



**Annual progress report 2023-2024
and final report on the
Metals Agreement**

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Foreword

The metals agreement: A safe place for collaboration and sustainability

As I look back at the past three years that I've served as independent President for the Metals Agreement, I see a time filled with people sharing knowledge, challenges, and forging new cooperations. Things that were considered impossible in the past, became invitations to join forces-- with new companies (like Kasius and Royal IHC), as well as those already established (like FNV, and FME). Attention was finally paid to biodiversity. The Dutch chapter of the International Union for the Conservation of Nature, one of our important partners, worked together with other parties, researching and addressing this crucial topic.

And while we have certainly made progress, we have also encountered numerous challenges. Job changes within the parties brought instability, as new relationships had to be built. That takes time. At the same time, getting the parties to feel a sense of urgency is also important to the success of our agreements. Parties must find internal support for working with other parties if those agreements are going to be successful. Fortunately, this was indeed the case for the Metals Agreement.

As we look back, there have been a few highlights during these past years. For one, a great deal of time has been spent getting OECD guidelines steadily implemented in the organisations of the parties. Collective projects have also been significant. Some of these include the parties' joint visit to mines in Peru and Bolivia to investigate labour conditions and a visit to the secondary metals chains in India with regard to child labour issues. These projects will continue to be developed, now and in the future. The parties are enthusiastic about the future, and this brings a fresh energy to all involved.

The Agreement has established an increase in trust; parties know how to find each other and there have been valuable exchanges. One of these exchanges was between CNV Internationaal, Tata Steel, Nyrstar, and IUCN NL about biodiversity in the chain. It is good to see how companies now have enough trust to openly share the risks in their chains with civil society organisations who specialise in those areas, and watch them work together to solve the issues. The Department of Foreign Affairs is currently working to create more models and funding for these types of cooperations in the future.

Transparency in the chains remains a challenge that demands our full attention. We have made some progress when it comes to increasing consciousness and knowledge about the issue, but the topic is complex. Fortunately, ideas around waste are changing. There is increasing attention to a circular economy (from primary mining to urban mining) and nothing is considered useless nowadays. Knowledge sessions, sharing best practices, and practical support during the processes are all crucial when it comes to establishing change. Collaborations ensure that knowledge and networks are shared and that everyone has access to stakeholders who would otherwise be out of reach.

While Europe leads the way in creating legislation on sustainable (business) practices, there is still a giant gap with the world in understanding the legislation, as well as how to implement it. Governments must continue to take a leadership role in facilitating a circular economy and addressing the challenges related to sustainable development. Companies can already take different decisions and begin improving their practices. This Agreement faces not only the challenge of building upon existing relationships and knowledge, but it must also initiate practical activities which are really going to bring about true change and improvement.

To all the companies participating, the trade and civil society organisations in the metals covenant: Let's continue this journey with the same dedication and determination that has led us to this point. Companies need to do more than just be aware of ethics; they must also have the tools and knowledge to be able to implement the practices in a sustainable way. Let's maintain our ethical mindset and be an example of excellent practices to create a positive future we are proud to hand down to the coming generations.

Tineke Lambooy
Independent President of the Metals Agreement

1. Looking back at year 5

The metals agreement supports companies in their due diligence efforts. One of the ways we make a greater impact is by introducing companies, governments, and civil society organisations (i.e., NGOs and trade unions) to each other and establishing trust. The parties “cross pollinate”, working together to achieve progress and enabling companies to dive deeper into their value chains.

Over the years, the Agreement has arranged diverse knowledge sessions on specific topics which are important to various parties. These sessions have played an important part in providing insight regarding risks in the value chains. Not only has the Agreement affected the parties directly involved, like the main players in the basic metals sector, but it has had an even broader impact through affiliated sector organisations, such as Metaal Nederland, the Metals and Electrotechnical Industry Federation (FME), and the Metals Recycling Federation (MRF). These sector organisations spread information about corporate social responsibility to their members. Various Due Diligence Roadshow trainings have also spread information among companies in the natural resource sector, especially on how to implement due diligence in practical ways. Some 50 companies from the metals, natural stone, and renewable resources sectors took part in these programmes and trainings.

1.1 Due diligence

During this fifth year, several important steps have been made. These include developing a new tool which analyses due diligence risks and holding various knowledge sharing sessions. Parties have also continued developing and monitoring company due diligence processes. Further, they have identified a number of themes which will be important in the future.

Risk matrix

Parties from the IRBC Agreement for the Metals Sector have developed a new tool: The Due Diligence Matrix. This matrix gives an overview of risks regarding 39 resources in the metals sector. Companies that work with metals and minerals in their value chains can use the matrix in step 2 of the OECD Due Diligence process. It will provide insight into the risks they will likely encounter. In addition, each product is evaluated per country, showing how great their risk is at a national level. Countries can be selected on the basis of their (possible) capacity for the production of a specific resource. The matrix evaluates resources regarding their degree of risk severity and probability. The areas evaluated include gender discrimination, forced labour, child labour, labour rights, living/fair wages, freedom of association, environmental issues, ecological threats, biodiversity and deforestation, water usage/availability of water, corruption, and land ownership. CNV Internationaal created the matrix and it is available to the public on the Metals Agreement [website](#).

Knowledge sessions

Over the past five years, diverse due diligence knowledge sessions have contributed to building knowledge, distributing information, and raising consciousness about corporate social responsibility in the metals industry. Many different themes have been presented, and based on these presentations, parties have been able to discuss their responsible practices with one another.

Knowledge update session on OECD guidelines and OECD Handbook on Environmental Due Diligence

This session was organised to share information on the 2023 update of the [OECD Guidelines for Multinational Business and IRBC](#) and the newly published [OECD Handbook for Environmental Due Diligence in Minerals Supply Chains](#). During the session, the Minister of Foreign Affairs provided information on the new aspects of the guidelines, especially in regard to due diligence related to technology, the use of goods and services, defenders of human rights, vulnerable groups, people and groups who are susceptible to risk-related company activities, increased publicity for RBC information, corruption, lobby activities, and procedures for the national contact centres for the OECD Guidelines. No changes were made to the framework of the six OECD due diligence steps companies are required to take.

IUCN NL provided information on the new [OECD Handbook for Environmental Due Diligence in Minerals Supply Chains](#), which shows practical examples and tools for companies to implement when tackling environmental issues. It has a pragmatic question-answer structure. They also talked about the OECD Guideline's updated chapter on the environment, which now contains information on the environment, climate, and biodiversity.

Knowledge session on biodiversity

IUCN NL, MCB Nederland and Tata Steel Netherlands shared their insights and best practices regarding biodiversity in the metals chains. Biodiversity was discussed from two perspectives during the session: Upstream and downstream. Upstream refers to the international perspective in the chains, while downstream refers to the local and company grounds in the Netherlands. IUCN NL shared how mining activities affect nature and local communities. Tata Steel Netherlands talked about the ways they are investigating their chains' impact on biodiversity. MCB Nederland told us what steps they have taken to improve biodiversity in their company and on their properties, and then IUCN NL went through a number of practical measures businesses can implement to stimulate biodiversity in the areas close to their companies.

