved commercialization channels. <p>or</p> <ul style="list-style-type: none"> ○ The AMP continues to operate despite clearly expressed and sustained opposition of traditional authorities, or of public or private stakeholders in the community.

MODULE 3: “ANNEX II RISKS” REQUIRING IMMEDIATE DISENGAGEMENT

Preface

MODULE 3 addresses “Annex II risks” for which the Model Supply Chain Policy in Annex II of the OECD Minerals Guidance recommends that BUYERS immediately suspend or discontinue commercial engagement⁴ with AMPs, if a reasonable risk is not mitigated. Consequently, if such risks are unmanaged, a BUYER sourcing in conformance with the OECD Minerals Guidance would not engage commercially. Accordingly, all requirements of this MODULE are pass/fail requirements.

Every requirement is complied with if:

⁴ The term “Disengagement” in the title of this Module refers exclusively to the suspension or discontinuation of commercial relations (sourcing by BUYERS). It does not refer to the engagement of CRAFT Schemes and CSR engagement of companies (BUYERS). As due diligence has to be undertaken in good faith, BUYERS may (and are even encouraged to!) continue supporting the AMP’s efforts demonstrating good faith to progressively mitigate the risks and achieve conformance with the requirements of the OECD Minerals Guidance reflected in the CRAFT Code.

- all **Pass Criteria** are fulfilled, and
- no **Fail Criteria** applies.

Given the characteristics of significantly lower development of ASM mica mining in many countries compared to ASM on the commodities covered by the Core Version of the CRAFT Code, as described in Volume 1 (Rationale for developing the Mica CRAFT), Pass and Fail Criteria of the **Mica CRAFT** include an additional element of progressivity (see Vol.1 chapter 1 and 3.2).

They start out from a lowest acceptable level of conformance (Mica CRAFT Minimum Criteria), but aim at reaching – after a **transition period** (see Vol.1 chapter 1 and 3.2) granted according to the parameters established and published by the Code Maintainer (RMI) – conformance at the same level as the internationally recognized Core Version of the CRAFT Code.

- **Minimum Mica CRAFT Pass/Fail Criteria** reflect conformance at the lowest acceptable level under progressivity considerations (see Vol.1 chapter 3.2), as proof of the commitment and demonstration of good faith efforts of the AMP to work towards fulfilment of all below criteria that follow the wording of the Core Version of the CRAFT Code. These Minimum Criteria are only applicable and acceptable during the transition period if such a transition period was granted.
- **Pass/Fail Criteria** follow the wording of the Core Version of CRAFT. They are applicable at the moment of affiliation of an AMP to a CRAFT Scheme.
- **Advanced Pass/Fail Criteria** also follow the wording of the Core Version of CRAFT but are subject to progressivity considerations. If a transition period has been granted, the AMP must fulfill these criteria not later than at the end of the transition period. If no transition period has been granted, the AMP must fulfill these criteria at the moment of affiliation to a CRAFT Scheme.

In summary: The “Mica CRAFT Minimum Criteria” only apply during the country-specific transition period determined and published by the Code Maintainer (RMI). (See Vol.1 chapter 1 and 3.2). After the transition period, or if no transition period is granted, the full set of criteria applies (all “Pass/Fail Criteria” and “Advanced Pass/Fail Criteria”). These criteria are inherited from the Core Version of the CRAFT Code version 2.1 which is scheduled to be periodically subjected to an independent third-party alignment assessment with the OECD Minerals Guidance.

The progressivity is reflected in the graphical design of the criteria tables for the below requirements.

During transition period	After transition period	
Pass/Fail Criteria		Same criteria as in CRAFT 2.1 Applicable to all AMPs from the outset
	Advanced Pass/Fail Criteria	Same criteria as in CRAFT 2.1 Applicable to all AMPs after a transition period
Minimum Mica CRAFT Pass/Fail Criteria		Entry criteria introduced by Mica CRAFT Applicable from the outset, but only during a transition period.

XXX

Requirements

Requirements of this MODULE are applicable to the organizational scope of the AMP, i.e. to **issues that are directly controllable (and therefore mitigable) by the AMP**. Issues related to the wider

community or to economic activities not or indirectly related with mineral production are beyond the scope of this MODULE. Such issues will be addressed in MODULE 5.

Background information on each requirement, explanatory notes, examples and suggested tools are contained in **Volume 4** (Guidance Book) which will be published at a later moment, compiling practical experience and lessons learnt from pilot implementations of the Mica CRAFT.

3.1 Human and Workers’ Rights

M.3/1.1.1/R.1

(addresses OECD Minerals Guidance, Annex II, par. 1.iii)

1. Category: Human and Workers' Rights

1.1 Issue: Serious Human Rights Abuses

1.1.1 Sub-Issue: Child Labour & Education

It is reasonable to believe that the AMP does not tolerate worst forms of child labour in its production process.

Pass Criterion 1	A qualitative (but ideally a semi-quantitative) baseline assessment of child labour has been conducted of the AMP production process and internal supply chain. The outcome of this exercise is documented in the CRAFT Report.
Advanced Pass Criterion 2	The AMP can credibly affirm that in its internal supply chain no persons under the age of 18 (children) perform any of the following work classified as the worst forms of child labour: underground or underwater work, work with dangerous machinery and tools, carrying heavy loads, work that exposes them to hazardous substances or that severely harms their health, safety or morals in general. ⁵
Advanced Pass Criterion 3	Complaints or allegations received by the point of contact (see M.1/5.2.8/R.1) have been acknowledged and resolved.
Fail Criterion 1	Documentation provided by the AMP (the CRAFT Report) makes no reference to efforts carried out by the AMP to assess the extent and the conditions of child labour in its internal supply chain.
Advanced Fail Criterion 2	Persons under the age of 18 (children) perform any of the following work classified as a worst forms of child labour in the internal supply chain of the AMP: work underground or underwater, work with dangerous machinery and tools, carrying heavy loads, and work that exposes them to hazardous substances or to situations that severely harm their health, safety or morals in general.

⁵ Based on ILO recommendation R190 (ILO 1999b), the OECD document, “Practical Actions for Companies to Identify and Address the Worst Forms of Child Labour in Mineral Supply Chains” (OECD 2017), provides orientation on the intent of the OECD Minerals Guidance, indicating: “Not all work by children is child labour, and not all child labour falls under the internationally recognised legal definition of the “worst forms of child labour”. Many of the activities defined as “hazardous work” under international law occur in mining. These activities include **work underground or underwater, work with dangerous machinery and tools, carrying heavy loads, and work that exposes miners to hazardous substances.**” Consequently, requirement M.3/1.1.1/R.1 focuses only on these mineral production-related worst forms of child labour, such as carrying out any of the above-mentioned activities. All other aspects of child labour and worst forms of child labour are covered in MODULE 5 and shall be assigned high priority. See also Footnote 14 on the different scopes of M.3/1.1.1/R.1 and M.5/1.1.1/R.1.

