# Introducing Pact



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The Association for Renewable Energy and Clean Technology

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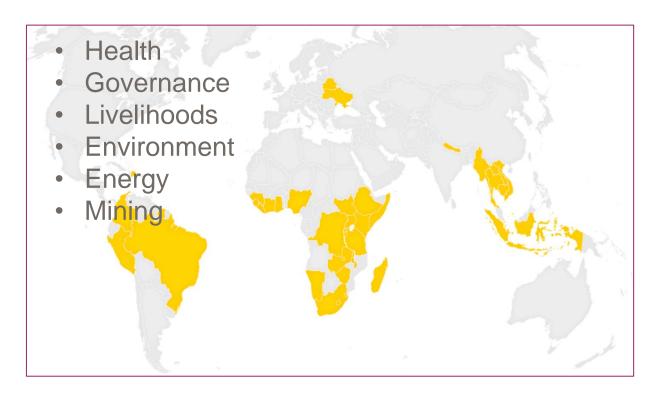


### Pact

'An international development organization at work in nearly 40 countries, Pact is the promise of a better future for all those who are challenged by poverty and marginalization.'



https://www.pactworld.org/ @PactWorld

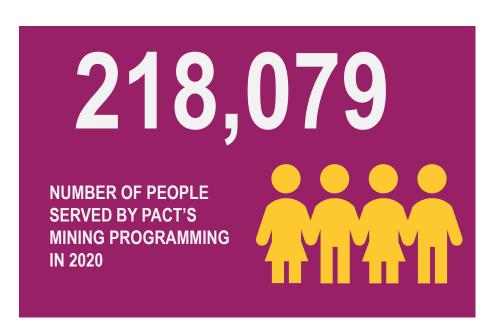


- Founded in 1971: Capacity development
- 4,000 staff worldwide
- Washington
- Pact UK registered charity

### Pact: Mines to Markets (M2M)

'Pact's Mines to Markets program – part of our global environment, energy and extractives portfolio – has been working to improve the ASM sector and the lives of artisanal miners for more than a decade.'

- Transparency, traceability & due diligence
- Responsible production and sourcing
- LSM-ASM interactions
- Market access innovations
- Governance strengthening
- Formalisation
- Stopping child labor in mining
- Engaging women miners
- Cobalt, copper gemstones, gold, 3Ts, construction and industrial materials



https://www.pactworld.org/mines-markets

### Clients & Partners









- OECD Due Diligence Guidance
- ITSCI (International tin supply chain initiative)
- CRAFT Advisory Committee
- Field partnership with FairMined
- Certification Standards for Sustainable Diamonds
- Entreprise Générale du Cobalt (EGC) Responsible Cobalt Standard

#### **Global industry coordination bodies**

- World Economic Forum Global Battery Alliance
- Voluntary Principles for Security and Human Rights
- OECD Working Group to Reduce Child Labor
- Minamata Convention
- Amazon Clean Gold Initiative

























European Partnership for Responsible Minerals

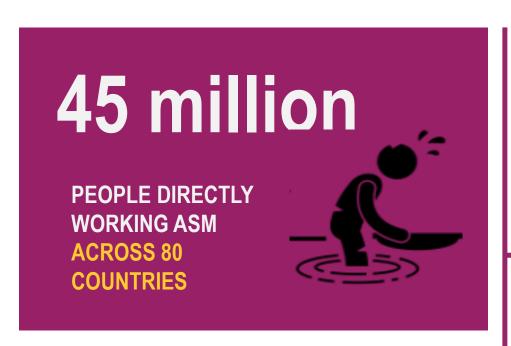


THE TIFFANY & CO. FOUNDATION





### Artisanal and Small-Scale Mining



- **X CHILD LABOUR**
- **X LABOUR CONDITIONS**
- **X MARGINALIZED**
- X LOW PAY
- **X** 80-90% INFORMAL



DECARBONISATION OF WORLD ECONOMY



RECHARGEABLE BATTERIES, ELECTRONICS, WIND, SOLAR ENERGY



500% INCREASE IN DEMAND FOR TECHNOLOGY METALS BY YEAR 2050

~150,000-200,000

ARTISANAL
COBALT MINERS
(DATA VARIES)



