

RMI Selection Process for third-party auditing companies

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I. Introduction

1. About the Responsible Mica Initiative

The Responsible Mica Initiative was founded in 2017 (RMI - www.responsible-mica-initiative.com) where multiple organizations jointly commit to eradicating child labor and unacceptable working conditions upstream of mica supply chains in India and Madagascar.

RMI members are implementing responsible sourcing practices and developing local engagement to eradicate child labor and improve the livelihoods of mining communities. They also contribute to the development of a clear and fair legal framework to strengthen mica supply chains. To this end, the RMI has developed a framework of principles and actions for responsible and sustainable mica supply chains, a set of tools to support these principles and actions, and a governance system that enables its members to comply with these principles, act accordingly, and monitor their performance over time.

Initially focused on India, RMI's work was then extended to Madagascar in 2022 with the aim of implementing these responsible sourcing and local engagement practices to support the eradication of child labor, improve the livelihoods of communities within formalized mica supply chains, and strengthen the supply chain governance. RMI witnesses an increasing number of countries where mica is mined and wishes its standards to be applicable not only in geographies where RMI is currently present but also in all countries where these documents could help build a strong framework defining the goal towards which mica miners, exporters and processors should aim.

2. About RMI Standards and Audit Protocol

As part of the tools and principles developed by the Responsible Mica Initiative, two standards have been developed as of October 2024:

- The Global Workplace ESG and Due Diligence Standard for Mica Processors (first version published in March 2021). This standard was developed in partnership with the Responsible Minerals Initiative.
- The MICA CRAFT (first version published in October 2024), which aims to set criteria defining responsible mica production in artisanal and small-scale mines (ASM). This standard was developed in partnership with the Alliance for Responsible Mining.

The Responsible Mica Initiative strongly believes that both the Global Workplace ESG and Due Diligence Standard for Mica Processors and the MICA CRAFT will guide the improvement of working conditions and human rights for mica artisanal miners through the implementation of responsible workplace practices in upstream sites of the mica value chain.

To monitor the implementation of these standards, the Responsible Mica Initiative (RMI) has developed several tools, including a self-assessment tool, and has deployed local teams in India and Madagascar (as of October 2024) to support miners, exporters, and processors in understanding and meeting the standards' requirements.

It was also crucial for RMI and its members to obtain external validation of the observations made by its teams on processing, exporting, sorting or mining sites. Consequently, RMI developed two audit protocols: the "RMI Membership Audit Protocol," where audits are ordered and conducted under the Initiative's umbrella with the objective to measure progress towards membership's commitments, and the "RMI Collective Audit Protocol," where audits are ordered by RMI members and coordinated by RMI. These audits are carried out by external, third-party auditing agencies.

The detailed procedure for these protocols can be found in the [RMI Assessment Procedure for Mica Processors](#), available on RMI website.

These audits can cover both mines and processing units.

3. Objectives of the present document

Only eligible auditing agencies are authorized to conduct the audits described in the previous section under RMI's order or coordination.

This procedure aims to outline the process that Auditing Agencies and their Auditor(s) must follow to become eligible to conduct third-party audits of mica sorting sites, processing sites and mining sites, under the authority of the Responsible Mica Initiative.

This procedure is made publicly available on the RMI website. Anyone can raise concerns regarding this procedure by detailing the issue and emailing it to the following address: contact@responsible-mica-initiative.com, or by using RMI grievance mechanism, available on RMI website.

Important Disclaimer: Being an eligible auditing agency does not guarantee a minimum volume of assessments within any given period.

II. Eligibility Process for Auditing Agencies

1. Process Schedule and Maximum Number of Eligible Agencies

The number of auditing agencies eligible to conduct third-party audits of mica mining, sorting, exporting, and processing sites under the umbrella of RMI is not fixed. RMI may open the eligibility process at any time, depending on the context and needs of the Initiative and its members.

Any auditing agency willing to integrate the list of eligible auditing agencies is invited to send its application to contact@responsible-mica-initiative.com.

There is no planned schedule as such. Applications are open on a running basis.