Minimum Mica CRAFT Pass Criteria ⁶	(Only valid during <i>transition period</i> ; After the transition period only the criteria above apply)
	<p>The AMP recognizes that no persons under the age of 18 (children) <i>should</i> perform any of the following work classified as the worst forms of child labour: underground or underwater work, work with dangerous machinery and tools, carrying heavy loads, work that exposes them to hazardous substances or that severely harms their health, safety or morals in general.</p> <p>And</p> <p>The AMP has made initial measurable progress to withdraw children from work classified as worst forms of child labour or to at least improve the workplaces so that work no longer classifies as worst form.</p> <p>And</p> <p>The AMP declares its commitment to work with highest priority towards conformance with the Advanced Pass Criteria number 2 and 3</p>
Minimum Mica CRAFT Fail Criterion	The AMP defends a clear position in favour of child labour, characterized by resistance against any proposal or effort to eradicate or at least reduce child labour.

M.3/1.1.2/R.1

(addresses OECD Minerals Guidance, Annex II, par. 1.ii)

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.2 Sub-Issue: Forced Labour

It is reasonable to believe that the AMP is not linked to any forms of forced or compulsory labour.

Pass Criterion 1	The AMP can credibly affirm that any work or service of any person in its internal supply chain is performed under voluntary terms.
Pass Criterion 2	The AMP can credibly affirm that all persons related to its internal supply chain are free to resign from their work or service at any moment, according to generally accepted procedures for due notice, respecting existing obligations, and without the menace of penalty.

⁶ Absence of worse forms of child labour in the supply chain is a top priority for the decision of downstream companies to source ASM minerals such as mica. As child labour is endemic in ASM and difficult to address, the OECD published the recommendations document “Practical actions for companies to identify and address the worst forms of child labour in mineral supply chains” (OECD 2017). Chapter 3.2 of this recommendation talks about responding to the worst forms of child labour: “... *The OECD Due Diligence Guidance recommends that companies immediately suspend or discontinue engagement with upstream suppliers where a reasonable risk that suppliers are sourcing from or linked to any party committing serious abuses is identified. In practice, companies can immediately inform suppliers and urge them to take measures to end the use of child labour in their supply chains within a specified time. For example, children can be removed from performing these tasks and a plan put in place to assist the child. This could for example be referral to the appropriate local child protection authority or service provider. Companies are encouraged to take into consideration that company actions do not result in instances of the child being subject to further harm, or of child labour being ever more hidden and that the children who need support become increasingly difficult to reach.*”

The bold highlighted [by the authors of the Mica CRAFT] sentence and the examples in the subsequent text provides recommendations on the actions and practical steps to be taken “immediately”: take measures to end the use of child labour in their supply chains **within a specified time**, ensuring that withdrawal from their workplaces generates no further harm to the children. The **transition period** of the Mica CRAFT has the purpose to provide such a “specified time” for withdrawal of children from work classified as worst forms of child labour.

The Minimum Mica CRAFT Pass Criteria are therefore admittedly not literally aligned with the OECD Mineral Guidance to *immediately suspend or discontinue*, but fully aligned with OECD’s own interpretation of the intent of the Guidance.

	Advanced Pass Criterion 3	Complaints received by the point of contact (see M.1/5.2.8/R.1) have been acknowledged and resolved.
	Advanced Fail Criterion	The CRAFT Report does not indicate the supporting evidence available to the AMP that confirms the absence of any forms of forced or compulsory labor.
Minimum Mica CRAFT Pass Criterion	(Only valid during <i>transition period</i> ; After the transition period only the criteria above apply)	
	Initial good faith attempts to assess the risk of any forms of forced or compulsory labour have been made, are documented in the CRAFT Report, and their absence is likely.	
	And	
	The AMP declares its commitment to work towards conformance with the Advanced Pass Criteria	
Minimum Mica CRAFT Fail Criterion	Documentation provided (the CRAFT Report) makes no reference to forced or compulsory labour.	

M.3/1.1.5/R1

(addresses OECD Minerals Guidance, Annex II, par. 1.i)

1. Category: Human and Workers' Rights

1.1 Issue: Serious Human Rights Abuses

1.1.5 Sub-Issue: Disciplinary Practices and Violence

It is reasonable to believe that the AMP is not linked to committing any forms of torture or cruel, inhuman, and degrading treatment.

	Advanced Pass Criterion 1	Credible testimonies regarding cases of torture or cruel, inhuman, and degrading treatment at the mine site and its surroundings were sought, and if found to exist, the AMP ensured that proven or suspected perpetrators were excluded from its supply chain.
	Advanced Pass Criterion 2	Complaints or allegations received by the point of contact (see M.1/5.2.8/R.1) have been acknowledged and resolved.
Fail Criterion 1		The AMP has not taken action against proven or suspected perpetrators in its supply chain.
	Advanced Fail Criterion 2	The CRAFT Report of the AMP does not contain an analysis of the obtained testimonies or state the absence of complaints.
Minimum Mica CRAFT	(Only valid during <i>transition period</i> ; After the transition period only the criteria above apply)	

Pass Criterion	<p>Initial good faith attempts to assess the risk of any forms of torture or cruel, inhuman, and degrading treatment have been made, are documented in the CRAFT Report, and their absence is likely.</p> <p>And</p> <p>The AMP declares its commitment to work towards conformance with the Advanced Pass Criteria</p>
Minimum Mica CRAFT Fail Criterion	<p>Documentation provided (the CRAFT Report) makes no reference to torture or cruel, inhuman, and degrading treatment.</p>

M.3/1.1.6/R.1

(addresses OECD Minerals Guidance, Annex II, par. 1.iv)

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.6 Sub-Issue: Other Gross Human Rights Abuses

It is reasonable to believe that the AMP is not linked to any other gross human rights violations and abuses, such as widespread sexual violence.

Advanced Pass Criterion 1	<p>Credible third-party testimonies indicate the absence of gross human rights violations and abuses such as widespread sexual violence.</p>
Advanced Pass Criterion 2	<p>Complaints or allegations received by the point of contact (see M.1/5.2.8/R.1) have been acknowledged and resolved.</p>
Advanced Fail Criterion 1	<p>The CRAFT Report makes no reference to efforts carried out by the AMP to obtain third-party testimonies regarding gross human rights violations and abuses such as widespread sexual violence.</p>
Advanced Fail Criterion 2	<p>Third-party testimonies indicate gross human rights violations and abuses such as widespread sexual violence related to the AMP.</p>
Advanced Fail Criterion 3	<p>The CRAFT Report of the AMP does not contain an analysis of the obtained testimonies.</p>
Minimum Mica CRAFT Pass Criterion	<p>(Only valid during <i>transition period</i>; After the transition period only the criteria above apply)</p> <p>Initial good faith attempts to assess the risk of gross human rights violations and abuses such as widespread sexual violence have been made, are documented in the CRAFT Report, and it is likely that such abuses, where they exist, are neither linked to the AMP nor widespread (i.e. are individual crimes).</p> <p>And</p> <p>The AMP declares its commitment to work towards conformance with the Advanced Pass Criteria.</p>

Minimum Mica CRAFT Fail Criterion	Documentation provided (the CRAFT Report) makes no reference to presence or absence of gross human rights violations and abuses such as widespread sexual violence.
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3.2 Societal Welfare

M.3/2.1.8/R.1

(addresses OECD Minerals Guidance, Annex II, par. 1.v)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

If the AMP is located in a CAHRA (see M.1/5.2.3/R.1):

It is reasonable to believe that the AMP is not linked to committing war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.

