

Insight Paper

Conflict Minerals: To Source Responsibly You Must Know the Source






Conflict minerals are commonly referred to as 3TG or the ‘three T’s’ and gold. Unfortunately for companies and organizations looking to halt the inclusion of conflict minerals in the supply chain, once you are looking at tin, tantalum, tungsten, and gold, it is too late to determine whether they are conflict-free. In order to get the right information, supply chain managers must monitor the smelters, the only entities that know the true source of the minerals they refine.

With sustainability being the most pressing issue of this decade, no company can afford not to take its Corporate Social Responsibility (CSR) seriously. That goes for supply chain management just as it does for all other aspects of business. One of the most pressing areas of CSR concern is the use of conflict minerals: tin, tantalum, tungsten, and gold. Regulations such as the **Dodd-Frank Act (Section 1502)** and the **EU legislation** coming into effect as of January 1, 2021 are focused on making sure that companies source these minerals responsibly so as to ensure that armed groups in the Democratic Republic of the Congo and surrounding nations are not inadvertently funded through trade with companies thousands of miles away. While this may sound like a niche topic, it in fact affects almost the entire electronic, manufacturing and automotive industry as well as their suppliers. The minerals are widely used in everyday products including mobile phones, cars and jewelry.

Each of the regulations mentioned above takes a different approach. The EU legislation encourages companies to source responsibly, while Dodd-Frank requires companies to demonstrate due diligence at the source and through the chain of custody by participating in independent private sector audits. In both cases, action can not be taken without verifiable information many tiers deep into the supply chain – beyond the direct sight of the buying company.

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-  Tin is produced from an ore called cassiterite
-  Tantalum is extracted from a metal ore known as columbite-tantalite or ‘coltan’
-  Tungsten comes from wolframite

The only entity that knows the true source of the minerals being sourced on the global market is the smelter, or the company that buys raw ore and refines it into a useable mineral. For that reason, smelters are often described as „the key choke point“ in the conflict mineral supply chain. Many conflict mineral programs and regulations focus on the smelter for just this reason; if they are unwilling to purchase ore from smugglers and countries with known conflict minerals, they can be certified and considered a trusted link in the supply chain.

The more comprehensive conflict minerals oversight programs aim to be, however, the more difficult they are to put into practice in the real business world. IntegrityNext is a supporter of the **Conflict Free Sourcing Initiative (CFSI)**, one of the most utilized and respected resources for companies from a range of industries addressing conflict minerals issues in their supply chains. We incorporate the information from their smelter template, a step by step questionnaire that collects details about the countries, materials, and suppliers in use as well as the current conflict minerals oversight program in place.

Unfortunately for supply chain managers, the status of smelters is constantly in flux. CFSI regularly issues an updated version of their template, and IntegrityNext ensures that the most recent information is always available to buyers.

The secondary challenge hinges on the fact that, as I have already pointed out, the 3TG conflict minerals and the materials they are produced from are embedded deep in the supply chain. As a result, having the most up to date information on smelters is not enough. Companies must be able to follow their supply chain back through multiple tiers to create traceability to the end of the line.

The burden associated with creating this visibility and keeping it up to date through regular changes is significant. IntegrityNext relieves this burden by aggregating information and keeping it up to date at a level of detail that extends beyond what is available elsewhere. By streamlining access to accurate information, we facilitate faster decision making and increased confidence – even in the complex arena of conflict minerals.

For more information about conflict minerals and how IntegrityNext can help meet the requirements, [our expert team is always available.](#)



About Nick Heine

Nick Heine is co-founder of IntegrityNext and Head of Sustainability & Compliance.

Nick Heine has worked in the software business for 19 years, 14 of which he spent in various areas of strategic purchasing and the supply chain. An expert in supplier management, risk management and compliance, he has held various roles at Xcitech, Emptoris and IBM. He was responsible for worldwide sales of Watson Supply Chain Solutions at IBM before founding Integrity Next GmbH in 2016 with Martin Berr-Sorokin and Simon Jaehnig.

About IntegrityNext

IntegrityNext enables companies to monitor 100% of their suppliers for sustainability and compliance in order to meet the regulatory requirements and reduce risk. The IntegrityNext platform automatically obtains the required supplier self-assessments and certificates while monitoring social media for malpractice and reputational risks. Among others, IntegrityNext covers Environmental Protection, Human Rights & Labor, Health & Safety, Diversity, Anti-Bribery & Anti-Corruption, Supply Chain Responsibility, Data Protection, Cyber Security, Quality Management, Financial Information, Blacklist & Sanctions, Conflict Minerals, REACH and RoHS. Companies in over 130 countries are using the IntegrityNext platform, including industry-leading companies such as Clariant, Fujitsu, Miele, OSRAM and Siemens.

Integrity Next GmbH
Salvatorplatz 3
80333 München

simon.jaehnig@integritynext.com
+49 89 21540-5250
www.integritynext.com