Biodiversity remains an important theme and challenge to companies. Therefore, a round table conversation on biodiversity in the raw materials chains is being organised for interested parties. It will be based on the discussions that took place during the knowledge sharing sessions. Further, a model for environment and biodiversity is being developed. Companies will be able to use this model to develop, implement and communicate about biodiversity in their chains.

Knowledge sessions on chain transparency, risks, priorities, and CSDDD

Several knowledge sessions will still take place after the editing deadline of this report. One is on transparency in the chains, one is on prioritising due diligence risks, and another is a session regarding the European Corporate Sustainability Due Diligence Directive (CSDDD).

Due diligence monitoring

Methodology

All 14 companies filled out a maturity assessment questionnaire in this fifth year of the agreement. The questionnaire was based on the six due diligence steps as laid out in the [OECD Due Diligence Handbook for Corporate Social Responsibility](#) (see Figure A)

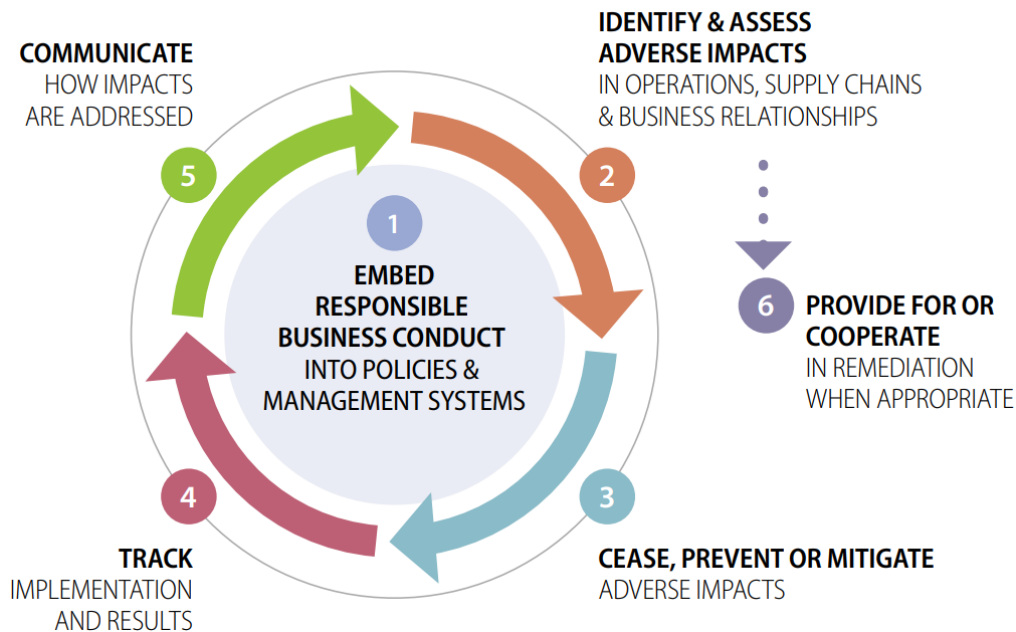


Figure A: The due diligence process and supporting measures (source: OECD)

1. Embed responsible business conduct into policies & management systems
2. Identify and assess adverse impacts in operations, supply chains & business relationships
3. Cease, prevent or mitigate adverse impacts
4. Track implementation and results
5. Communicate how impacts are addressed
6. Provide for or cooperate in remediation when appropriate

After filling in the questionnaire, companies are given a score which shows their progress on the due diligence scale as compared to the [OECD Guidelines](#) and the [UN Guiding Principles](#). The OECD Guidelines and the UN Guiding Principles form the most important international guidelines for international responsible business practices. The companies receive a score between 0 and 100% and the Metals Agreement has ranked these percentages: Basic (0-20%), Improving (21-40%), Established (41-60%), Advanced (61-80%), and Mature (81-100%).

Applying the instruments that have been developed for the Metals Agreement has given us a great deal of transparency in the structure of the due diligence process. Our clients see and value this transparency. Risks in the supply chains are now more visible, allowing us to take an initial step (raising awareness) in mitigating those risks. The Andes mission was a positive step to take with partners and has proven to be a great success.

Armin von Keits, Manager Sustainable Development Tata Steel Netherlands

[Average scores and levels](#)

During the fifth year, the 14 companies involved achieved a combined average score of 52%. This score also contains the results of two new companies which joined the Agreement during the fifth year. It was their first time doing the questionnaire, which means this was their baseline measurement.

The average score of the 12 companies which had already done questionnaires was 56%. The average score of the five companies which have been part of the Metals Agreement since its signing in 2019 is 66%.

Figure B shows how many companies are at the various levels: 6 companies are at the Improving level, 5 at the Established level, 1 at the Advanced level, and 2 at the Mature level.

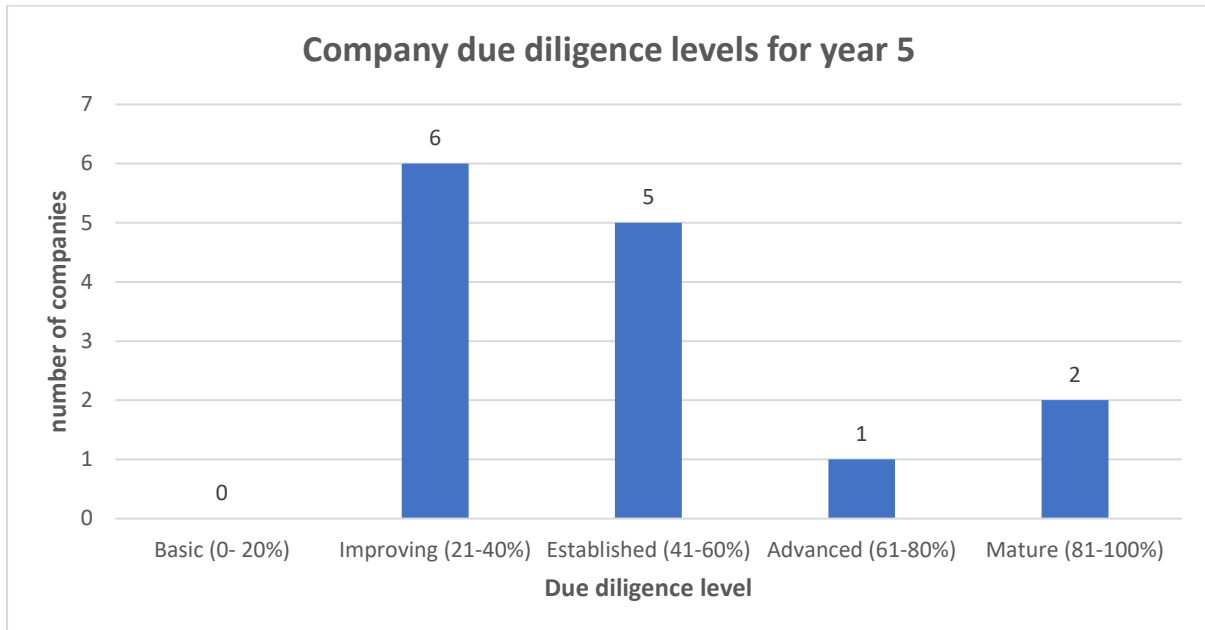


Figure B: Company due diligence levels for year 5 (Source: Metals Agreement)

Figure C shows how the scores developed from year 2 to year 5. Due to adjustments made to the scoring system in year 2, there are no scores from year one in the comparison. What we can see is that most of the companies have shown improvement, and some significantly when compared to their baseline measurements. Most of the companies showed a levelling off during the fifth year. The secretary has not yet established a concrete reason for this. One possible explanation is that after beginning the due diligence process, further steps become more complex and take longer to develop and complete. They are therefore not yet visible in the score.