Pass Criterion 1	The AMP confirms that none of its Members is prosecuted, accused or convicted for having committed war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide. Persons in a government-controlled program for re-socialization or re-integration of ex-combatants do not count against this criterion.
Advanced Pass Criterion 2	The AMP can credibly affirm that its internal supply chain is not controlled by or benefitting any conflict party suspected of being involved in war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.
Advanced Pass Criterion 3	Complaints or allegations received by the point of contact (see M.1/5.2.8/R.1) have been acknowledged and resolved.
Advanced Fail Criterion 1	Collected evidence is not sufficiently conclusive to confirm that it is reasonable to believe that the AMP is not linked to any conflict party suspected of committing war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.
Fail Criterion 2	The AMP does not provide the results of the internal and/or external assessment in its CRAFT Report.
Minimum Mica CRAFT Pass Criterion	(Only valid during <i>transition period</i> ; After the transition period only the criteria above apply) Initial good faith attempts to assess the risk of possible linkages to war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide have been made, are documented in the CRAFT Report, and their absence is likely. And

	The AMP declares its commitment to work towards conformance with the Advanced Pass Criteria.
Minimum Mica CRAFT Fail Criterion	Documentation provided (the CRAFT Report) makes no reference to possible linkages to war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.

M.3/2.1.8/R.2

(addresses OECD Minerals Guidance, Annex II, par. 3.i)

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.8 Sub-Issue: Security Forces

If the AMP is located in a CAHRA (see M.1/5.2.3/R.1):

It is reasonable to believe that the AMP’s mine site and transportation routes are not illegally controlled by non-state armed groups.⁷

Advanced Pass Criterion 1	An internal (and in case of reasonable doubt external) assessment confirms that the AMP’s mine site, the internal supply chain and the transportation routes are not illegally controlled by any non-state armed group.
Advanced Pass Criterion 2	Complaints or allegations received by the point of contact (see M.1/5.2.8/R.1) have been acknowledged and resolved.
Advanced Fail Criterion 1	Collected evidence is not sufficiently conclusive to confirm that it is reasonable to believe that the AMP’s mine site and internal supply chain is not illegally controlled by any non-state armed group.
Fail Criterion 2	The AMP does not provide the results of an internal and/or external assessment in its CRAFT Report.
Minimum Mica CRAFT Pass Criterion	<p>(Only valid during <i>transition period</i>; After the transition period only the criteria above apply)</p> <p>Initial good faith attempts to assess risks of possible illegal control of the AMP’s mine site and transportation routes by non-state armed groups have been made, are documented in the CRAFT Report, and their absence is likely.</p> <p>And</p> <p>The AMP declares its commitment to work towards conformance with the Advanced Pass Criteria</p>

⁷ According to the footnote #5 in OECD 2016b, Annex II, par. 3.i, “Control” means i) overseeing extraction, including by granting access to mine sites and/or coordinating downstream sales to intermediaries, export companies or international traders; ii) making recourse to any forms of forced or compulsory labour to mine, transport, trade or sell minerals; or iii) acting as a director or officer of, or holding beneficial or other ownership interests in, upstream companies or mines.

Minimum Mica CRAFT Fail Criterion	Documentation provided (the CRAFT Report) makes no reference to possible illegal control of the AMP’s mine site and transportation routes by non-state armed groups.
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3.3 Company Governance

M.3/5.1.4/R.1

(addresses OECD Minerals Guidance, Annex II, par. 3.ii)

5. Category: Company Governance
 5.1 Issue: Business Practices
 5.1.4 Sub-Issue: Extortion

If the AMP is located in a CAHRA (see M.1/5.2.3/R.1):

It is reasonable to believe that the AMP undertakes all reasonable efforts⁸ to avoid production at its mine site and its internal supply chain from being subjected to illegal taxation or extortion of money or minerals by non-state armed groups.

Advanced Pass Criterion 1	The AMP has and implements an internal policy requiring all Members to abstain from making any payment considered related to extortion and illegal taxation to non-state armed groups. The policy establishes that proven perpetrators are excluded or suspended from its supply chain.
Advanced Pass Criterion 2	Complaints or allegations received by the point of contact (see M.1/5.2.8/R.1) have been acknowledged and resolved.
Fail Criterion	One or more Members of the AMP are prosecuted, accused or convicted for being involved in financing or directly or indirectly supporting non-state armed groups, and the AMP has not taken any corrective action to exclude or suspend them of the AMP or to prevent recurrence according to the internal policy.
Advanced Fail Criterion 2	The AMP does not report about the implementation of the policy in its CRAFT Report.
Minimum Mica CRAFT Pass Criterion	<p>(Only valid during <i>transition period</i>; After the transition period only the criteria above apply)</p> <p>The AMP declares that it undertakes all reasonable efforts to avoid production at its mine site and its internal supply chain from being subjected to illegal taxation or extortion of money or minerals by non-state armed groups. The declaration is included in the CRAFT Report, and absence of this risk is likely.</p> <p>And</p> <p>The AMP declares its commitment to work towards conformance with the Advanced Pass Criteria</p>

⁸ Reasonable means to the maximum extent possible without putting the physical integrity of persons at risk.

Minimum Mica CRAFT Fail Criterion	Documentation provided (the CRAFT Report) makes no reference to the risk that production at its mine site and its internal supply chain might be subjected to illegal taxation or extortion of money or minerals by non-state armed groups.
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MODULE 4: “ANNEX II RISKS” REQUIRING DISENGAGEMENT AFTER UNSUCCESSFUL MITIGATION

Preface

MODULE 4 addresses “Annex II risks” for which the Model Supply Chain Policy in Annex II of the OECD Minerals Guidance recommends to suspend or discontinue commercial engagement⁹ with AMPs after failed mitigation attempts. Accordingly, all requirements of this MODULE are pass, progress, or fail requirements.

Every requirement is complied with if:

- The **Pass Criteria “mitigated”** are fulfilled, or
- The **Progress Criteria “mitigation progress satisfactory”** demonstrates measurable progress in the past reporting period¹⁰ and contains a commitment to further mitigation measures for the next reporting period, and
- no **Fail Criteria** applies.

The MODULE is considered “**passed**” (i.e. the AMP can claim **Affiliate** status) if no fail criteria applies to any requirement (i.e. if all requirements can be verifiably claimed as passed or in progress).