Starting on the day of the confirmation of reception of the application by RMI Executive Team, a maximum period of 2 months shall last before RMI Executive Team gives its final decision to the Auditing Agency.

2. General requirements

The third-party auditing company shall:

- Be a legal entity, duly registered.
- Demonstrate experience with minerals-related ESG and Due Diligence audits.
- Be ISO 17021:2011 accredited with scope on Quality, Environment or Health and Safety management systems by the International Accreditation Forum (IAF).
- Be familiar with SA 8000 requirements.
- Be knowledgeable about mineral supply chain due diligence, including OECD Guidance, US regulations like the Dodd-Frank Act, and EU regulations such as the EU Critical Raw

Materials Act, the EU Batteries Regulation, the Corporate Sustainability Reporting Directive, and the Corporate Sustainability Due Diligence Directive.

- Be familiar with local regulations applicable to mica mining, picking, sorting, exporting and processing in the auditee country.

In cases where the Auditing Agency lacks prior experience with the Responsible Mica Initiative or any related initiatives, familiarity with the mica industry would be advantageous.

While accreditation with any program or initiative related to responsible minerals sourcing (e.g., Responsible Minerals Initiative, LBMA, LME, CopperMark, IRMA, ICMM...) is not required, it would be beneficial.

In addition to demonstrating experience in responsible minerals sourcing, the Auditing Agency must also:

- Demonstrate the ability to conduct audits according to the highest standards (including interviews, document review, and site visits).
- Demonstrate the ability to detect and identify fraud, corruption, and attempts at corruption.

3. Detailed requirements

On top of the above general requirements, Eligible Auditing Agencies and their Auditors shall meet the below detailed requirements.

1. Independence

Eligible Auditing Agencies and Auditors must be independent of the Audited Company. To ensure this, the Eligible Auditing Agency must have a formal procedure to declare its independence from the Auditee before conducting any audit under the RMI umbrella.

This formal declaration must mention both the Auditing Agency and the Auditor. It is the responsibility of the Auditing Agency to verify that all risks related to dependency are eliminated before the Audit.

These risks include:

- Dependency between the Auditing Agency and the Auditee due to the provision of consultancy services related to the scope of the Audit prior to the Audit.
- Familiarity between the Auditor and the Auditee's personnel.
- Social bias due to religion, social, political, or ideological convictions that could lead to non-objective decisions during the Audit.
- Competition between the Auditing Agency and the Auditee that could lead to non-objective decisions during the Audit.

2. Organizational capacities

The Eligible Auditing Agencies must demonstrate sufficient organizational capacities to conduct audits in mica mining, sorting, exporting and/or processing sites.

These organizational capacities include:

- The ability to set up audits in remote areas,
- The capacity to lead audits with Auditees that have limited resources and capacities,

- A robust quality control system,
- The capacity to continuously train Auditors on topics related to RMI’s objectives and action domains such as ESG issues in the mica value chain, minerals responsible sourcing, and due diligence in minerals supply chains, ...

4. Eligibility Process of an Auditing Agency

1. Auditing Agency Application

To apply, the Auditing Agency shall complete the RMI Application Form, available on RMI website. The Application Form details the criteria against which applicants will be assessed.

Applying Auditing Agencies are expected to provide proof for all claims made on the Application Form. All supporting documents must be submitted simultaneously with the Application Form.

Applications should be sent to contact@responsible-mica-initiative.com , with an optional copy to a member of the RMI Executive Team if desired.

Important disclaimer: All information provided by applying Auditing Agencies will be kept confidential by RMI and will be used solely for the purposes of the application process.

Should the RMI wish to increase the number of its eligible Auditing Agencies, RMI would publish on its website and circulate a dedicated Call for Applications.

2. Application Review by RMI

RMI Executive Team will complete a preliminary assessment of the application sent by the Auditing Agency(ies).

The results of the preliminary assessment will be presented to RMI management and members (in the Responsible Workplace Standard Action Group). The name of the applicant and all details that could enable the identification of the applicant will be kept confidential during this step.

3. Decision of eligibility

Maximum two months after the confirmation of reception of the application, RMI Executive Team will revert to the applicant to share its final decision.