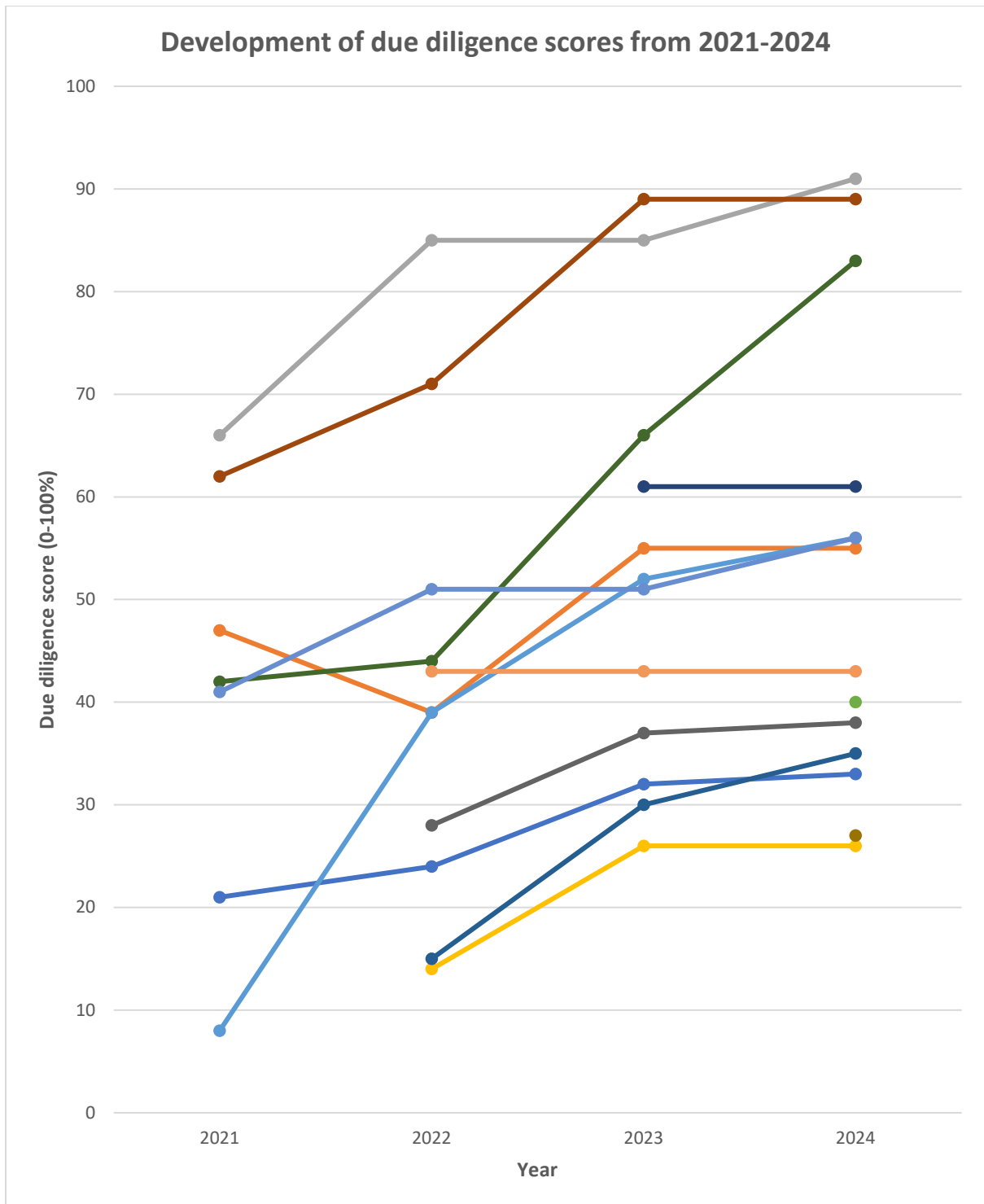


Figure C: Development of due diligence scores from 2021-2024 (Source: Metals Agreement)

Conclusions

The goal for the agreement's fifth year was for the companies to achieve an average due diligence score of 80-100%. This goal was established at the beginning of the process for companies which were a part of the agreement when it was signed in 2019. (Different goals were set for companies joining later.) The average score for the original companies is 66%, meaning their goal has not been achieved. It has become clear that implementing due diligence in real life situations is a complex process and that obstacles cannot always be rectified in the short term. This was the reason for the Metals Agreement in the first place

and also the reason that the parties want to maintain their cooperation now even after these five years.

Other factors may have also affected the due diligence processes of the companies during the implementation phase from 2019-2024. External factors, like COVID19 and the war in Ukraine, have also affected how the involved parties were able to conduct business during the past years. These factors include uncertain market conditions, disruptions in the supply chains, and high energy prices. The due diligence process was also limited by travel restrictions. This affected communication with suppliers, field visits for projects, inspections, audits on location; all of these things were not possible to perform or were severely limited. Face-to-face meetings for the members of the Metals Agreement were also impossible for some time due to COVID19 restrictions. This made it more difficult to establish trust and good faith among the companies and was not conducive to relationships between the companies and civil society organisations. Sessions did take place digitally during the pandemic.

Other factors also affected the scores. Most significant is the lack of transparency in the chains, both the "upstream" (the mines) chain and the "downstream" (secondary metals processors). It was difficult for many of the companies to map the upstream and downstream chains. Multiple factors play a role here. One is the limited influence (purchasing volume) Dutch companies have in the global natural resources market. Another has to do with how information is gathered regarding the source/destination of materials from or for (direct) business associates. With upstream chains, companies in the metals industry have to deal with "chokepoints," the narrowest point in the chain (i.e., few suppliers with much power), the refineries and smelters. Many streams of materials come together at this point and it is difficult to determine where they have come from.

Downstream chains often combine materials and then export them to be processed further. These processing stations are often obscure, making it extremely difficult to implement good risk analyses and risk mitigating measures.