Requirements

Requirements of this MODULE are applicable to the main and (if applicable) to the extended organizational scope of the AMP, i.e. to **issues that are directly controllable (and therefore mitigable) by the AMP**.

Issues related to the wider community, to economic activities not (or only indirectly) related with mineral production, or related to conflict contexts at national or regional level over which the AMP has no control, are beyond the scope of this MODULE. Such issues are not mitigable by the AMP. Notwithstanding, some of such issues are addressed in MODULE 5.

Background information on each requirement, explanatory notes, examples and suggested tools are contained in **Volume 4** (Guidance Book).

⁹ See footnote 4 regarding interpretation of the term “Disengagement” in the title of this Module.

¹⁰ In general, the reporting period between CRAFT Reports should be one year. It is upon the CRAFT Scheme to establish shorter or longer periods, as seen appropriate from a risk-based perspective, and, as appropriate, taking into account recommended timelines for risk mitigation in the OECD Minerals Guidance.

4.1 Societal Welfare

M.4/2.1.8/R.1

(addresses OECD Minerals Guidance, Annex II, par. 5)

It is reasonable to believe that the AMP undertakes best possible efforts to eliminate direct or indirect support to public or private security forces that illegally tax, extort, or control its mine site, internal supply chain, or point(s) of sale.

Pass Criterion ("mitigated")	The AMP (its Members, mine site, and internal supply chain) is not illegally taxed, extorted, or controlled by public or private security forces.
Progress Criteria (pass: "mitigation progress satisfactory")	Initial Step: The AMP seeks external advice and support from credible institutions, organizations or persons to put a risk management plan in place. Next steps: A risk management plan is in place and the AMP implements and monitors the plan with measurable improvements.
Fail Criterion	A risk management plan has been agreed upon between the AMP and its BUYERS, but the AMP makes no effort to adhere to the plan.

M.4/2.1.8/R.2

(addresses OECD Minerals Guidance, Annex II, par. 6)

It is reasonable to believe that the AMP is supportive or seeks the support of public or private security forces if their presence is required to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment, and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

Pass Criterion ("mitigated")	While acknowledging the need for security, the AMP declares and can prove (if applicable) that the presence of security forces is justified by their needs, and that security providers act respecting human rights and national laws. The AMP declares (in the CRAFT report) and can prove (if applicable) that it collaborates with public or private security forces as required by law or seeks their support only as needed for the purpose specified in the requirement.
Progress Criteria (pass: "mitigation progress satisfactory")	Initial Step: If relations between the AMP and public or private security forces are characterized by tensions, the AMP seeks advice and support from credible institutions, organizations or persons to put a risk management plan in place. Subsequent steps: A risk management plan is in place for this risk, and the AMP implements and monitors the plan with measurable improvements.
Fail Criterion	The AMP refuses to abide by orders from public security forces, where these are acting within the framework of the law and in respect of human rights. --- or --- The AMP employs private security forces that ignore the framework of the law and human rights.

M.4/2.1.8/R.3

(addresses OECD Minerals Guidance, Annex II, par. 7)

It is reasonable to believe that the AMP does not knowingly hire individuals or units of security forces that are known to have been responsible for gross human rights abuses.

Pass Criterion ("mitigated")	<p>The AMP does not contract private security services and has not requested the provision of public security to their operations.</p> <p>--- or ---</p> <p>The AMP seeks reasonable certainty to ensure that individuals or units of hired security forces are not linked to gross human rights abuses.</p>
Progress Criteria (pass: "mitigation progress satisfactory")	<p>Initial Step: If information arise that security personnel is linked to human rights abuses, the AMP seeks advice and support from credible institutions, organizations or persons to put a risk management plan in place.</p> <p>Subsequent steps: A risk management plan is in place for this risk and the AMP implements and monitors the plan with measurable improvements.</p>
Fail Criterion	<p>The AMP knowingly and purposefully hires security providers that are known for their abusive practices.</p>

M.4/2.1.8/R.4

(addresses OECD Minerals Guidance, Annex II, par. 8)

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to ensure that payments to public security forces for the provision of security are as transparent, proportional, and accountable as possible.

Pass Criterion ("mitigated")	<p>No payments are made, i.e. the AMP is not obligated to pay for services provided by public security forces.</p> <p>--- or ---</p> <p>If the AMP is legally bound to pay for services provided by public security forces, payments are in accordance with the law, and documented by receipts.</p>
Progress Criteria (pass: "mitigation progress satisfactory")	<p>Initial Step: The AMP starts recording the payments made and seeks advice and support from credible institutions, organizations or persons to put a risk management plan in place.</p> <p>Subsequent steps: A risk management plan is in place for this risk and the AMP implements and monitors the plan with measurable improvements.</p>
Fail Criterion	<p>Payments are made, but not as required by law and neither receipts nor internal records are kept.</p>

M.4/2.1.8/R.5

(addresses OECD Minerals Guidance, Annex II, par. 9)

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to minimize adverse impacts associated with the presence of public or private security forces on their mine site(s).

Pass Criterion ("mitigated")	<p>No public or private security forces are present at the mine site.</p> <p>--- or ---</p> <p>The AMP supports all efforts or takes all viable steps to minimize adverse impacts associated with the presence of public or private security forces, to which men and women on their mine site(s) may be exposed.¹¹</p>
Progress Criteria (pass: "mitigation progress satisfactory")	<p>Initial Step:</p> <ul style="list-style-type: none"> • In case of inconformity with the service of private security, the AMP seeks to renegotiate the service of or change the security provider and put a risk management plan in place. If needed, the AMP seeks advice and support from credible institutions, organizations or persons. • In case of inconformity with the performance of public security, the AMP seeks to engage with the supervisor or the competent authorities to put a risk management plan in place. If needed, the AMP seeks advice and support from credible institutions, organizations or persons. <p>Subsequent steps: A risk management plan is in place for this risk and the AMP implements and monitors the plan with measurable improvements.</p>
Fail Criterion	<p>None. As the requirement is in the own interest of the AMP, it is inherently reasonable to believe that the AMP supports all efforts or takes all viable steps.</p>

M.4/2.2.1/R.1

(addresses OECD Minerals Guidance, Annex II, par. 13
and Gold Supplement, Step 1, Section I, C.4)

It is reasonable to believe that the AMP pays to the government all taxes, fees, and royalties related to mineral extraction, trade, and export.

Pass Criterion ("mitigated")	<p>The AMP and its Members can prove that they pay taxes, fees, and royalties as required by law.</p> <p>--- and ---</p> <p>The AMP cooperates fully and transparently with state agencies in charge of supervising mineral trade and – if applicable – provides customs with access to</p>
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¹¹ This is usually in the own best interest of the AMP and therefore a "self-fulfilling" requirement. Annex II, par. 9 of the OECD Minerals Guidance is rather a responsibility of BUYERS than a requirement for AMPs. Notwithstanding, as CRAFT Schemes are expected to support AMPs in fulfilling the requirements, this issue is included for consistency.

	complete information regarding all shipments that cross international borders ¹² .
Progress Criteria (pass: “mitigation progress satisfactory”)	Initial Step: At least some Members of the AMP pay taxes, fees and royalties as applicable. Subsequent steps: A risk management plan is in place for this risk, and the AMP implements and monitors the plan with measurable improvements.
Fail Criteria	Nobody pays any taxes, fees, or royalties, despite being required to do so by law. --- or --- The AMP cannot provide any information regarding payment of taxes, fees, and royalties by its members.