If eligibility is granted to the applicant, a mission order or contract will be prepared and signed by the two parties (RMI and the newly eligible Auditing Agency) when an actual need for an audit/ several audits is identified.

If the eligibility is not granted to the applicant, the RMI Executive Team will inform the applicant within the same timeframe and explain the reasons for the decision.

5. Contractualization of the eligibility

Eligible Auditing Agencies sign a mission order (contract) with RMI to conduct audits under both the “RMI Membership Audit Protocol” and the “RMI Collective Audit Protocol.”

The Responsible Mica Initiative will conduct continuous quality assessments of the eligible Auditing Agencies. If an eligible Auditing Agency fails to meet the required quality standards during an audit, RMI reserves the right to terminate its eligibility. The mission order (contract) will include a clause allowing either party to terminate the agreement at any time.

6. Publication of Eligible Auditing Agencies List

Eligible Auditing Agencies are listed with their full company details on RMI's website.

III. Eligibility Process for Auditors

1. Assessment Process of Auditors

The Eligible Auditors must work for Eligible Auditing Agencies. The eligibility of Auditors will be assessed by RMI Executive Team, based on a detailed CV of applicants and on the following criteria:

- Experience in participating as a team member or in leading an audit organized under the umbrella of RMI,
- Knowledge of RMI standards,
- Knowledge of local laws applicable to the Auditee,
- General experience in organizing, planning, and conducting Audits, especially in the mica industry and/or in the ESG and Due Diligence domains,
- Ability to lead the development of a Corrective Action Plan based on the results of an Audit.

RMI Executive Team reserves the right to assess the Auditor during the Audit and especially on the following key moments and issues:

- Opening and Closing Meetings,
- Interviews and site visits,
- Documents review,
- Interactions with the Auditee's management team,
- The Auditor's communication, planning, organizational and management skills,
- The Auditor's ability to explain the gaps with the standards' requirements and to build the Corrective Action Plan.

This assessment during Audits contributes to the continuous assessment of Auditors detailed in the next sections.

2. Required Training Plan for Auditors

Prior to performing audits of a mining, sorting, exporting, or processing site under the umbrella of RMI, the Auditor must be trained by RMI Executive Team.

Regarding audits related to sorting, processing, or exporting sites, the Global Workplace ESG & Due Diligence Standard for Mica Processors applies. For this standard:

The auditors training organized by RMI is a 2-day training, covering the following topics:

1. Introduction about RMI

2. *For India or Madagascar related audits*, Overview of Mica industry and processing units in India or Madagascar.
3. RMI Global Workplace ESG & Due Diligence Standard for Mica Processors and its applicability
4. Verticals of RMI Global Workplace ESG & Due Diligence Standard for Mica Processors
5. Types of Audits
6. Audit plan and schedule
7. Conducting on-site Audits
8. Audit Grid & Corrective Action Plan
9. Criticality levels of requirements of the Global Workplace ESG & Due Diligence Standard for Mica Processors, as per RMI Assessment procedure
10. Follow-up Audit

Whenever a revision of the Global Workplace ESG & Due Diligence Standard for Mica Processors or a revision of RMI audit protocol occurs, the training content will be adjusted, and Auditors trained or informed accordingly.

Training plans and contents related to the audit against standards at mining sites will be developed end of 2024 and early 2025. They will follow a similar structure than the above.

3. Continuous Assessment of Eligible Auditors

The performance of the Eligible Auditors and Auditing Agencies is continuously assessed by the RMI Executive Team, who reserves the right to regularly participate in on-site audits.

The conclusions of the continuous assessment are shared with the Eligible Auditing Agency and the Auditor, and with RMI members, for discussion and eventual decisions where needed.

As part of its continuous improvement philosophy, RMI reserves the right to impose more training for Auditors whenever deemed necessary. RMI also reserves the right to suspend the eligibility of the Auditors in case RMI Executive Team or RMI members have repeatedly filed complaints against them. The termination of an Auditor's Eligibility may not affect the Eligibility of the Auditing Agency.