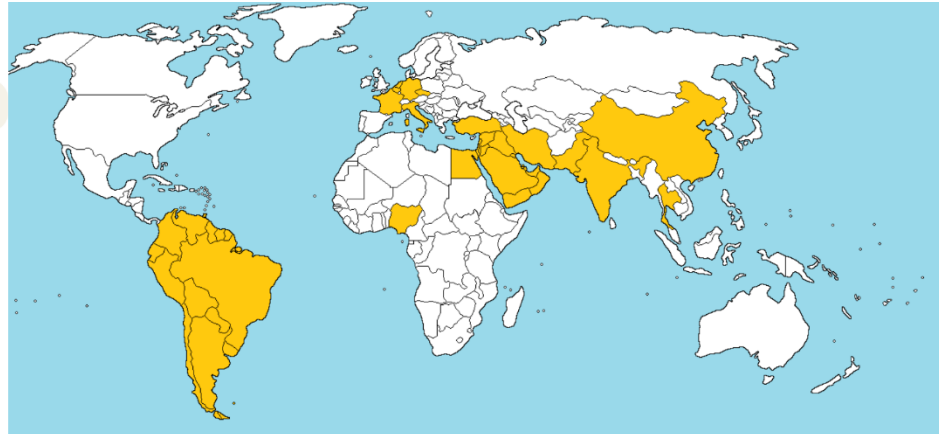
Chain transparency is essential to identifying risks (due diligence step 2), addressing them (due diligence step 3), monitoring them (step 4), taking accountability (step 5), and repairing any damage which has been done (step 6). The worst due diligence risks can often be found in parts of the chain that have not yet been mapped. We must devote attention to increasing transparency in the chains and tracing the origins of commodities if we want to improve the due diligence process. Although some companies have worked with certain project partners to create more transparency in their chains, this remains a challenge, and one which can best be approached collectively. Working with civil society organisations is more effective, as they usually have access to information and networks in production countries.

Because there are so many differences between the chains of the participating companies, it was difficult to have an effective collective influence. The parties acknowledge the need to increase their collaboration so their influence can also grow in a next agreement. It is also important to determine to what extent the Dutch government (Rijksinkoop) does business/is linked with these value chains and what role they could play in increasing influence on them. The goal is to establish a clear view regarding the origins of all materials entering the Netherlands, to access these for international responsible business risks, and address any issues identified. This will also help establish the circular economy that the (Dutch) government and businesses are being required to convert to.

Despite these setbacks, companies have been able to identify where they need to focus in regard to materials, countries, and themes. Figure D shows an overview of these.

MATERIALS

Aluminium
Ammonia
Big bags
Concentrates
Electronics
Ferrochrome
Iron
Lead



Magnesium
Secondary metals
Steel
Tin
Refractories
Zinc

THEMES

HUMAN RIGHTS

Discrimination
Forced labour
Child labour
Human rights risks
Unsafe work

ENVIRONMENT

Biodiversity
Carbon footprint
Emissions and air pollution
Environmental crimes
Environmental risks
Waste management
Pollution (water and soil)

GOVERNANCE

Corruption
Conflict and high-risk areas

MISCELLANEOUS

Lack of transparency
Transport

Figure D: Overview of the Metals Agreement’s focus materials, countries, and themes (Source: Metals Agreement)

Companies with Step 5 due diligence reports

- [Nyrstar](#)
- [Smart-M](#)
- [Wuppermann](#)

Important themes

Year 5 was characterised by looking ahead and looking deeper at the companies to see what the Agreement has achieved and where there are still opportunities for future improvement. Information was gathered at the participating companies and important questions were discussed. This gave some interesting insights, including:

- There is a desire to reach out and include more (comparable) enterprises, as well as diverse types of civil society and human rights organisations. This would allow the parties to broaden their networks to include local networks in production countries, growing their areas of expertise to include more themes and enabling better dialogue with stakeholders.
- Some members expressed a desire to involve more companies from their sectors in the Agreement. They are actively working to get such companies and industry organisations more involved.
- The political arena also intersects with responsible business and due diligence practices. The European Critical Raw Materials Act and the Dutch Raw Materials Strategy cover topics like supply security for metals and minerals, strategic (in)dependence, and the importance of recycling. The Agreement can contribute to these efforts by providing an IRBC perspective. This was in fact the topic of a round table meeting organised by the Agreement in 2023.

- It would be useful to link this Agreement to the upcoming sustainability report (CSRD- Corporate Sustainability Reporting Directive) which will be required for some of the companies. This way, the materiality themes arising from the companies' CSRD analyses can be included in the Agreement and dealt with collaboratively. In addition, companies in the Agreement can use the networks of other covenant partners in order to comply with CSRD stakeholder engagement expectations.
- The companies also discussed circularity. It is important to work on due diligence issues with more and larger recycling enterprises. This would be beneficial to both the recyclers and the metals producers in the Agreement.
- It would be beneficial if responsible business practices became a criteria or condition for large buyers of metals and those providing contracted services. This would serve as an impetus to join the Agreement and to engage in corporate social responsibility. Moreover, it would reward enterprises when they implemented due diligence.
- Mutual recognition and streamlining of the Metals Agreement and other due diligence standards and initiatives remains an important topic for companies. This would increase synergy and coherence and decrease administrative pressure, allowing the Agreement to focus on addressing risks through collective impact projects.
- Some significant themes which have arisen include prioritising risks, conducting dialogue with suppliers and business relations in production countries, labour conditions during the transport of raw materials, and transparency in the chains, both from the origin of the raw materials and the (final) destination of secondary resources.
- The implementation of due diligence in small and medium-sized enterprises can be further optimised in the Agreement. Discussions regarding a future agreement have looked at how the due diligence process could be simplified while remaining in line with OECD guidelines and the UN's Guiding Principles for Business and Human Rights, without sacrificing content.

1.2 Collective projects and sharing

During year four, the decision was made to continue collective projects in year five

Various parties continued working on projects which had begun in previous years. These mainly focused on secondary metals in India and health and safety for mine workers in Bolivia and Peru. Parties also exchanged knowledge and experiences regarding due diligence themes, learning from one another and creating more awareness around specific sustainability topics. Further, parties discussed possibilities for follow-up and new collaborative projects which could begin after the fifth year.

What has the Metals Agreement achieved for you?

"Cooperations not only with colleague companies in the chain, but also with NGOs, trade unions, and governments, on various aspects of IRBC in the chains. It has expanded our networks, giving us increased access to information and knowledge about IRBC risks."

Karsten Pronk, Managing Director Wuppermann Staal

Health and safety for Andes mine workers

Improving health and safety in the mining industry: A collaboration between CNV Internationaal and Tata Steel

What is International Responsible Business Conduct (IRBC) in real life?

In the Netherlands, we talk a lot about this term; we have all sorts of guidelines and action plans. But how should it all be applied? The mining sector is challenging terrain when it comes to IRBC, as it is complex and full of health and safety risks. The miners perform difficult and intense labour. They work long days in badly ventilated mines, where they are constantly exposed to toxic gasses. It has seemed nearly impossible to achieve transparency and trust from mining companies.