### CONTRIBUTION TO WORLD PRODUCTION

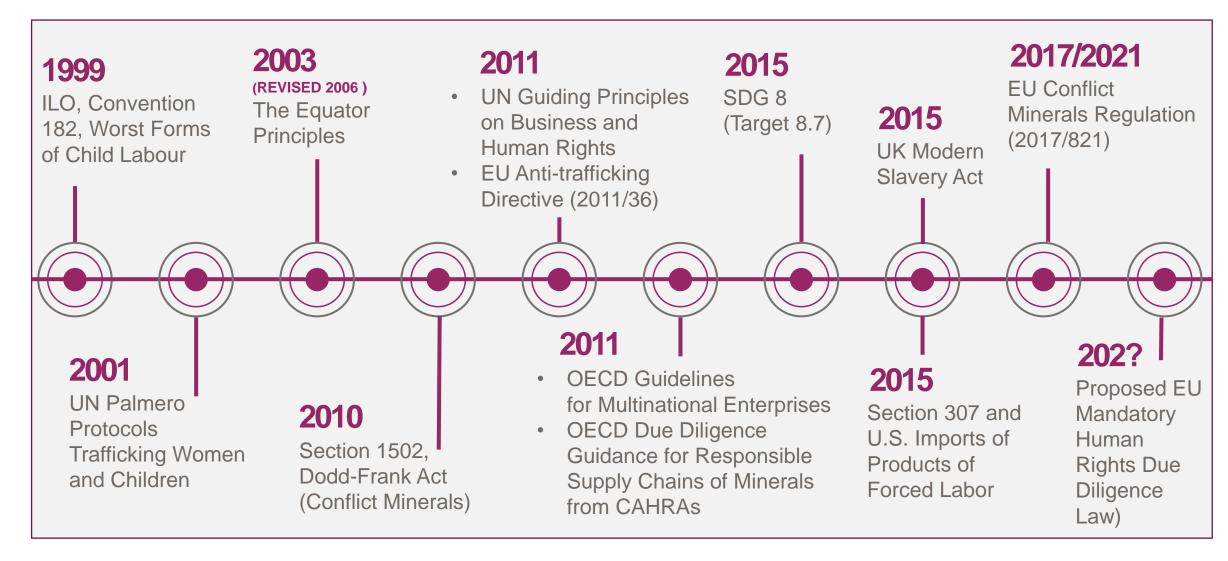
- 20-30% of gold
- 25% of tin
- 26% of tantalum
- 12-14% of cobalt
- 80% of gemstones
- Construction and Industrial Materials

270 MILLION PEOPLE INDIRECTLY SUPPORTED



+ AND IMPACTS
ON ALL 17
SDGS

## International governance framework



## Why should I care?

- Moral responsibility
- Increasingly stringent responsible mineral legislation and industry expectations
- Managing risk to business and mineral supply
- Knowing your supply chain in full can identify opportunities for growth
- Environmental, Social, Governance (ESG)



### 1. Direct ASM engagement: Mutoshi Cobalt

#### **Actions:**

- Removal of overburden (no underground)
- PPE & healthcare
- Clean drinking water, changing and sanitation facilities
- Training on mine planning, geology, mining, preparation, and occupational health and safety
- Partnership with government and independent verification

#### **Results:**

- 6 million work hours without lost time incident (Feb.2018-Mar.2020)
- \$100 average monthly wage vs. \$34 in comparison group
- \$1 million per year injection into local economy for every 1,000 miners
- 70% of study participants stated an improvement in working conditions and safety
- 1 hour less working per day due to improved efficiency, ability to spend more time with family
- Women empowered by upskilling into better paid roles



### 1. Direct ASM engagement: Child labour





> 285,000 people sensitized on WFCL



 Systems strengthening:
 6 governance structures supported through training



• Economic empowerment: savings and loans groups, >1,600 people access finance



• Supplier Responsibility: training ASM companies and cooperatives



 Vocational Education: apprentices vocational education: tailoring, hairdressing, mechanics, animal husbandry etc.



### 2. Supply chain mapping

- Mineral Deep Dives
- Material risk registers
- Understanding responsible sourcing legal frameworks and industry initiatives
- Supplier engagement
- C-suite engagement
- Working groups
- Advisory services
- Project design and implementation



SUMMARY REPORT & LITERATURE REVIEW:

Risk Assessment and Prioritization of "Critical Inorganic Raw Materials"

February 2021



#### Summary

The main IEEA product supply chains coball is found in are as a colourant in glass and ceramic, as a catalyst in langueur and sood firmiture, as an aliqui in attainless tests, and in the catalotes of rechargeable batteries and electronics. Its use in the final category, however, to of greatest significance due to the announcement that IEEA will specify a significant category of the category of t

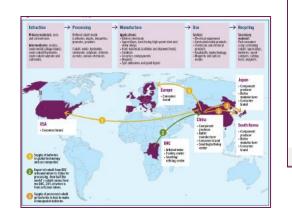
#### SUPPLY CHAIN STRUCTURE

#### BUSINESS CAS

Though not a bulk material used in significant volumes, (estimated cohale consumption in IKBA LADDA batteries based on alse forecast: 32 tons FYEx, as compared to Toula which is seeking to source 6,000 tonnes annually). IKEA uses cohalt in multiple key product lines, and will increase existing consumption with the strategic decision to sell only nechargosible batteries by October 2022. There is a lear business case for IKEA to enhance the responsible source of cohalt best articulated as risks of doing nothing and opportunities from engaging directly.

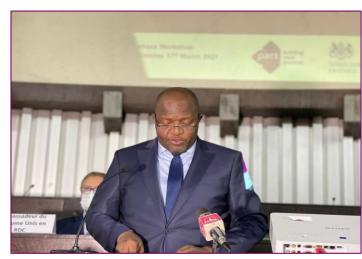
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Cobalt



## 3. Research, training, advocacy workshops

- Multistakeholder workshops: DRC and London, FCDO
- Research, education, training
- OECD Guidance
- Review UK Modern Slavery Act
- Senior Government and Technical Expert Q&A
- 2020: 506 participants
- 2021: >250 participants









# Thank you



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