M.4/2.2.1/R.2

(addresses OECD Minerals Guidance, Annex II, par. 13)

2. Category: Societal Welfare
2.2 Issue: Value Added
2.2.1 Sub-Issue: Payment of Taxes & EITI

It is reasonable to believe that the AMP is committed to disclose – if requested – payments of taxes, fees, and royalties in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

Applicable only if the AMP is located in a country where EITI is collecting information from ASM:

Pass Criterion (“mitigated”)	The AMP discloses, or declares to be committed to disclose, payments of taxes, fees, and royalties to the national EITI.
Progress Criteria (pass: “mitigation progress satisfactory”)	Initial Step: The AMP engages with EITI to learn about its obligations, or is already preparing its EITI declaration but has not yet submitted it. Subsequent steps: A risk management plan is in place for this risk, and the AMP implements and monitors the plan with measurable improvements.
Fail Criterion	The AMP refuses to disclose payments to the national EITI.

4.2 Company Governance

M.4/5.1.3/R.1

(addresses OECD Minerals Guidance, Annex II, par. 11)

5. Category: Company Governance
5.1 Issue: Business Practices
5.1.3 Sub-Issue: Bribery and Facilitation

It is reasonable to believe that the AMP undertakes all reasonable efforts to avoid offering, promising, giving, accepting or demanding any bribes to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

¹² Or borders between different fiscal regimes of sub-national administrative units.

Pass Criterion ("mitigated")	<p>The AMP has an internal policy requiring all members to abstain from offering, promising, giving, and particularly expecting or demanding bribes.</p> <p>--- and ---</p> <p>The AMP undertakes all reasonable efforts to achieve that members of the AMP recognize this policy as binding and abide by the policy.</p>
Progress Criteria (pass: "mitigation progress satisfactory")	<p>Initial Step: The AMP has identified the risk and seeks advice and support from credible institutions, organizations or persons to establish a risk management plan.</p> <p>Subsequent steps: A risk management plan is in place for this risk, and the AMP implements and monitors the plan with measurable improvements.</p>
Fail Criterion	The AMP does not address bribing issues at all.

M.4/5.1.3/R.2

(addresses OECD Minerals Guidance, Annex II, par. 11)

5. Category: Company Governance
5.1 Issue: Business Practices
5.1.3 Sub-Issue: Bribery and Facilitation

It is reasonable to believe that the AMP undertakes all reasonable efforts to resist bribery to conceal or disguise the origin of minerals.

Pass Criterion ("mitigated")	<p>The AMP ensures chain of custody or traceability and that minerals, concentrates or metals commercialized collectively by the AMP and/or individually by its Members originate exclusively from the mine site of the AMP.</p>
Progress Criteria (pass: "mitigation progress satisfactory")	<p>Initial Step: The AMP is adopting, creating or improving its chain of custody or traceability mechanism and is piloting its implementation.</p> <p>Subsequent steps: A risk management plan is in place for this risk, and the AMP implements and monitors the plan with measurable improvements.</p>
Fail Criterion	The AMP makes no efforts to identify the origin of minerals, concentrates and metals commercialized.

M.4/5.1.5/R.1

(addresses OECD Minerals Guidance, Annex II, par. 12)

5. Category: Company Governance
5.1 Issue: Business Practices
5.1.5 Sub-Issue: Money Laundering

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to contribute to the effective elimination of money laundering, where a reasonable risk of such practice from or connected to its operations or products is identified.

Pass Criterion ("mitigated")	<p>The production volumes of the AMP are plausibly aligned with the effective production capacity of the AMP.</p> <p>--- and ---</p> <p>The installed production capacity of the AMP is plausibly aligned with the financial capacity of its Members (including ultimate ownership).</p>
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Progress Criteria (pass: “mitigation progress satisfactory”)	<p>Initial Step: The AMP has identified the risk of money laundering and establishes a risk management plan to identify and mitigate risks that finance, minerals or metals originating from money laundering is injected into its supply chain.</p> <p>Subsequent steps: A risk management plan is in place for this risk, and the AMP implements and monitors the plan with measurable improvements.</p> <p>The AMP tries to avoid cash payments as far as possible and economically viable to keep formal records.</p>
Fail Criterion	<p>The AMP sells more mineral, concentrate or metal than it produces and cannot explain where the excess volumes originate.</p> <p>--- or ---</p> <p>The legitimate origin of investment capital and of funds to cover operational expenses cannot be reasonably explained.</p>

MODULE 5: “NON-ANNEX II” HIGH RISKS REQUIRING IMPROVEMENT

Preface

MODULE 5 addresses high risks not specifically covered by the “*Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas*” of the OECD Minerals Guidance. Such risks are commonly referred to as “**non-Annex II risks**”.

MODULE 5 aims to guide further progress of AMPs that have passed (by “pass” or “satisfactory progress” criteria) the previous MODULE 4, which means that BUYERS adopting the OECD Model Supply Chain Policy are not required to disengage as long as no new Annex II risks appear. Correspondingly, requirements of this MODULE 5 have **no Pass/Fail Criteria**.

All requirements of MODULE 5 are “**aspirational**” and not compulsory.

The “High Risks” in Module 5 cover the majority (although not all) of aspects that BUYERS committed to responsible sourcing may expect from their suppliers. Mitigation of these “High Risks” also meets what the vast majority of members of AMPs aspire to improve their workplaces and the living conditions and livelihoods of their families. Experience shows that well-managed ASM is more beneficial and profitable for miners. By progressively conforming with these aspirational requirements according to their own needs and goals, AMPs advance in their development and can further improve their access to responsible markets.

MODULE 5 is also “aspirational” in that it is expected that AMPs that are already CRAFT-conformant by passing Module 4, periodically assess the High Risks in MODULE 5 and decide on mitigation measures for improvement to be carried out in the next reporting period. As MODULE 5 is aspirational, this decision should reflect the own development priorities of the AMP.

MODULE 5 puts the emphasis on progressive improvement. It should not always be the goal to have a risk “controlled” at good practice level. On some issues a focus on continuous improvement (i.e. progressing) may be more valuable and may help AMPs to advance towards best practice. Notwithstanding, this is subject to the aspirations of the AMP.