The collaborative project between Tata Steel and CNV Internationaal addresses all these challenges. Through intensive cooperation and investigation among the miners themselves, these partners are striving to significantly improve safety and health conditions in the mines. This is an important step towards concrete, visible change in the daily lives of the workers. It shows how IRBC can truly contribute to improving labour conditions in real life. And they are doing so in one of the most difficult industries in the world.

Practical approach to sustainable change

"We began with thorough research into labour conditions and health risks in the mines," says Jeroen Dekkers, Responsible Sourcing Manager for Tata Steel Netherlands. CNV Internationaal used their Fair Work Monitor to investigate how mine workers experience health and safety risks. This is essential data for us, because while suppliers and mining companies can possess the proper papers and certificates which are supposed to guarantee a safe working environment, the research done among the miners themselves proves that their daily experiences are otherwise. "Research was conducted in three specific mines in order to determine the current, real-life situation. The results from the Fair Work Monitor have enabled us to have meaningful conversations with our suppliers and develop action plans which will actually improve conditions in the workplace," Jeroen continues.

CNV Internationaal's role

CNV Internationaal has played an irreplaceable role in this project: They have given the workers a voice. "There is no natural form of dialogue between workers and employers in many countries," says Elles van Ark, Director of CNV Internationaal. "Involving CNV can enable a constructive dialogue which will not only identify problems, but can find solutions as well. In addition, CNV's involvement ensures a more even playing field and a safe place to hold constructive conversations between a company, like Tata Steel, and the unions."

The collaboration between Tata Steel and CNV has opened doors which would have otherwise remained closed. "CNV has attained access to local companies, something which would never have been possible without Tata Steel. And CNV makes sure Tata Steel engages in talks with the workers," Jeroen tells us.

Transparency and trust are the foundation for change

"The lack of transparency in the chain is an enormous challenge," Jeroen goes on to explain. "Many companies do not know where exactly their metals come from or how the chain works. That makes it difficult to identify and address risks. Complete transparency is

quite rare, but essential when figuring out who to do business with and how to be accountable for your own practices.”

We also strive to be a reliable and trustworthy partner for our suppliers. “It is important they understand that we do not use the Fair Trade Monitor as a means to audit or find fault with them. We do it to gain insight into situations – so we can help them,” Jeroen emphasises.

A sustainable future

The end goal of the project is clear: To create a safe workplace and ensure that all workers can do their jobs in safety. “Over the course of the five years, we hope we will have been able to achieve significant progress and improvement for the local workers,” Jeroen says. “We would also like to inspire other enterprises to work in a similar manner and have a sustained, positive impact on labour conditions in the mines.”

In addition to CNV and Tata Steel, Wuppermann Steel and Nyrstar have also participated in this project for health and safety in the mining sectors in Peru and Bolivia. CNV and Tata Steel visited various mining regions in the Andes region earlier this year as part of this project. There they met with local stakeholders and held various conversations.

Labour conditions in secondary metals processing in India

Krommenhoek Metals and Global March Against Child Labour began a project together to gain deeper insight into child labour risk factors in the metals recycling value chain in India. An urgent need for social justice and more ethical trade practices were the driving forces behind their initiative. Even though Krommenhoek is a medium-sized enterprise, they still felt the obligation to contribute to a world without child labour.

"At Krommenhoek we felt a deep sense of responsibility to do what we could to help create a world free of child labour. This was at the core of our initiative to take a deeper look into the metals value chain and address labour and human rights issues there. The Metals Agreement has supported us 100% in our efforts."

It was Krommenhoek's goal to get deeper insight into the issues in their own chain so they could take action to remedy these. Cooperation with NGOs is essential to this process. NGOs make sure that the parties who are actually at risk are represented in the process, that their interests remain a focus and that the process is not merely about commercial gain. The collaboration between Global March Against Child Labour and Krommenhoek Metals was therefore ideal.

During the initial stage, the project entailed mainly desk research and conversations with local stakeholders and interested parties. This helped in gaining understanding about the complexities of the Indian metals chain.

While no evidence of direct links to child labour was found at Krommenhoek, it became clear that child labour was indeed an issue in the informal sector of their value chain. This meant that the project could no longer be continued with Global March Against Child Labour. Krommenhoek saw that their due diligence practices could be improved and therefore began searching for other companies in the metals chain in an effort to create better working conditions. Finding other companies and interested parties proved to be a challenge, as these types of initiatives are still quite new to the metals industry. After an intensive year-long search, Krommenhoek finally found a local partner company in Gujarat.

"We wanted to take up the challenge and make improvements. Finding and involving other companies and stakeholders proved to be a challenge as these types of initiatives are still new to the metals industry. After an intensive search, we found a local partner in Gujarat. This collaboration has brought new opportunities for a sustainable change."

At this point the need for cooperation with NGOs and local representatives is crucial. The Metals Agreement plays an important role by offering a platform for working together and taking further steps. Krommenhoek, together with NGOs and local representatives from the community, is working to begin conversations to start making the needed improvements in the chain. They are not doing this for themselves—they are quite a small enterprise in the larger scheme of things. They would like to inspire others. Their hope is to be pioneers and clear the way to better due diligence in the metals chains.

"We hope that in five years this project will have grown into a large-scale effort involving many companies, all of whom are working to make the metals chain just and sustainable. It is our hope that this project becomes a model, paving the way to more of its kind worldwide."

IUCN NL supports Nyrstar with “Double Materiality”

The Metals Agreement is assisting Nyrstar, as it does with many other European companies, with making their reports CSRD compliant. Nyrstar currently does not meet the CSRD requirements and is making preparations to be able to report on their data from the fiscal year 2025-2026 in 2027. Nyrstar’s reporting process will be consolidated into the CSRD compliant annual report of their parent company Trafigura. 2027 might seem a long way off, but CSRD’s European Sustainability Standards (ESRS) contain 92 topics and a potential 1000 data points. Being able to effectively report on all of these topics and learn the necessary lessons to implement findings (currently and in the future), requires a great deal of time.

Nyrstar began an extensive “double materiality assessment” at the beginning of 2024 in order to determine which themes were important to the company and their stakeholders. The assessment was to show how Nyrstar’s activities were impacting the planet as well as their possible financial impact on the enterprise. One important aspect of the assessment was interviewing external stakeholders in order to see how the company looked from the outside -in. They wanted to know what topics are important to external groups when they look at Nyrstar’s activities in the (zinc) mining and processing value chain.

In addition to local governments, suppliers, customers, and workers, Nyrstar also interviewed IUCN NL. Nyrstar’s Inge Maes (Global Head of SHEQ and Sustainability), Anel Hietbrink (Regional CHESS Coordinator), Jasper van Zon (Global Head of Corporate Affairs), and IUCN NL’s Antoinette Springer (Senior Expert Environmental Justice) held an open and constructive conversation where they examined what IUCN NL currently knows about Nyrstar’s sustainability and social activities and what an organisation like IUCN NL further expects from a company like Nyrstar in regard to transparency and reporting on possible issues/impacts in the value chain.

