

Industry to formally establish Responsible Cobalt Initiative, to take action on sustainable cobalt supply chain

The Responsible Cobalt Initiative (RCI), first formed in 2016 as an initiative under the Chinese Chamber of Commerce of Metals, Minerals and Chemicals Importers & Exporters (CCCMC), aims to establish the Responsible Cobalt Initiative as a legal entity, with more than 20 member organizations representing the length and breadth of the cobalt supply chain.

The companies and organizations involved in the initiative currently include CCCMC, OECD and the companies Apple Inc., BASF SE, Beijing Easpring Material Technology Ltd., the BMW Group, Dell Technology Inc, Greatpower Jinchuan Advanced Battery Materials Corp, Guangdong Jiana Energy Technology Co. Ltd., Guizhou Zoomwe Zhengyuan Advanced Material Co., Ltd., HP Inc., Huawei Device Ltd., Hunan Shanshan Energy Technology Co. Ltd., Lanzhou Jinchuan Advanced Materials Technology Co. Ltd., L&F, LG Chem, Nanjing Hanrui Cobalt Co. Ltd. , Samsung SDI, Shenzhen Zhenhua E-chem Co. Ltd., Sony Corporation, Tianjin B&M Science and Technology Joint-Stock Ltd., Volvo Car Corporation, XTC New Energy Materials (Xiamen) Ltd. and Zhejiang Huayou Cobalt Co., Ltd., as well as a number of other supporting companies and organizations. The group aims to operate according to a set of transparent, registered by-laws, domiciled in Hong Kong.

Cobalt is a crucial raw material for the batteries used in computers, smartphones, and electric vehicles. The rapid growth of the electronics and electro-mobility sector are now creating an unprecedented global demand for cobalt. However, this growth has accentuated social and environmental risks for the cobalt supply chain. These challenges are most acute in the Democratic Republic of Congo (DRC), which supplies 60% of the global demand for cobalt.

Since the creation of RCI, the member organizations have made progress on transparency, governance of cobalt supply chain, risks evaluation, ASM formalization and community development. Now, with the upcoming formal launch of the Responsible Cobalt Initiative, the member organizations will take further concrete action towards the three goals identified at the start of the initiative:

- Construct and promote a **due diligence management system** for the cobalt supply chain **to increase transparency and improve risk awareness**, in compliance with the OECD Due Diligence Guideline for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains.
- Foster cooperation and promote **community action** in local mining communities to integrate local players into global value chains.
- Develop **effective and transparent communications** to provide the public regular visibility on progress made towards our goals, activities and results.

In preparation for the formal establishment of RCI, over the past year, an evaluation of the initiative's possible areas of impact was conducted and initial measures have already been implemented. Several members of RCI commissioned and funded a [study conducted and published by the University of Berkeley](#) on Artisanal Mining, Livelihoods, and Child Labor in the Cobalt Supply Chain of the Democratic Republic of Congo, to better understand the situation on the ground, and to guide and define a systematic and effective course of action. The group is working with CCCMC and the Responsible Minerals Initiative(RMI) to co-develop cobalt audit program, including the data management infrastructure necessary to exchange information while maintaining confidentiality. Additionally, the group has commissioned a number of proposals for on-the-ground projects at artisanal mining sites including risk identification and control and remediation of child labor, to address cobalt sustainability at the source.

RCI will continue to invite member companies and organizations along the cobalt supply chain to join the initiative. This will guarantee consistent management and operation through membership fees. At the same time, the initiative will explore the possibility of extending the scale and scope of its efforts in improving corporate risk awareness, risk governance and due diligence capacities, through third-party funding.

About the Responsible Cobalt Initiative

The Responsible Cobalt Initiative, is an international industry coalition dedicated to creating a responsible, sustainable supply of cobalt. The membership organization, representing multiple stages of the cobalt supply chain, works with international partners to foster joint efforts from upstream and downstream enterprises and stakeholders, to establish an inclusive, sustainable and responsible cobalt supply chain.