Requirements

Conformity with requirements is expressed as:

- **Controlled:** The risk has been assessed and if present, mitigation measures for improvement have been taken to an extent that is considered good ASM practice. The following statement applies to all requirements, whereby only the conformity criteria is specified:

Controlled	<p>The risk is absent.</p> <p>--- or ---</p> <p>[conformity criteria specified]</p> <p>Having achieved the improvement related to this requirement, the High Risk is controlled.</p>
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- **Progressing**

Progressing	<p>The risk has been assessed and the AMP is implementing mitigation measures for improvement.</p>
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- **Demonstrating good faith:** Given the specific characteristics of mica ASM, the Mica CRAFT recognizes an additional, lower progress level denominated “Demonstrating good faith”.¹³ This entry level is intended to suggest initial pragmatic improvement steps to be taken, while working towards the “Progressing” and “Controlled” criteria aligned with the Core Version of the CRAFT Code, which, depending on the complexity of the issue might take some time.

Demonstrating good faith	<p>The risk has been identified and the AMP takes initial, pragmatic and – if possible – immediate steps to mitigate the negative impacts of the risk</p>
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- **Unaddressed:** The risk has not yet been assessed or the AMP has not yet taken steps to implement mitigation measures for improvement. The following statement applies to all requirements (to avoid duplication and improve readability it is omitted in the following text):

Unaddressed	<p>The risk needs to be assessed, and if present, mitigation measures need to be taken.</p>
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The CRAFT is intentionally **not prescriptive on sequencing and prioritization** of improvements addressing *non-Annex II High Risks* (requirements of this MODULE 5). Neither is the CRAFT prescriptive on the **number** of improvements pursued simultaneously. According to their own needs and capacity, and to support opportunities provided by CRAFT Schemes, AMPs may decide which risks are priority issues for them and need to be addressed. Additionally, CRAFT Schemes may evaluate which risks are priority issues for their downstream supply chains and offer support to the AMP to address these risks and the priority risks identified by the AMP.

Risk mitigation plans shall be established for these (jointly) identified priority risks. To distinguish these risk mitigation plans from those in MODULE 4 (related to Annex II risks) they are referred to as **Improvement Plans**.

¹³ This level does not exist in the Core Version of the CRAFT Code.

Periodically, as to be agreed between the AMP and the CRAFT Scheme it is affiliated, the AMP shall commit to activities and steps related to the progressive implementation of the Improvement Plans, until the risk is “Controlled”. Commitments and achievements shall be documented in the CRAFT Report.

The CRAFT is also **not prescriptive with regards to the activities** AMPs need to carry out to improve and mitigate the risks as part of the Improvement Plan. AMPs, ideally backed by the support of CRAFT Schemes, are free to decide which steps to take to achieve the improvement and comply with the requirement.

Requirements of this MODULE may be **applicable beyond the organizational scope of the AMP**. Some risks refer to responsibilities of the AMP with the community. Where issues relate to the wider community or to economic activities indirectly related with the mineral production, this is indicated in the requirement.

Background information on each requirement, explanatory notes, examples and suggested tools are contained in **Volume 4** (Guidance Book).

5.1 Human and Workers' Rights

M.5/1.1.1/R.1

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.1 Sub-Issue: Child Labour & Education

The AMP takes steps towards eradicating all worst forms of child labour directly or indirectly related to mining, among persons under the age of 18.

Risk: Persons below 18 years of age, within the community, are engaged in work classified by ILO as “worst forms of child labour”, directly or indirectly related to the mining activity.¹⁴

Controlled	Persons below age of 18 work only at workplaces appropriate for their age, not classified as worst forms of child labour. A mechanism is in place to take immediate action as soon as cases of worst forms of child labour are detected.
Progressing	Improvement: The AMP engages with competent authorities addressing worst forms of child labour, participates in educating the community on the negative consequences of child labour, and contributes to progressively relocating all working persons of age below 18 to workplaces or tasks appropriate to their age.
Demonstrating good faith	The AMP has become aware of the risk And As the above improvement measures take time (authorities may have other priorities, community education and awareness raising takes time, alternative workplaces for relocation might not be available, etc.) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.

¹⁴ For clarity: Requirement M.3/1.1.1/R.1 on worst forms of child labour refers to the production process of the AMP, for which the AMP is entirely responsible and that is directly controllable (and therefore mitigable) by the AMP. This requirement M.5/1.1.1/R.1 refers to any person below 18 within the community. High risks like prostitution of minors are not related to the mineral production process (i.e. brothels are not part of the organizational scope of CRAFT) but may occur in the community. Such risks therefore have to be addressed here under M.5/1.1.1/R.1 and not under M.3/1.1.1/R.1. See also footnote 6 on requirement M.3/1.1.1/R.1 and the OECD document, “Practical Actions for Companies to Identify and Address the Worst Forms of Child Labour in Mineral Supply Chains” (OECD 2017).

	E.g. participate actively in awareness raising campaigns about worst forms of child labour, directed towards the community.
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M.5/1.1.1/R.2

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.1 Sub-Issue: Child Labour & Education

The AMP takes steps towards eradicating all child labour of persons under the age of 15.

Risk: Persons younger than 15 years of age, within the community, are admitted to employment or allowed to work in any occupation.

Controlled	Persons below age of 15 are not working in any occupation that is considered child labour ¹⁵ . A mechanism is in place to take immediate action as soon as cases of child labour are detected.
Progressing	Improvement: The AMP has established a risk management plan to reduce this risk. The AMP engages with competent state authorities and other community organizations and takes steps to demand schools and occupational training from the government, with the goal to ultimately eradicate all child labour that is mentally, physically, socially or morally dangerous and harmful to children and/or interferes with their schooling.
Demonstrating good faith	The AMP has become aware of the risk And As the above improvement measures take time (authorities may have other priorities, schools need to be built, teachers need to be contracted, etc.) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk. E.g. Take steps to create educational and recreational opportunities for children.

M.5/1.1.3/R.1

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.3 Sub-Issue: Women's Rights

The AMP takes steps to protect women or any individual in situation of vulnerability, against sexual violence and harassment at the workplace.

Risk: Sexual violence and harassment¹⁶ against women or any individual in situation of vulnerability is common and widespread in workplaces.

Controlled	A mechanism is in place to take immediate action as soon as cases of sexual violence and/or harassment are detected or reported.
Progressing	Improvement: The AMP makes efforts and takes steps to raise awareness that sexual violence and harassment is unacceptable, collaborates with competent authorities, ensures there is a safe and confidential mechanism for women or any

¹⁵ ILO: What is child labour? <https://www.ilo.org/ipec/facts/lang--en/index.htm>

¹⁶ "Violence and harassment" as defined in ILO convention 190.

	individual in situation of vulnerability to denounce aggressors and encourages victims to denounce aggressors to the competent authority.
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>As the above improvement measures take time (awareness raising is a lengthy process sometimes requiring an entire generation, authorities may have other priorities, mechanisms to safely denounce aggressors sometimes face cultural barriers, etc.) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Define women-only workplaces (such as “women shafts”), where men are not allowed.</p>

M.5/1.1.3/R.2

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.3 Sub-Issue: Women's Rights

The AMP takes steps to respect the rights of women, in particular towards reducing any gender-based restrictions of access to mineral resources.