Jasper van Zon: “The stakeholder interview with IUCN NL has certainly helped us get more clarity on several points. Antoinette, like our other stakeholders, filled out a pre-determined questionnaire which provided insight on how IUCN NL looks at our upstream activities and lets us know how we potentially impact the eco-system and biodiversity of the regions where we obtain our zinc concentrates. It was good to learn that while Antoinette has a decent impression of what we do in the Netherlands, in Budel, where we have our Dutch zinc smelting companies, that what we do in the rest of the world, and especially how we work with our suppliers in the mining regions, is not very clear. That is an important take-away for us.”

Antoinette Sprenger: “These kinds of interviews create good opportunities to discuss topics with each other and find out more about the activities in chains of companies like Nyrstar. This insight is important to IUCN NL since such information is not always transparent or even available to the public. It also benefits Nyrstar to get more information and insight regarding human and environmental rights issues in the chains. The local context is especially relevant – these issues are not always visible to enterprises further up the chain.”

IUCN NL’s support to Nyrstar in determining topics that are material to the company in the context of CSRD is a good example of how the various participants in the Metals Agreement can strengthen each other.

1.3 Outreach

An optimistic vision for an expansion of the Metals Agreement remains. Expanding the network will increase the parties' collective influence in the chain, as well as the opportunities to effectively work together on various topics related to sustainability. The complex problems in the metals production chains require these kinds of collaborations. The Agreement was happy to welcome three new parties this past year.

New parties

Kasius

[Kasius](#) joined the Agreement 1 August 2023. Kasius is a family-owned company with some 60 employees and has been in the silver and gold jewellery business for more than 30 years. Kasius values transparent and sustainable business practices in the jewellery industry.

"We believe that collective accountability for sustainable practices in our supply chain will positively impact the jewellery industry, globally and beyond."

Royal IHC

[Royal IHC](#) joined the Agreement 1 April 2024. Royal IHC has been a leading supplier of maritime technology for the offshore, dredging, mining, and military industries since 1642. Global challenges, such as economic decline, climate change, and the energy transition, will have major consequences for the maritime industry. In light of these complex issues, sustainability has become top priority for this sector. Royal IHC would like to take the lead in working towards a greener future.

"Royal IHC wants to contribute to a sustainable future. Royal IHC is determined to play a leading role in making the maritime industry more efficient and sustainable."

FME gets a new role

Although [FME](#) has supported the Metals Agreement since its inception, this business association for the technology industry officially joined the Metals Agreement 1 June 2024. FME hopes that by playing a more active role, they will also be able to more actively involve their 2,200+ members in creating more sustainability in their supply chains around the world. The technology sector, after all, has long and complex supply chains and metals are one of their most significant raw materials.

Due Diligence Roadshow

After a successful first edition of the Due Diligence Roadshow in year 4, the training was done again last year, in cooperation with the Renewable Energy Agreement and the TruStone Initiative. These two-day trainings were given at various locations in the Netherlands and Flanders. Some 50 companies, with varying backgrounds, participated.

The goal of the Roadshow is to raise awareness around (international) responsible business conduct and increase knowledge about the OECD Guidelines. It also shows companies where common risks can be found in value chains and prepares them for upcoming legislation, like the Corporate Sustainability Reporting Directive.

The participating companies received a survey after the training. Nearly everyone said they gained new insight which would help them the chains more sustainable. All in all, it was educational and created more awareness for these important themes.

"The Roadshow was valuable for us –sharing information with other companies in the chain(network)."

Marika Gloudemans-van der Molen, Sustainability and Energy Coordinator for MCB the Netherlands

"The Agreement has raised awareness in our company. The Roadshows have really helped us creating a clear overview. The reporting is a good addition to our existing ISO certification."

Gerben Vos, Planner/Engineer Smart-M, Inc

OECD Forum for Responsible Mineral Supply Chains 2024

The Metals Agreement, together with [IRBC Agreement for the Renewable Energy Sector](#) , held a [partner session](#) during the OECD Forum on Responsible Mineral Supply Chains in 2024. During this session, the Dutch Ministry of Foreign Affairs, the German Gesellschaft für Internationale Zusammenarbeit, the Secretary for Metals and Renewable Energy Agreement, SSE Renewables, Tata Steel, and CNV Internationaal talked about the value of the multi-stakeholder collaboration for a just energy transition. Kumi Consulting led the session.

2. Looking back at the Agreement as a whole

5 Years of the Metals Agreement: Success factors

A round of questions among the participating companies has shown that the Agreement has contributed to raising awareness about accountability in the chains, due diligence risks in the chains, and sustainability legislation. The Due Diligence Roadshow training gave the companies new insights and practical tools. The companies have come to realise how valuable their new networks are, sharing expertise with like-minded partners. Within these networks, a great deal of information has been shared, including best practices and common issues around due diligence.

"The collaborations in the Metals Agreement have enabled us to achieve remarkable things, things that are also impressive outside the Netherlands."

Armin von Keitz, Manager Sustainable Development, Tata Steel Netherlands

The various tools and instruments which have been developed by the Agreement have assisted enterprises in meeting the (new) sustainability guidelines and standards. Establishing and improving their due diligence processes have helped them answer questions from customers regarding this topic. And the companies that have participated in collective projects have attained even more in the practical arena with these multi-stakeholder collaborations.

2.1 Overview years 1-4

This section gives a brief summary of activities and collaborations during the first four years. Each year refers to the annual report for that specific year if more details are desired.

Year 1 (2019/2020)

Due Diligence

The first year focused primarily on preparing due diligence processes and systems which would enable the companies to put IRBC into practice and creating responsible metals chains. One of the outcomes of these activities was the development and launch of the due diligence toolbox. This tool comprises several due diligence instruments and templates developed collectively by the parties. Companies can use it when working on the six OECD due diligence steps. Knowledge sessions were also initiated and nearly all the companies participated. They also used their responsible business tools and knowledge outside of the Agreement by participating in an update of the [raw materials scanner](#). This is an instrument offered by the Dutch government which assesses risks around raw materials.

Secondary metals

Parties looked at the due diligence toolbox from a recycling perspective and made concrete suggestions for making various tools and templates better suited for recycling companies. They also worked on strategies for attracting more parties to become involved with the Agreement. There were also plans for an IRBC event, but the outbreak of COVID19 brought these to a halt.

Collective actions and scaling up

The parties created a list of companies active in the metals sector and then developed a communications outreach strategy for potential new parties. Various communications materials were developed, including presentations, flyers, and a brochure. The Metals Agreement participated in the London Metal Exchange week and held a meeting with Eurometaux, bringing them international attention. This enabled them to engage diverse stakeholders in conversations about due diligence in the metals sector.

The parties spent the year building constructive business relationships with each other and with other supporting parties, including the independent director and secretary of SER. However, the first year was not without its problems. The outbreak of COVID19 created enormous challenges for enterprises. Even though the challenges they faced were not small ones, they were not hindered in their determination to continue working on their responsibilities to the Metals Agreement. Most importantly, after this first year, the parties confirmed that the Metals Agreement was indeed relevant to their organisation's process in making metals chains sustainable.

Read the complete Year 1 annual report [here](#).

Year 2 (2020/2021)

Due diligence

Due diligence instruments and templates were (further) developed and completed. The Maturity Assessment Tool was updated, the scoring system was improved, with the help of Kumi Consulting, an evaluation framework was added. The tool was further expanded with questions from the de [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#). Several due diligence knowledge sessions were organised, like the session on how to analyse risks (due diligence step 2) where parties from the natural stone and palm oil sector shared their experiences. The parties also used their due diligence expertise outside the Agreement. The Metals Agreement participated in a discussion with the International Zinc Association to give them feedback on their [SDG Zinc Sector Roadmap](#). This roadmap identifies possible impacts and actions for the global zinc industry and is to be used in the UN's Sustainable Development Goals (SDGs).

Secondary metals

Companies working with secondary metals as suppliers and producers have different due diligence processes, which the Metals Agreement acknowledges. A special work group for these supply chains is in place to address and support their specific needs. The actions for this group are tailor-made. Together with the Metals Recycling Federation, we held a webinar for recycling companies on IRBC and the Metals Agreement. In addition, parties have delved into the secondary metals stream, specifically the import and export streams, looking at their possible risks and negative effects on people and the environment. Two new recycling companies joined the Agreement.

Collective actions and scaling up

Companies performed a due diligence risk analysis for the first time in order to be able to develop a due diligence plan of action. This was a good opportunity to work with civil society organisations. The secretary aggregated the results. This information was used to organise a plenary session where parties selected two collective risks and addressed them together. These two risk factors chosen were health and safety and environmental risks with water. These would also be used further in later actions and projects. COVID19 affected scaling up

activities as many events had to be cancelled. The OECD Forum on Responsible Mineral Supply Chains took place online in year 2. The parties organised a partner session about the Metals Agreement. In addition, a webinar for FME members was held and the Agreement's website was expanded, including the addition of inspiring [stories of change](#). In total, five new companies joined the Agreement this year, including the recyclers.

The Metal Agreement's most important goal is still to achieve complete integration of international responsible business conduct, where human rights, labour conditions, and the environment are all taken into consideration throughout the metals chains. EU (future) due diligence legislation is becoming more concrete each day. The parties in the Agreement will be see tremendous benefit when the legislation is implemented in the not too distant future.

Read the complete Year 2 annual report [here](#).

Year 3 (2021/2022)

Due diligence

A digital due diligence tool was developed and used by companies to fill out their yearly due diligence information. Companies turned in the due diligence Maturity Assessments as well as their risk analyses. This year, more companies published IRBC reports and many of them also reported on their due diligence efforts. The analyses of the due diligence reports can be read in the [Year 3 annual report](#). Various knowledge sessions were held to further help the companies with their processes. One of the sessions was about public reports (due diligence step 5) and how to use data sources for a due diligence risk analysis (due diligence step 2).

Secondary metals

Parties organised a [meeting at A&M Recycling](#) in order to discuss IRBC challenges specifically related to the secondary materials chains. They improved various tools and templates, making them more specific to the needs of recycling companies. An interview by [SCHROOT!](#) magazine gained attention for the Metals Agreement. Two new recycling companies participated in the Agreement this year.

Collective action and scaling up

The parties identified collective risks and performed a collaborative investigation into health and safety in and around the mines in Peru, Bolivia, and Colombia. This laid the foundation for their first collective project. The companies also began projects in the chains, either independently or in cooperation with NGOs. These included a project on labour conditions in the processing of secondary materials in India and a field visit to manganese mines in South Africa. Efforts were made to get new parties involved, including taking part in the online OECD Forum on Responsible Minerals Supply Chains, interviews in professional journals, and a [promotional video](#) about the Metals Agreement. Two new recycling companies joined the Agreement.

This third year was turbulent one, for both the collaborations and the parties/individuals. Current events and developments in the world had a significant impact on the sector and those involved with it. COVID19, the war in Ukraine, the inflated energy prices due to that war, all played a part. The human rights violations seen in the Ukrainian war and Europe's dependence on Russian gas, have made it more than clear that international responsible business conduct and practices are needed more than ever. Despite all these challenges, the parties continued their collective work towards creating more responsible metals value chains.

Read the complete Year 3 annual report [here](#).

Year 4 (2022/2023)

Due diligence

The companies continued their due diligence activities. Analyses of these activities can be read in the [Year 4 annual report](#). Again, various due diligence knowledge sessions were held. These included sessions about a visit to a manganese mine in South Africa, child labour in mica chains, an overview of due diligence related legislation, and a company's application of the LME Responsible Sourcing Requirements. The Agreement's civil society organisations visited the companies to show them where they could support them in their due diligence process. Together with the companies a number of possible researches was identified which civil society organisations could work on in year five through desk studies or on-location projects. This research will lay the foundation for future collective projects.

Secondary metals

The parties organised a round table talk with external stakeholders and experts about the circular economy. Central themes included unity, the opportunities and the challenges the circular economy brings, IRBC, and raw materials policy.

Collective action and scaling up

Collective projects begun in previous years were continued. Metals Agreement parties took part in various events in order to bring (more) attention to the Metals Agreement and IRBC in the sector. They visited the OECD Forum on Responsible Mineral Supply Chains and presented the Agreement to the Chair in a webinar done by the European Resources Forum. Further, a series of due diligence trainings were organised in cooperation with other sector agreements.

One new company joined the Agreement.

The fourth year brought increased trust among the parties. Companies, trade associations, governments, trade unions, and NGOs have now begun to actively seek contact with one another and work together on various topics and themes. This is crucial when it comes to implementing due diligence well and having a positive impact on value chains. However, much effort is still needed from all the parties in the Metals Agreement if we are to achieve our goals completely. This is why many of the parties have expressed a desire to continue the collaborations established during this Agreement after the initial five years are over.

Read the complete Year 4 annual report [here](#).

2.2 Goals and results per theme

The Metals Agreement is built on three themes: 1) individual company and collective due diligence 2) responsible secondary materials supply chains 3) collective actions and scaling up.

For each theme, a work group plans, carries out, and monitors the activities. The parties were given a Road Map to provide them with direction in regard to timelines, goals, and results. This section looks at the goals and results of the fifth and final year of this Agreement process.

Due diligence

Individual due diligence: The goal was for each company in the Agreement to score at least 80% on their due diligence maturity assessment. Companies which hadn't been a part of the Agreement since the beginning had adjusted goals. The average score of the companies which had been part of the Agreement since its signing in 2019 is 66%. Our goal of 80% has not been reached. There are various reasons why, which you can read in section 1.1 of this report. It should be emphasised that many of these companies have greatly improved their maturity score in a period of five years or less.