Risk: Women’s income opportunities are limited by restricting or prohibiting them from accessing certain mineral resources, from engaging in certain mineral producing activities, or from joining miners’ organizations.

Controlled	Access to mineral resources, to mineral producing activities, and to miners’ organizations is conditioned to rules and criteria that do not distinguish between men and women.
Progressing	Improvement: The AMP makes efforts and takes steps to raise awareness that gender-based restrictions are unacceptable.
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>As the above improvement measures take time (gender-based restrictions are often culturally rooted and changing this mindset is a lengthy process sometimes requiring more than an entire generation) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Include at least one woman in the decision-making leadership structure.</p>

M.5/1.1.4/R.1

1. Category: Human and Workers' Rights
1.1 Issue: Serious Human Rights Abuses
1.1.4 Sub-Issue: Discrimination & Diversity

The AMP does not base its decisions on criteria classified as discriminatory in the Universal Declaration of Human Rights.

Risk: Discrimination due to “race, colour, sex, language, religion, political or another opinion, national or social origin, property, birth or another status” may be common.

Controlled	Within its organizational boundaries ¹⁷ , the AMP’s decisions, decision-making structures and processes are not based on criteria classified as discrimination in the Universal Declaration of Human Rights and ILO Convention 111 ¹⁸
Progressing	Improvement: The AMP makes efforts and takes steps to raise awareness that discrimination due to “race, colour, sex, language, religion, political or another opinion, national or social origin, property, birth or another status” is unacceptable.
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>As the above improvement measures take time (discrimination is always culturally rooted and changing this mindset is a lengthy process, usually accompanied by many drawbacks) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Start awareness raising by analysing on which criteria least and most discrimination occurs.</p>

M.5/1.3.3/R.1

1. Category: Human and Workers' Rights
1.3 Issue: Occupational Health & Safety
1.3.3 Sub-Issue: Workplace Hazards & Machinery

The AMP makes basic mining safety rules mandatory for its members.

Risk: Accidents in mining activities are frequent.

Controlled	Basic mining safety rules are followed.
Progressing	Improvement: The AMP, as part of its formalization process (see 5.2.1/M.5/R.1), designs and implements an occupational safety and health program in the mine (aligned with national mining safety regulations) for its members. It prioritizes the different risks found in the AMP and carries out corrective and preventive actions that enable safe working conditions.
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>As the above improvement measures take time and often exceed the capacity of miners (national mining safety regulations are usually developed with industrial mining operations in mind) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Start with only very few rules addressing the highest risks of accidents. Keep in mind that it is better to have 3 rules that are followed than 100 that are ignored.</p>

¹⁷ E.g. Indigenous miner groups, women miner groups, community mining groups, etc.

¹⁸ With exception of nationality, in countries where by law only national citizens are allowed to engage in ASM.

1. Category: Human and Workers' Rights
 1.3 Issue: Occupational Health & Safety
 1.3.4 Sub-Issue: Personal Protective Equipment

M.5/1.3.4/R.1

Members of the AMP use personal protective equipment (PPE) at work.

Risk: Miners do not use the essential personal protective equipment (PPE) appropriate for the work they perform.

Controlled	Workplace hazards are identified and all workers use personal protective equipment that protects them from the identified hazards. In case of epidemics or pandemics, this includes biosafety measures.
Progressing	Improvement: The AMP has a risk management plan or policy in place for increasing the use, maintenance and proper replacement of PPE; as part of this plan, the AMP facilitates the availability of PPE at local shops and markets, promotes its use, and progressively makes its use and maintenance mandatory for all members.
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>As the above improvement measures take time (PPE is initially often considered as uncomfortable and as a sign of lacking courage “<i>Real Men Don’t Wear Helmets</i>”) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Start with introducing only the most essential PPE, directly related to specific workplace risks. (All miners wearing helmets and dust masks looks great on a foto, but is useless for miners who work at open air without dust and just the blue sky above them).</p>

1. Category: Human and Workers' Rights
 1.3 Issue: Occupational Health & Safety
 1.3.9 Sub-Issue: Medical Care

M.5/1.3.9/R.1

The AMP procures first aid and basic health services for its members.

Risk: Miners are exposed to a range of emergency and non- emergency health issues that result from working conditions and the social context of work.

Controlled	First aid and basic health services are in place and accessible to miners.
Progressing	Improvement: The AMP has an action plan in place to cover basic health needs for emergency and primary care in accordance with the kind of risks miners are exposed to. As part of this plan, the AMP has implemented a first aid program to cover the needs of emergencies that may arise, and also facilitates access to primary health care. The AMP presents this program so that its members know how to act in case of emergencies, how to access health care, and also identifies health facilities in the area that are accessible to its women and men members.”
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p>

	<p>As the above improvement measures take time (first aid equipment is not available locally, miners need to be trained in first aid and emergency response, access to primary health care is difficult to provide in remote rural areas, people may have more trust in traditional healers, traditional healers may see medical health care as a competition, etc.) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Start out with making low cost traditional first aid equipment (items which miners are familiar with and would normally look for in case of accidents) available at or close to the mine site(s). It is always better to have them at hand than not. Complement them progressively with professional first aid equipment and demonstrate its use.</p>
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5.2 Societal Welfare

M.5/2.1.1/R.1

2. Category: Societal Welfare
 2.1 Issue: Community Rights
 2.1.1 Sub-Issue: Residential & Indigenous Rights

The AMP takes steps towards being accepted and/or integrated into existing communities.

Risk: Where the majority of the Members of the AMP consists of migrant population, residents (including indigenous groups¹⁹) complain that mining is negatively affecting their environment, livelihoods, values and traditional social structures.

Controlled	The AMP coexists respectfully with the community or is accepted as part of the community. The AMP keeps a documentation to show that a respectful relationship has been developed and maintained with a range of representatives from communities (including the leaders but not limited), and that broad based consent exists.
Progressing	Improvement: The AMP makes continuous efforts to understand and respect local (e.g. indigenous) values and rules, integrate or align its coordination mechanisms for consensus-based decision making into existing local governance structures and processes.
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>As the above improvement measures take time (integration is always a difficult and complex process) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Establish good relations with local authorities and community leaders.</p>

¹⁹ Depending on the country “Indigenous Peoples” can be known by other terms such as “first nation, afrocolombiano, minority nationalities, ethnic minorities.” The purpose of the CRAFT encompasses all of these (see IFC_2012).

5.3 Use of Natural Resources

M.5/3.1.2/R.1

3. Category: Use of Natural Resources
 3.1 Issue: Land Use & Biodiversity
 3.1.2 Sub-Issue: Legally Protected Areas

The AMP operates in close coordination with and in support of Protected Area Authorities.