Collective due diligence: No specific goals were set regarding collective due diligence. Roles and activities were created so that companies could work together at improving all of their due diligence processes. Various activities were done with help from the parties. These activities have contributed to improved due diligence performance, increased awareness and knowledge, and better application of practices. Some of the activities included knowledge sessions, 2-day Due Diligence Roadshow trainings, a due diligence toolbox, work groups, task forces, and meetings where due diligence topics were discussed and experiences were shared, one-on-one consultations between companies and civil society organisations and between companies and secretaries. More can be found on these activities in section 1.1 of this report.

Secondary metals

The goals for secondary metals had two parts:

1. First, we needed to develop a plan with tailor-made actions and tools to support due diligence in secondary materials supply chains. The secondary metals work group sought more information and knowledge regarding the international secondary metals streams and the due diligence risks related to processing these materials. During a round table discussion on the circular economy, recycling companies, civil society organisations, various governmental ministries, and experts talked about the challenges and opportunities presented by secondary metals, circular economy, IRBC, and supply security. It was difficult to get a clear image of the chains as a lack of transparency and traceability remains common in this field. The maturity assessment question list was made more appropriate for recycling companies by changing the format of (some) questions and also taking into consideration the perspective of the downstream chains (in addition to that of the supply side of the chain).
2. Secondly, we wanted to gain three new collectors, traders and/or processors of secondary materials. This goal was achieved with the addition of Krommenhoek Metals, A&M Recycling, and Raak Metals in the second and third year of the Agreement. Their participation shows that IRBC is also an important theme in the secondary metals chains. The Agreement would like more recycling companies to join this initiative so that IRBC challenges can be addressed together.

Collective action and scaling up

Collective action: The goal was to identify two due diligence risks based on the various companies' due diligence risk analyses. Two collective risks were identified. These were health and safety and environmental risks regarding water.

Several of the Agreement's parties looked at health and safety risks through a collective project in Bolivia and Peru. Environment/water has not yet been addressed as there have not been any concrete proposals or ideas for a collective project on this topic. Because there are

so many different types of companies working with different sorts of chains, it is sometimes difficult to create a specifically focused project which is relevant to all involved. Biodiversity is a theme that is showing potential for a collective project. And a project regarding child labour in the secondary metals chain in India has also been started. You can read more on these in section 1.2 of this report.

It seemed to be a challenge to find common themes for collective action due to the diversity of the companies involved in the Agreement. Expanding the Agreement to include more companies could help in finding more common ground for projects.

Scaling up: The goal was to have 50 companies signed up with the Agreement by the end of year five. At the end of year five, 14 companies have signed up. Despite a great deal of time and energy being spent on adding companies to the Metals Agreement, this goal was not achieved. Some of the activities done in this area include creating communication and outreach strategies, creating a website, brochures, and videos. Further, there were various collaborations with trade associations and presentations at national and international meetings, such as the LME week and the OECD Responsible Minerals Forum. Our parties' networks also assisted with these activities.

More about the outreach activities during year five can be read in section 1.3. The parties in the Agreement will continue working to expand opportunities for collaboration now and in the future. IRBC themes will be increasingly important to companies as new legislation--like CSRD, CSDDD, the Carbon Border Adjustment Mechanism (CBAM), and the EU Forced Labour Regulation-- and its implementation deadlines approach.

3 Looking forward

As the Agreement has progressed, parties have expressed a desire to continue it after its initial 5 year term. New parties are welcome. The parties evaluate improvements in regard to future collaborations.

Parties continue to express their ambition to continue the Agreement, although the specific details of doing so have not yet been determined. They motivate their desire to continue their cooperation based on how the metals sector is increasing sustainability and transparency throughout the value chains. Human rights and the environment are also important issues they still want to address together. As society and legislation is demanding more and more from companies and their value chains, it is extremely important to continue this current collaboration. By working together much more can be achieved than any one company can on its own. The tools can be developed further, projects, round table discussions, and knowledge sessions can continue to provide more information and insights. The Due Diligence Roadshow trainings can expand the networks. And in the due diligence process, cooperative efforts are essential if we want to move forward and really solve the problems.

An extension of the Agreement would be based on the same principles as the current one. Changes would include new goals for the coming five years, and an intention to focus more on projects so as to make a larger impact in the chains as well as increase the number of participants. The role of the government will also change in accordance with the [Letter to Parliament 6 November 2023](#). Cooperation between different Agreements has taken place during the past years, for example, when we organised the Due Diligence Roadshows (two-day trainings) and knowledge sessions. This will be continued in the future as well, so that IRBC information and experiences can be shared beyond just the scope of the metals sector.

What do you hope to accomplish in an extended Metals Agreement?

"Staying on top of the legislation. Having the tools to make good analyses in the chain. Getting more companies on the same level as us to join. Going deeper in our work together so we can make real progress. More sessions with the chain on double materiality and other CSRD related topics."

Marika Gloudemans-van der Molen, Sustainability and Energy Coordinator, MCB the Netherlands

"We hope companies from other parts of the world (Asia, India, Central and South America, Russia, North America [under Trump?]) will follow our noble example. If that doesn't happen, we'll just be isolating ourselves more and more. These things only work when we work together globally."

Richard Janssen, Logistics Manager, Handelsmij Gooimeer B.V.

"If we are able to continue participating, we will be contributing to the integration of international standards (like Molybdenum and Zinc Mark) in the Metals Agreement. We will also be ready for the upcoming legislation in these areas."

Jeroen Konings, Environmental Manager, Climax Molybdenum B.V.

4 Background

In July 2019, the International RBC Agreement for the Metals Sector was signed and put into effect. The Agreement has enabled interested parties in the metals industry to combine their strengths and work towards establishing and implementing international responsible business practices. The goal is to combat human rights and environmental violations in the industry that individual enterprises cannot accomplish on their own. You can find out more about the Metals Agreement with this [link](#).

Colophon

This is the 2023-2024 annual progress report by the IRBC Metals Agreement, published June 2024. This is the translation of the official document prepared in Dutch. In the event of differences in interpretation between the English and Dutch text, the Dutch text prevails.

Editors

Metals Agreement parties, Anouk van Esch (SER), Martijn Huijnen (SER), Tineke Lambooy (President), Iris Rietveld (SER), Sylvia Rensen (SER)

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Sociaal-Economische Raad (SER)
Bezuidenhoutseweg 60
P.O. Postbus 90405
NL-2509 LK Den Haag
The Netherlands
+31 (0)70 3499 499

www.imvoconvenanten.nl/en/metals-sector
metaalconvenant@ser.nl



SOCIAAL-ECONOMISCHE RAAD
(Social and Economic Council)

Bezuidenhoutseweg 60

P.O. Box 90405

2509 LK The Hague

The Netherlands

T +31 (0)703499 525

E communicatie@ser.nl

<https://www.imvoconvenanten.nl/en/metals-sector>

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