Risk: Conflicts between ASM and authorities administrating protected areas exist, i.e. mineral extraction is considered an impediment to the conservation goal of the protected area.²⁰

Controlled	The AMP's operation is aligned with the conservation goals of the area where it is located.
Progressing	<p>Improvement: The AMP has reached an agreement with the administration of the protected area, supporting authorities in their task of achieving the conservation goal.</p> <p>--- or ---</p> <p>The AMP is willing to demonstrate that it seeks to cooperate with the administration of the protected area and to support conservation goals by implementing environmental actions that are compatible with the ecosystem in which the AMP operates.</p>
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>As the above improvement measures are complex and often politically sensitive (Protected Areas are protected by law. However, mining is often a traditional activity that existed already prior to declaring an area as protected.) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Establish good relations with authorities administrating the protected areas. Ask authorities how the AMP can contribute to the goal. (Examples are documented where miners committed to protect the area from poachers)</p>

M.5/3.1.10/R.1

3. Category: Use of Natural Resources
 3.1 Issue: Land Use & Biodiversity
 3.1.10 Sub-Issue: Conflict with Agriculture

The AMP uses mining land in coordination with local inhabitants who require the same resource for agriculture, fishing, use of forest products, eco-tourism, or animal husbandry.

Risk: Resource conflicts regarding land use exist, i.e. ASM is carried out on land that provides a livelihood for other local inhabitants.

Controlled	Conflicts over land use between mining, and other local economic activities are being respectfully and properly managed.
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²⁰ For instance, World Heritage sites; sites on a State Party's official Tentative List for World Heritage Site inscription; IUCN category I-III protected areas; IUCN category I-V marine protected areas; core areas of UNESCO biosphere reserves; and areas where indigenous peoples live in (voluntary) isolation or where it is assumed that they might live.

Progressing	<p>Improvement: The AMP implements a grievance process and a participatory process to reach agreement with other land users and other local inhabitants during the life of the mine. It also designed restoration measures that aimed at rehabilitating the soil for post-mining use. Eventually it has a closure plan in place or planned to rehabilitate the soil.</p>
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>The above improvement measures are complex and often politically sensitive in case of permanent ASM (year round full-time mining activity). Risks are significantly lower in case of seasonal ASM (people switching seasonally between agriculture and mining, as often in mica mining). To avoid conflicts, the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Establish good relations with other land users and other local inhabitants. Understand and respect their concerns. Start backfilling open diggings or closing mined-out tunnels.</p>

M.5/3.2.1/R.1

3. Category: Use of Natural Resources
 3.2 Issue: Water Use
 3.2.1 Sub-Issue: Water Management

The AMP uses water resources and water bodies in coordination with other water users.

Risk: Resource conflicts regarding water use exist, i.e. the water bodies and the water required for mineral processing are also demanded by nearby stakeholders for drinking, washing, recreational use, fishing, raising livestock, or irrigating crops that put the livelihoods and health of other water users (including biodiversity) at risk.

Controlled	<p>A consensus on water usage between the AMP and other water users has been reached.</p>
Progressing	<p>Improvement: Impacts of AMP operations are assessed and a participatory process to reach consensus is established. A water management plan for the coexistence of the AMP's mining operations with other water users is being developed</p>
Demonstrating good faith	<p>The AMP has become aware of the risk</p> <p>And</p> <p>As the above improvement measures may take time (negotiations about the use of scarce resources like water during dry season tend to be complex) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk.</p> <p>E.g. Implement common sense measures to reduce water usage or to distribute water, such as: reuse water in closed circuits by washing mica in ponds instead of running water, or establish usage priorities such as “drinking water first, process water second”.</p>

5.4 Emissions and Land Reclamation

M.5/4.2.2/R.1

4. Category: Emissions and Land Reclamation
 4.2 Issues: Mine Waste and Wastewater
 4.2.2 Sub-Issue: Wastewater & Water Quality

The AMP avoids serious contamination of water bodies with suspended solids and/or chemicals and fuel residues that put the livelihoods of other water users at risk.

Risk: Wastewater from mining operations or processing plants directly discharged into water bodies may contain a high content of suspended solids, high concentrations of chemicals or of fuel oils (as applicable). Elevated contamination of any of the above pollutants puts at risk the health and livelihoods of others who use this water for human consumption, farming, ranching, or fishing.

Controlled	Water pollution and ecosystem risks have been reduced to moderate levels that do not represent an imminent risk for the health and the livelihoods of other water users or a serious ecosystem risk.
Progressing	Improvement: The impact of suspended solids, chemicals and fuel residues (as applicable) on other water users is evaluated, contamination of waste water with pollutants that represent a high risk is monitored, and technical improvements to reduce emissions are designed and implemented.
Demonstrating good faith	The AMP has become aware of the risk And As the above improvement measures may take time (negotiations about the use of scarce resources like water during dry season tend to be complex) the AMP takes initial, pragmatic and immediately feasible steps to mitigate the negative impacts of the risk. E.g. Implement common sense measures to reduce water contamination, such as washing mica in ponds instead of running water.

5.5 AMP Governance

M.5/5.2.1/R.1

5. Category: Company Governance
 5.2 Issue: Management Practices
 5.2.1 Sub-Issue: Legal Compliance

The AMP has decision-making structures and mechanisms in place.

Risk: Lack of coordination among members of the AMP (which may be a cluster of different independent entities) poses limitations to achieving improvements.

Controlled	Decision-making structures and mechanisms are in place, operational and functional, and accepted by all actors.
Progressing	Improvement: The AMP makes efforts and takes steps to establish formal and/or informal coordination mechanisms for consensus-based decision-making.
Demonstrating good faith	Not applicable. Improvements of the “Progressing” criterion outlined above are feasible from the outset.

M.5/5.2.1/R.2

5. Category: Company Governance

5.2 Issue: Management Practices

5.2.1 Sub-Issue: Legal Compliance

The AMP complies with legal requirements beyond rights related to mineral extraction.

Risk: Next steps of formalization, fulfilling requirements other than those related to mineral extraction (i.e. beyond legitimacy requirements specified in MODULE 2), are still pending.

Controlled	The AMP has obtained all authorizations, as required by national law.
Progressing	Improvement: The AMP makes continuous efforts to comply with all legal requirements. Where the AMP identifies obstacles hindering their formalization process, the AMP proactively seeks external support.
Demonstrating good faith	Not applicable. AMPs at this advanced level of formalization (rights of mineral extraction already obtained) have the capacity to proceed directly to improvement as above.

M.5/5.2.8/R.1

5. Category: Company Governance

5.2 Issue: Management Practices

5.2.8 Sub-Issue: Grievance Mechanism

The AMP has established clear procedures to address complaints and grievances.

Risk: Human rights violations, conflicts among Members and conflicts with external stakeholders affected by mining may emerge.

Controlled	A confidential grievance mechanism is in place and communicated to Members, the community and other possibly affected stakeholders, that allows any Member or external stakeholder to openly or anonymously voice complaints and grievances.
Progressing	Improvement: The AMP assigns points of contact (differentiated by subject as appropriate) for the reception of complaints (anonymously if requested). Procedures for how to address complaints are being developed, implemented and improved.
Demonstrating good faith	Use the traditional procedures for peaceful conflict resolution. Attempt to put them in writing.